

The Jekyll Island State Park Authority (JIA) Finance Committees met in a public session at the Administration Conference Room at 100 James Road, Jekyll Island Georgia on Wednesday, June 2, 2021 in person and via phone.

Finance Committee Members Present:

Mr. Bill Gross, Finance Committee Chair
Commissioner Mark Williams
Mr. Joseph B. Wilkinson Jr. via Teleconference
Mr. Bob Krueger via Teleconference
Mr. Trip Tollison via Teleconference
Dr. Buster Evans via Teleconference

Finance Committee Members Absent

Mr. Glen Willard

Key Staff Present:

Jones Hooks, Executive Director
Marjorie Johnson, Chief Accounting Officer
Noel Jensen, Chief Operations Officer
Jenna Johnson, Human Resources Director
Michelle Webb & Anna Trapp, Executive Assistants
Alexa Orndoff-Hawkins, Director of Marketing & Communications
via phone
Melissa Cruthirds, General Counsel via phone

It was noted on the agenda that opportunities for written public comments would be received online as part of the regular June Board Meeting prior to budget consideration by the Board.

I. Finance Committee

Chairman Bill Gross called the meeting to order at 9:30 a.m. and called the roll. A quorum of the Finance Committee was established.

A.) Mr. Jones Hooks, Executive Director and Ms. Marjorie Johnson, Chief Accounting Officer gave the Committee an overview of the Fiscal Year 2022 Proposed Budget. Mr. Hooks highlighted the Authority's efforts to also control and cut costs during this unexpected and unprecedented year of leisure travel. Both the COVID-19 Pandemic and the Ransomware attack were challenging, but the organization was able to overcome.

Mr. Hooks announced that if adopted, this budget would be the largest in JIA history with expected net revenues of \$30,401,486. Mr. Hooks then spoke to the following highlights from the proposed budget:

- A 2% merit raise for employees
- Creation of a separate Park Services Department to enhance janitorial operations for guests
- \$100,000 budgeted for website redesign improvements
- \$75,000 budgeted for oceanside bike path engineering
- \$130,000 allotted for the golf course archaeology study
- \$72,000 for additional computer security
- \$17,000 for trademark registration fees

- Increased personnel coverage for Beach Village janitorial and landscaping and services, as well as \$70,000 for pressure washing and painting
- \$203,000 for water tank maintenance
- \$20,000 for the 20th annual celebration of Island Treasures (glass floats)
- \$50,000 to for improvements to mini golf, including the replacement of carpet
- \$307,000 for additional Summer Waves improvements
- A projected \$132,000 in Tennis Revenues, as compared to five years ago when tennis revenues which were only \$53,000.

Also,

- \$2.5 million in Golf net revenues as compared to \$1.9 million before the pandemic began
- The continuation of JIA amenities to account for more than 40% of JIA net revenues
- Parking fees contributing 16% of revenue

Mr. Hooks highlighted the parking fee and Hotel/Motel Tax allocation recommendations. Mr. Hooks concluded his overview with an emphasis that the budget was crafted follow the Capacity Study.

Commission Williams complimented the budget and particularly liked the parking fee allocation explanation. He requested more details about the amount budgeted to the Golden Isles Convention and Visitors Bureau. Mr. Hooks explained that the amount was a negotiated fee and was covered by the Hotel/Motel tax.

Mr. Krueger commented that he felt this budget was realistic and represented a resurgence from the pandemic. Mr. Hooks thanked Mr. Krueger for his vote of confidence. Mr. Hooks did state that the Summer Waves budget, due to two summers of pandemic impact, was predicted to be low, but he was hoping for increased revenues.

There were no other comments or questions regarding the budget overview.

1. Mr. Hooks then presented the full-time position changes for FY 2022. Several of these were executive development positions in Accounting, Water/Wastewater, and a new Deputy Director position. Also changing, but not requiring a vote, was the promotion of Michelle Kaylor to Director of the Sea Turtle Center. Dr. Terry Norton would become the Director of Veterinary Services and Wildlife Health. Also proposed were several full-time firefighter/paramedic positions to ensure coverage on the island. Also included in the FY 2022 budget were a Human Resources Recruiter, and a Park Services Manager. Two positions proposed to be eliminated were a Museum Interpreter/Tour Guide and the Brand Ambassador.

Commissioner Williams inquired if the Chief Operations Officer position would be retained with the addition of the Deputy Executive Director position. Mr. Hooks clarified that the Chief Operations Officer position would be eliminated if this budget was approved. Ms. M. Johnson clarified for Commissioner Williams the personnel cost for the Administration Department was proposed to be \$2.6 million which included benefit costs. This was a change from \$2.3 million from the year previous.

Mr. Hooks then discussed the ongoing improvements to training. Ms. M. Johnson then also discussed the addition of a part-time position to the Legal Department.

