



MINUTES

CALL TO ORDER

Chairman Humphreys called the meeting to order at 2:30 p.m.

PRESENT

Chairman Cole Humphreys

Council Member Kurt Johnson

Council Member Junior Ezeonu

STAFF PRESENTATIONS

1. Water and Wastewater Rates Discussion

Deputy City Manager Megan Mahan presented this item to the committee noting that in 2023, the City adopted several changes to its long-standing rate structure and policy. Goals of the changes were to create equity among customer classes, including equitable treatment for home and apartment residents; to ensure water and wastewater pay their respective cost of service and to ensure each customer class pays its cost of service. Summary of 2023 changes, for residential were new conservation rate block tiers and for multifamily to implement per unit multifamily charge and fixed consumption rate and increase commercial and multifamily wastewater billed percentage from 80% to 100%. In addition, the presentation to the committee included the 2024 Budget, FY24 Projected Revenues and FY24 Projected Water Usage, House and Apartment Dwellers - Difference in Structure Create Challenges and Approve Rate Plans for Multifamily and Residential.

Chairman Humphreys asked for clarification on the percentage increase from 80% to 100%. Ms. Mahan said the increase is for multifamily wastewater only. In addition, Ms. Mahan informed the committee that multifamily receive one bill for total consumption, and the some of the inconsistencies are because some of the apartment owners do all bills paid, others charge a flat fee, and others are sub-metered. Chairman Humphreys asked if the city had knowledge of how the apartment owners are handling the disbursement of the one bill for total consumption to their residents. Ms. Mahan said staff is diligently working on obtaining this information but does not have a completed list to present at this time.

Chairman Humphreys said he has received several emails from residents upset that their water bill has doubled or tripled. Ms. Mahan said this generally depends on the apartment owner. Council Member Johnson said this increase is similar to an increase in electrical bills as it is based on consumption. City Manager Bill Hills added that the city charges one rate going into the pipe and meter from the street. The apartment owner who sub-meter, own, operate and read those meters not the city.

Council Member Johnson asked if Council Member Ezeonu should recuse himself from this discussion as he received a campaign contribution from one of the apartment owners complaining on the new rate increase. City Attorney Maleshia McGinnis said it was not necessary as this item was a presentation only. Chairman Humphreys said it would like to know specifically if the residents water bills are doubling and tripling. Ms. Mahan said this would have to be viewed on a case-by-case basis. Consultant Dan Jackson was present and discussed the uniqueness of the rate structure, the impact to multifamily and residential rates noting he is not aware of any that would have doubled or tripled and said to keep in mind multifamily rate were significantly under recovering. Council Member Johnson asked Ms. McGinnis for a ruling to table the presentation as it gives the appearance of improprieties. Ms. McGinnis said it was not necessary to table the presentation. Chairman Humphreys reminded the committee that this was a staff presentation with no support or denial required by the committee, and he did not want to waste staff time to debate whether or not to table the presentation.

Council Member Johnson asked how many apartment complexes are asking for a rate change adding a rate change would be a decrease in city revenue of approximately \$3-4 million dollars. Council Member Johnson said ultimately the responsibility is how the apartment owner handles the one bill for total consumption received. Chairman Humphreys said Council Member Johnson's comment is alluding it is only one apartment complex complaining and the issue at hand is how the city charges to distribute water to all its residents. Chairman Humphreys asked when it comes to Capital Improvement Projects and maintaining infrastructure is the city ahead or behind; and what the city is charging in water and wastewater, and what the city is spending for water and wastewater is the city subsidizing these costs. Mr. Hills answered the city is behind and confirmed the city is subsidizing some of the costs. Chairman Humphreys asked how the city would be impacted if it continues subsidizing some of the costs. Mr. Hills said a reduction in water and wastewater cost would reduce our current AAA and AA bond rating, in turn potentially increasing our interest rates and making it more difficult to borrow money on CO's and GO's. Mr. Sabonis of Hilltop Securities per Mr. Hills request provided the committee with an overview of the city's current bond rating and gave a synopsis of how and what the possibility would be in our rates were reduced, break even and impact to future bond ratings. Council Member Ezeonu asked the impact to the city's future bond rating if the city removed the base charge from the wastewater charge. Mr. Hills said this would jeopardize the city's bond rating significantly and said it is best to do a new rate study noting the new rate study would be a 6-8-month process, current rates would remain in place until the completion of the new rate study and presented to Council for consideration of adoption in October 2025. Chairman Humphreys asked if a new rate study is not done now when would the new rate study be done. Mr. Hills said a new rate study would be performed in 5 years. Council Member Johnson agreed that a new rate study should be performed in 5 years. Chairman Humphreys asked are we going to decide as a city to subsidize water specifically for multifamily. Council Member Ezeonu said he would like the city to consider looking into this matter. Mr. Hills said we can go back and look at it, taking the recommendation of this committee of possibly raise commercial rates to offset the multifamily rates but noted the most effective and proper way is to perform a new rate study. Council Member Johnson was in opposition of raising commercial rates to offset the multifamily rates, saying the City of Grand Prairie is open for business and welcomes new corporations to consider making Grand Prairie their home.

Mr. Rodney DeBaun, owner of Gibson Apartments, was present to voice his opposition in the new multifamily rates, stating he was not aware there was a problem until his renters complained of the significant increase to their water bill. Mr. DeBaun asked staff to review the rates being

charged to single and multifamily and be fair to all in their rate charges regardless of the type of dwelling they live in. Chairman Humphreys thanked Mr. DeBaun for his commitment to the City of Grand Prairie and mentioned this was a presentation only to the committee and staff would be review the committee's recommendations and bring forth to all Council for consideration.

