

2. DISCUSS HISTORY AND OPERATION OF THE LIGHTHOUSE BEACH PARK AND RECOMMENDATION OF PARKS BOARD TO REINSTATE ADMISSION FEES.

Attached:

- FYE 2024 Beach Expense Budget \$210,294.
- Detail of increased rental fees as recommended by the Parks Board
- Copy of the current fee ordinance showing recommended new rates in red.
- Revenue and expense information over the past 10 years, including occupancy rates since FYE 2021. (11"x17" sheet)

Potential topics to discuss

a. BUDGETARY AND FINANCIAL MANAGEMENT POLICY

Our current policy states: *"It will be the general policy of the City that fees collected will be spent on maintenance of the facilities grounds, and other structures. The general fund tax dollars will not be used for this purpose."*

I'd like to clarify the position of the Council. I believe this policy as stated does allow Capital Improvements to be made to the Beach facilities with expenditure of General Fund dollars, but clearly not maintenance. We might want to think about proposed capital improvements that would directly benefit the campground and not the general public visiting the park - perhaps such Capital Improvement projects should be restricted from using General Fund Dollars, but use only revenue generated from the Campground.

b. PERMITTED LENGTH OF STAY FOR SPACES:

The Parks Board began discussing ways to make the LHB Campground more conducive to tourists and vacationers vs. long-term rentals in 2017, including limiting the allowed stay. Actually, this was a topic on the Parks Board agenda on Aug 16, 2017 just before Hurricane Harvey.

In May 2021, Council adopted the current Campground rate structure which no longer provides a monthly rental rate for the waterfront sites. The current policy is:

- that RV spaces on the hill and the pull thru's are available daily, weekly, or monthly. The maximum permitted stay is 6 months, at which time the RVer must move out of the campground. After 2 weeks, the can apply for a new rental space – again for a maximum of 6 months.
- The waterfront sites are available for daily or weekly rentals for a maximum of two weeks.

c. CAMPERS VS. LONG-TERM RENTALS:

Staff and the Parks Board are using the term Campground instead of RV Park when referring to the RV rental sites on Lighthouse Beach Park. The intention is to attract tourists

to the area or people RV'ing on vacation up and down the Texas coast for example. Our hope is that when a family or a retired couple want to bring their RV for a brief stay in Port Lavaca, that there will be a site available that they can book. It is for this reason that the waterfront sites are not permitted for monthly rental. The downside is that these great spots have overall a very low occupancy rate, but tourists and visitors to the area are able to rent a space when they need it. The waterfront sites are generally full over holiday week-ends such as July 4 and Memorial Day.

d. LIGHTHOUSE BEACH PARK GATE FEES:

The City used to charge a fee for vehicle entrance to the park, as shown on the (still in effect) rate schedule. When a fee was being charged, the City was using Camp Hosts to man the booth and collect the fees as vehicles came in to the park. These were not PAID employees, but RVer's agreeing to work in this capacity in exchange for free rent. After issues were discovered with this arrangement, the City stopped utilizing this method of collecting fees since it would require hiring part-time employees and the park was in a rebuild mode for several years following Hurricane Harvey.

Now that we have recovered from the Hurricane, the Parks Board has recommended that Council consider reinstating the gate fees into Lighthouse Beach Park. As opposed to trying to hire part-time employees, which the City has found difficult to do in the past, the Parks Board discussed purchasing an automatic gate system where people can pay with credit cards, cash, or tokens that go with an annual pass or with their rental stay.

Attached is an example of such an automatic gated system.