Commissioner Williams asked about the role of Special Assistant Attorney Generals (SAAGs). Mr. Hooks responded that the Authority primarily utilizes their services for trademark work.

Commissioner Williams moved to approve the full-time position changes for FY 2022. Mr. Krueger seconded the motion. The motion was unanimously approved by those Committee Members present.

2. Mr. Hooks then discussed the Capital Equipment and Projects Requests. The history and the current requests were presented to the Committee for their review. Also listed were the projects already approved by the Board during regular Board Meetings. A total of \$1,139,500 was requested for additional projects. Mr. Hooks highlighted the following projects including:

- an airport hanger designed to attract ten planes required by the Federal Aviation Administration (FAA) for an annual funding stream for future improvements
- funding for Golf Course improvements and a possible reserve account
- and money allocated for leasing management software which is sorely needed

Additionally, the estimated balance of FY 2021 funds remaining for reserves or additional capital was \$643,731.

The Public Improvement Fund proposals included a new playground and additional sections of bike path paving. Tourism Development funds will also be used for bike path paving. Water/Wastewater projects from the Water/Wastewater fund were also listed. The Fire Equipment Fund was reviewed.

Ms. M Johnson outlined for the Board the Public Improvement Fund. This new fund was created from the remaining Parking Fees after departmental allocations.

Mr. Noel Jensen clarified for the Board that the ambulance reviewed was a new chassis which will extend the life and decrease the cost of future replacements.

Mr. Gross clarified, after the proposed improvements, which sections of the bike path system would remain to be repaved. Mr. Hooks responded only sections D, G, and I in north of the island would remain. Section I the most challenging and expensive due to construction across the marsh.

Dr. Evans moved to approve the Capital Equipment and Projects Requests for the fiscal year 2022. The motion was seconded by Mr. Krueger. The motion was unanimously approved by those Committee Members present.

3. Next, Mr. Hooks outline the rate increases for the Committee. Mr. Jensen had performed significant comparative work to ensure the Authority was charging appropriately for the region. Fees in golf, bike rentals so new equipment can be purchased, and \$1 increase to admissions to the Georgia Sea Turtle Center were proposed. New water rates for commercial customers have also been proposed since no fee increases had been implemented during the pandemic. Sewer fees were proposed for a 7% increase for residential rates and 13.6 increase for commercial customers. Waste Management, who

provides trash service for Jekyll Island is also raising their rates by 2%. Mr. Jensen then spoke in detail to the comparison work he had completed in conjunction with the University of North Carolina Department of Government Water, Wastewater, and Storms. He noted the importance of charging the appropriate amount for services so deferred maintenance can be addressed, maintaining the integrity of the infrastructure systems as outlined in the Capacity Study.

Commissioner Williams asked about the Authority's communication with hotel partners regarding the water fee increases. Mr. Jensen answered they were informed previously of the increases to catch up with the deferred maintenance. Mr. Hooks stated that even with these increases, water on Jekyll Island would still be less expensive than other areas of Glynn County.

Mr. Gross asked if the JIA had any capital recovery fees. Mr. Jensen said no, only a tap fee for equipment and installation. Mr. Gross said this was unlike other areas that charged capital recovery fees for new construction. Mr. Hooks stated new properties did have to participate in other improvement opportunities such as paving.

Commissioner Williams stated that it was his understanding to participate in grant funding for water/sewer systems, municipalities had to show they were charging appropriately to maintain the infrastructure systems.

The motion to approve the rate increases was made by Commissioner Williams and was seconded by Mr. Krueger. The motion was unanimously approved by those Committee Members present.

4. Ms. Jenna Johnson then gave a report on the Incentive Plans. The State of Georgia requires an incentive policy. JIA approves the proposed 3 plans every year with the budget. There were no changes to these plans from years previous. She highlighted incentives for employees were conditional to fund availability and performance.

Mr. Krueger moved to approve the Incentive Plans. The motion was seconded by Dr. Evans. The motion was unanimously approved by those Committee Members present.

B.) Committee Consideration of the Fiscal Year 2022 Proposed Budget and its components was then considered. Commissioner Williams inquired about the proposed budget for the Golf Course. Mr. Hooks reported that while Golf was still operating at a deficit, it was a considerably smaller deficit than years previous. Mr. Gross commented that downstream revenue had the potential to balance future budgets.

Mr. Krueger moved to approve and recommend the adoption of the Fiscal Year 2022 Proposed Budget and its components. Commissioner Williams seconded the motion. The motion was unanimously approved by those Committee Members present.

There were no public comments.

The motion to adjourn was made by Commissioner Williams and was seconded by Mr. Krueger. The motion to adjourn was passed with no objections. The Finance Committee Meeting adjourned at 10:26 a.m.