

WEST GALVESTON ISLAND PROPERTY OWNER'S ASSOCIATION

MINUTES OF THE BOARD OF DIRECTORS MEETING

May 16, 2009

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BOARD OF DIRECTORS MEETING

The Board of Directors of the West Galveston Island Property Owners Association held a meeting on May 16, 2009 at the Galveston Country Club. Jerry Mohn, President called the meeting to order at 9:00 a.m. A quorum of Directors was present. Directors in attendance were Bermuda Beach – Bill McFarland, Condominiums – Tom Boothe, Isla Del Sol – Boyd Carr, Pirates Beach & Cove – Sidney McClendon, Pointe San Luis – Debra Phelps, Spanish Grant Beach – Peggy Zahler, Spanish Grant Bay – Barbara Peirsol, and Sportsman Road, Carol Stewart.

The following Officials were introduced: Galveston County Commissioner Bryan Lamb, Galveston City Council Member Karen Mahoney, Chair of the Parks Board Jeri Kinnear, and Officer Dana Williams with the Galveston Police Department.

Corporate Sponsor Peggy Zahler was also present.

The minutes of April 18, 2009, had been emailed and were reviewed. Upon motion duly made by Peggy Zahler and seconded by Sidney McClendon, the following resolution was adopted by unanimous vote. RESOLVED THAT, the Board approved the minutes of April 2009 as presented.

Jerry Mohn gave Treasurers' report. WGIPOA has total cash of \$32,800 and assets of \$44,200. Upon motion duly made by Bill McFarland and seconded by Debra Phelps, the following resolution was adopted by unanimous vote. RESOLVED THAT, the Board accepted by financial report.

Galveston Country Club: The WGIPOA acknowledged the comeback of the GCC and applauded the General Manager, Knute Lund, and his staff in bringing back the GCC to a real first class facility with great renovations. Hurricane Ike devastated the buildings and clubhouse and it took seven months to restore it.

Legislative Update: Sidney McClendon reviewed key bills going through the Legislature that were of interest to the west end. One particular Bill, HB2387, the GLO requested the WGIPOA and members to support it. HB 2387 is the funding source for the Coastal Erosion Planning & Response Act (CEPRA) Cycle VI and the amendment would generate approximately \$38 million. The main features of the Bill include:

- Set the percentage taken from the sales tax on sporting goods to 5%, which would generate \$12 million biennium)
- Dedicate certain federal off-shore royalties known as 8g, which currently go to the General Revenue account of the State. This would generate \$8 million biennium.
- Restore the Coastal Protection Fee on oil imported into any Texas port to 2 cents per barrel and expend the permissive use of the fund to include the coastal management programs of the GLO. This would generate \$18 million in new revenue per biennium. The fee was lowered in 2005 to 1.3 cents per barrel and the GLO would like to restore it to 2 cents per barrel.

The key Senator in accepting this percentage increase is Senator Huffman and the GLO requested

organizations and people to contact her to support it. A copy of the Amendment to HB 2387 and contact information for Senator Huffman was passed out to the audience.

Community Policing: Dana Williams: The Plan will be forthcoming toward the end of the year. There will be more effective coverage of the west end and his responsibility will be from Pabst Road west. Lt. Cardwell will have Pabst Road east. The program will be a full scale service type operation where the officer will become involved in the community so everyone gets to know them. They hope for more officers covering the west end. The non-emergency number to call for the police is: 409-765-3702

County Commissioner Bryan Lamb: Bryan advised the bonds passed in the last election will see major activity for the West End on Stewart Road with widening and strengthening the road near Dead Man's Curve. Bryan also wanted people to be aware in the event of a buy out by FEMA for a building or home, the property can never be built one again and will be vacant in perpetuity.

Windstorm Insurance: Otie Zapp advised two Bills remain for major insurance legislation; SB 1007, which is the Texas Department of Insurance Sunset Bill; and, SB 14, which is all about Windstorm Insurance. Otie praised Senator's Mike Jackson and Joan Huffman in stripping out really bad legislation in Bill SB 14, which was originally 58 pages. It is now in the House and Representative Eiland and Taylor are working feverously on revamping the Bill to be more palatable to the coastal communities. The Legislature will finish June 1 and of the 7,000 Bills filed, 4,000 just expired. It will go to the Conference Committee, which will have 5 Senators and 5 Representatives. The Chair of the House Insurance Committee, Smithee, and the Chair of the Senate Business and Commerce Committee, Fraser, will be on the Conference Committee, and both are opposed in helping the coastal communities. The SB 14 would like to change the make up of the Texas Windstorm Action Committee (TWIA) to have more non-coastal people on the Board. Currently, windstorm rates are based on actual experience but the Bill would substitute with models, which could increase rates by 52%. Building code inspections are also an issue with more stringent procedures for claims satisfaction rather than settling the matter at a courthouse.

Otie advised to see the website for the Coastal Windstorm Insurance Coalition at: www.ewictx.org

District 6 Report – Karen Mahoney, City of Galveston Counsel Member. Disaster recovery funds or the Community Block Development Grants are being reviewed in two sessions. The first one will deal with the \$160 million for housing, which City Council is reviewing now; and the second will deal with \$127 million for infrastructure, which should start in June for review. Karen encouraged the public to speak during the public comment period at City Council meetings because they do listen. Approximately .08% of the Disaster Recovery funds will go to Code Enforcement or \$125,000 and Karen would like to see this doubled to \$250,000.