City of Port Lavaca
Annual Budget
FY 2023-2024

Beach Operating Fund

Fund: 503

Expenditure Detail Cont'd

| Description | Actual 2021-2022 | Budget 2022-2023 | Estimate 2022-2023 | Budget 2023-2024 | Percent +/(-) |
|------------------------------------|---------------------|---------------------|-----------------------|---------------------|-------------------|
| 532.01 Audit Fees | \$1,960 | \$950 | \$2,550 | \$4,050 | 326.32% |
| 532.07 Legal - Regular | \$0 | \$0 | \$0 | \$0 | 0.00% |
| 532.06 Health & Fitness | \$37 | | \$111 | | #DIV/0! |
| 533.14 Contracted Services | \$54 | \$1,500 | \$500 | \$1,500 | 0.00% |
| 534.90 Leases & Rentals | \$0 | \$0 | \$0 | \$0 | 0.00% |
| 535.01 General Liability Insurance | \$4,561 | \$4,511 | \$4,425 | \$5,259 | 16.58% |
| 535.10 Windstorm Insurance | \$6,399 | \$12,390 | \$7,068 | \$8,500 | -31.40% |
| 536.01 Electricity | \$15,369 | \$35,000 | \$15,050 | \$35,000 | 0.00% |
| 536.02 Telephone | \$448 | \$450 | \$535 | \$550 | 22.22% |
| 536.03 Water | \$11,184 | \$30,000 | \$14,909 | \$30,000 | 0.00% |
| 541.02 Landscaping | \$0 | \$0 | \$0 | \$0 | 0.00% |
| 542.03 R & M - Building | \$3,219 | \$2,000 | \$700 | \$3,500 | 75.00% |
| 543.04 R & M Improvement OTB | \$29,477 | \$10,000 | \$10,000 | \$10,000 | 0.00% |
| 544.50 R & M - Furniture & Equ | \$0 | \$1,000 | \$0 | \$1,000 | 0.00% |
| 544.65 R & M - Machinery & Equ | \$433 | \$1,000 | \$500 | \$1,000 | 0.00% |
| 553.01 Xfer Out - Admin | \$5,208 | \$2,764 | \$2,764 | \$6,157 | 122.72% |
| 553.17 Xfer Out- FD 162 Dredging | \$15,000 | \$15,000 | \$15,000 | \$15,000 | 0.00% |
| 554.01 Cash Over/Short | \$0 | \$0 | | \$0 | 0.00% |
| 554.81 Depreciation Expense | \$0 | \$0 | \$0 | \$0 | 0.00% |
| 554.90 Miscellaneous | \$360 | \$0 | \$285 | \$0 | 0.00% |
| 554.91 Credit Card Fees | \$4,340 | \$6,000 | \$7,265 | \$6,000 | 0.00% |
| 554.95 RV Booking Fees | \$3,723 | \$5,000 | \$5,767 | \$6,000 | 20.00% |
| 561.02 CE - Land & Improvement | \$0 | \$0 | \$0 | \$0 | 0.00% |
| 562.03 CE - Building & Improve | \$0 | \$0 | \$0 | \$0 | 0.00% |
| 563.05 CE - Infrastructure | \$62,480 | \$0 | \$0 | \$0 | 0.00% |
| Operations (1000) | \$172,544 | \$189,142 | \$152,593 | \$210,294 | |
| Total Expenditures | \$172,544 | \$189,142 | \$152,593 | \$210,294 | 11.18% |
| Expenditures By Category | | | | | |
| Salaries & Benefits | 6,414 | 59,777 | 64,549 | 74,778 | 25.09% |
| Materials & Supplies | \$1,878 | \$1,800 | \$615 | \$2,000 | 11.11% |
| Services | \$40,012 | \$84,801 | \$45,148 | \$84,859 | 0.07% |
| Maintenance | \$33,129 | \$14,000 | \$11,200 | \$15,500 | 10.71% |
| Sundry | \$28,631 | \$28,764 | \$31,081 | \$33,157 | 15.27% |
| Capital Expenditures | \$62,480 | \$0 | \$0 | \$0 | 0.00% |

** - Working Capital Basis

++ - As re-stated per FY2020 Audit

Beach Operating Expense Budget 2023-24

| | | |
|---|-----------|-------------------|
| Personnel | \$ | 75,000.00 |
| Materials & Supplies | \$ | 2,000.00 |
| Services (utilities, insurance contracted services, etc.) | \$ | 85,000.00 |
| Add \$15,000 to the \$30,000 budgeted electricity | \$ | 15,000.00 |
| Maintenance | \$ | 15,000.00 |
| Sundry | \$ | 33,000.00 |
| Mowing expense from General Fund Parks | \$ | 35,000.00 |
| | \$ | 260,000.00 |

To reflect the recent increased cost of electricity and to capture the cost of the maintenance mowing by the Parks Dept (Gen Fund), I've added \$50,000 to the FYE 24 Beach expense budget.

| CURRENT RATES | | |
|------------------|-----------|----------------------|
| RV's | occupancy | |
| Back-In Hillside | 28 65.0% | \$ 500.00 mo |
| Pull through | 4 95.0% | \$ 500.00 mo |
| Waterfront | 19 15.0% | \$ 55.00 daily |
| | | <u>\$ 109,200.00</u> |
| | | <u>\$ 22,800.00</u> |
| | | <u>\$ 57,213.75</u> |
| | | <u>\$ 189,213.75</u> |

| PROPOSED RATE INCREASE by PARKS BOARD | | |
|---------------------------------------|-----------|----------------------|
| RV's | occupancy | |
| Back-In Hillside | 28 65.0% | \$ 700.00 mo |
| Pull through | 4 95.0% | \$ 700.00 mo |
| Waterfront | 19 15.0% | \$ 75.00 daily |
| | | <u>\$ 152,880.00</u> |
| | | <u>\$ 31,920.00</u> |
| | | <u>\$ 78,018.75</u> |
| | | <u>\$ 262,818.75</u> |

NOTE: 15% is approx. 60% of waterfront full on 60% of weekends (3-day stay)
 Note: If 6 of the waterfronts were available for monthly rental at \$900/month, and had 65% occupancy:
 6 spaces 60% occupancy \$ 38,880 \$900*12*60%* 6 spaces
 13 spaces 15% occupancy \$ 53,381 \$75*365*15%*13 spaces
\$ 92,261

GATE FEES \$66,000 2016-17 (pre-Harvey)

| Section Number | Subject | Current Fee Amount | Recommended by the Parks Board |
|--------------------------|--|-----------------------------------|--------------------------------|
| 32-71(d) | Minor and special event permit | No charge | |
| 32-71(e) | Lighthouse Beach and RV Park | | |
| | Hill sites: | | |
| | <i>Daily rates:</i> | \$50.00 | \$70.00 |
| | <i>Weekly rates:</i> | \$250.00 | \$375.00 |
| | <i>Monthly Rate:</i> | \$500.00 | \$700.00 |
| | Waterfront Sites: | | |
| | <i>Daily rates:</i> | \$55.00 | \$75.00 |
| | <i>Weekly rates:</i> | \$325.00 | \$450.00 |
| | <i>Day use cabanas:</i> | \$50.00 | \$70.00 |
| | Lighthouse Beach and Campground other fees: | | |
| | <i>Tent sites</i> | \$20.00 | \$25.00 |
| | <i>Miscellaneous rates:</i> | | |
| 32-71(d) | Annual day pass | \$25.00 | |
| 32-71(d) | Annual senior day pass | \$20.00 | |
| | Day pass | \$5.00 | |
| | Day pass bus non-school | \$45.00 | |
| | Dump station | \$40.00 | |
| | <i>Pavilion rentals: per day</i> | | |
| | Lighthouse Beach pavilion includes 20-day passes | \$200.00 | |
| | Bayfront Peninsula Pavilion Area 1 | \$150.00 | |
| | Bayfront Peninsula Pavilion Area 2 | \$500.00 | |
| | Bayfront Peninsula Pavilion Area 3 | \$2,000.00 | |
| | <i>Pavilion deposits: per event</i> | | |
| | Bayfront Peninsula Pavilion Area 1 | \$150.00 | |
| | Bayfront Peninsula Pavilion Area 2 | \$500.00 | |
| | Bayfront Peninsula Pavilion Area 3 | \$2,000.00 | |
| 32-73(b) | Alcohol-in-the-park permit | \$50.00 (No waiver or exceptions) | |