Karen advised FEMA no longer pays for 100% for debris removal and this ended 4/26. It will now be a 75% re-imburement. This could cost the city \$4.3 million the end of this fiscal year, 9/30/09. The City may set a limit for debris pick up at June 30 and after it will be the responsibility of the residents to dispose of it.

Bollards have been placed on the beach with signage but people are still ignoring them and driving on the beach. The City will allow subdivisions with coordination with the Planning Department to place signs on the beach that identifies the ordinance, where police can issue tickets and make arrests. Also, the City will change some of the signs so they are easier for vehicles to see; some are now too far north of the beach to see and they face the dunes.

The City is also considering set back changes for new construction at the beach. Currently, they are 25 feet from the north toe of the dune and discretion to the builder of 50 to 75 feet. The City is looking at making this mandatory.

A Bio Lab discussion prevailed with the Bill submitted by Senator Huffman.

Seaweed: The Parks Board manages the cleaning of beaches unless a subdivision has their own firm. A permit is required and when the Parks Board starts to clean the seaweed again (they lost all their equipment and are just getting some in), they will do a subdivisions with permits. First priority in cleaning is in front of the Seawall and the west end will be done on an available basis.

Galveston Island Conventions & Visitors Bureau: Melody Smith and Meg Winchester: Reviewed all the attractions on the island including:

- Beaches, bays, estuaries, marine life, fishing NOAA sea turtles, sand and surf
- Dickens on Strand, Home Tours, Mardi Gras, Sand Castle, Galveston Uncorked
- Moody Gardens – Aquarium, Discovery, 3DImax
- Step back in time – a rich and colorful history; Island tours to bring the past to life. 36 square blocks downtown of history; 1894 Opera House
- Museums – Galveston Historical; Galveston Railroad; Texas Seaport; Great Storm; Ocean Star Oil Rig; 1877 Tall Ship Elissa; Lone Star Flight Museum; Seawolf Park
- Homes – Aston Villa; Bishop's Palace; Menard House; Moody Mansion; Williams House and many more
- Hotels, Bed & Breakfast, Rental Homes
- Cruises
- Galveston Island Convention Center www.galveston.com

Galveston Island Convention & Visitor Bureau on Tourism

How important is Tourism to Galveston Island?

- Tourism brought in 5.4 million visitors to Galveston
- Tourism industry employed 11,560 people
- Tourism generated \$809 million in revenue for Galveston
- Tourism generated \$40 million in local tax
- Tourism accounted for \$249 million in wages

About The Galveston Island Convention & Visitor's Bureau: The purpose of the GICVB is to advance the economic vitality of tourism on Galveston Island, the number one attraction for visitors outside of the state of Texas. Under the direction of the Park Board of Trustees, the GICVB promotes leisure and business travel, special events and the Galveston Island Convention Center at the San Luis Resort.

Convention Visitor's Bureau (CVB) Core Objectives:

- Increase hotel occupancy by soliciting conventions, meetings, social events, bus tours, and cruise passengers.
- Grow leisure visitation to Galveston
- Gain more exposure for Galveston Island as a visitor and convention/meeting destination through direct sales, paid advertising, promotions and public relations.
- Increase future utilization of the Galveston Island Convention Center at the San Luis Resort
- Promote the image of Galveston and coordinate the marketing and advertising efforts for the Island

GICVB Funding

- Government municipality functioning within the Park Board of Trustees
- Funded solely by Hotel Occupancy Tax (HOT)

- Current tax is 15% - 9% local and 6% state
- 9% Local Tax Breakdown
 - 3% CVB
 - 1% Beaches
 - 0.875% Arts & Historic Preservation
 - 2.125% Operating Convention Center paid to Landry's
 - 2% Brimer Bill – Bond Department

Galveston Island Convention Center at the San Luis Resort

- 140,000 total square feet
- 43,100 square foot column-free Exhibit Hall
- 15,500 Grand Ballroom – divisible by three
- 12 Breakout rooms
- Complimentary:
 - Transportation between the Center and contracted hotels
 - Wireless internet
 - Covered parking

How does the CVB Market Galveston Island?

- Attend Trade Shows Nationwide
- Direct Sales Efforts – in market sales plus Hyland Group
- Public Relations
- Paid Advertising

Group Sales Process

- Site selection presentations
- Request for proposals (RFP)
- Offer "one stop shop" information for hotels, attractions and restaurants
- Coordinate site inspections of the island during the selection process
- Convention housing
- Publicity and help build attendance

Group Sales Process

- Arrange spouse tours, family activities and offsite event locations
- Display a Galveston Island information booth with brochures during registration
- Assist with welcome packets, door prizes, collateral materials, transportation and more

"Comeback Campaign" since Ike

- PR/Marketing – 3 Key Strategies
 - Refined public and media relations activities
 - New advertising enhancements
 - Paid/in-kind advertising partnerships
 - Television
 - Radio
 - Internet

Public relations Highlights

- Enhanced media relationships
- FAMS, road shows & desk sides
- Key-messaging developed
 - Rediscover a Texas Treasure
 - An unbreakable treasure on the Texas Coast
 - Rich in history, tradition and resilience
 - Allure of the Island

Spring Campaign March-June

- Print Ads
- In addition \$200,000 Campaign
- Comcast partnership with President Bush
- Channel 2 promo with Frank Billingsley (Feb and March)
- Clear Channel Radio on MIX, Sunny, Mega 740 & 790
- Spur Interactive – Internet Broker

How Can You Help?

- How many meetings do you attend out of town each year?
- When was the last time (if ever) they held their meeting in Galveston
- How can we work together to bring meetings to the Island?

Adjournment at 11:30 AM

Susan Gonzales
Secretary