The committee thanked staff for the presentation and efforts.

CONSENT AGENDA

Motion to approve consent agenda item two and motion to recommend approval of consent agenda items three through ten to City Council made by Council Member Ezeonu, seconded by Chairman Humphreys. The motion carried unanimously.

2. Minutes of March 5, 2024, Finance & Government Committee Meeting

Approved on Consent Agenda

3. Ordinance amending the FY 2023/2024 Pooled Investments Fund to allocate \$320,000 from the unobligated fund balance for the repair of Pond #2 and Pond #8 in Peninsula PID

Approved on Consent Agenda

4. Award bid for the completion of one residential reconstruction project as part of the HOME Reconstruction Program to Johnson Construction Services, in the amount of \$166,735.00

Approved on Consent Agenda

5. Annual contract for electrical services from Fort Worth Electric, LP through a Master Cooperative contract with The Cooperative Purchasing System (TIPS). This contract will be for one year (up to \$500,000.00 annually) ending April 30, 2025, with the option to renew for three additional one-year periods (up to \$500,000.00 annually), totaling \$2,000,000.00 if all extensions are exercised

Approved on Consent Agenda

6. Annual contract for Fleet Tire Repair Services from Rick's Tire Service, Inc. (up to \$50,000 annually). This contract will be for one year, with the option to renew for four additional one-year periods (up to \$50,000 annually), totaling \$250,000 if all extensions are exercised

Approved on Consent Agenda

7. A resolution of the City of Grand Prairie, Texas, providing authorization to submit applications for the Internal Revenue Service (IRS) Commercial Clean Vehicle Tax Credit to obtain a rebate up to \$7,500 per purchase of eligible vehicle(s) under the Inflation Reduction Act of 2022

Approved on Consent Agenda

8. Professional Design Services contract with LJA in the amount of \$214,750 for Master Planning and Phase I construction documentation and construction administration services for Prairie Park (Current location of Cricket and Rugby fields)

Approved on Consent Agenda

9. Contract with Falkenberg Construction Co., Inc in the amount of \$88,792.13, with a contingency of \$6,207.87 for a total of \$95,000 for additional fencing and gates at the EPIC Recreation Center turfed area through a Master Cooperative contract with Buyboard

Approved on Consent Agenda

10. Contract for the replacement of the existing HVAC system at Fire Station 7 from Trane U.S., Inc. for \$99,557.85 through a Master Cooperative contract with OMNIA Partners

Approved on Consent Agenda

ITEMS FOR INDIVIDUAL CONSIDERATION

11. Discussion and consideration of all matters related to the defeasance of \$5.7M of the “City of Grand Prairie, Texas, Combination Tax and Revenue Notes, Series 2019”, including the adoption of a resolution authorizing the execution of an escrow agreement, municipal advisor agreement, bidding agent agreement, and purchase of securities in the open market

Director of Management Services Thao Vo advised the committee that agenda items eleven and twelve would be presented together. Mr. Vo informed the committee that per the original amortization schedule, the City’s debt service payments are \$5,705,000 (principal portion) plus \$242,900 (borrowing interest) for a total of \$5,947,900 (principal and interest). Per the original schedule, payments would be made via the amortization schedule with a maturity date of 02/15/2026. If the Council approves the defeasance transaction, the City will provide a cash contribution of \$5,521,685. This amount includes both the estimated cash needed to purchase securities that will be placed in escrow (\$5,493,435), effectively retiring a portion of the debt early, plus an additional estimated (\$28,250) that will be used to cover associated defeasance costs. The estimated gain from interest earnings from the escrowed securities is \$183,315, plus \$242,900 in interest savings earned due to the early defeasance. The total estimated savings by the City for completing this transaction is \$426,215. This Resolution, if approved, will:

12. Discussion and consideration of all matters related to the substitution of investments within the Escrow account for “City of Grand Prairie, Texas, Sales Tax Refunding Bonds, Series 2022”, including the adoption of a resolution authorizing the execution of an escrow agreement, municipal advisor agreement, bidding agent agreement, and purchase of securities in the open market

Mr. Vo informed the committee that on December 14, 2021, the City Council approved authorizing refunding \$62.5 million in sales tax revenue bonds (Sales Tax Revenue Bonds, Series 2015). The debt was issued to improve the City’s parks and recreation systems. Hilltop Securities acted as the Municipal Advisor and Bidding Agent, which resulted in an escrow account with securities that will mature on 12/13/2024. The original escrow requirement date was 01/01/2025. Staff requests to authorize the substitution of current investments with new

securities that will earn interest from 12/13/2024 to 01/01/2025. The purchase would only be executed after a pricing analysis if the new investments can be purchased for less than the proceeds of the current investments when sold. If action is not taken, the funds will be uninvested for 19 days between 12/13/2024 and 01/01/2025, resulting in a lost opportunity for earnings. The resulting action would yield approximately \$100K after all related sale/repurchase fees.

This resolution, if approved, will provide flexibility by allowing staff to authorize the bidding agent to conduct a competitive sale of securities in the open market on April 23rd or at a later, more favorable date. If results are unfavorable on a particular date, staff can disengage and withdraw from the sale entirely with no fees charged.

Chairman Humphreys and Deputy City Manager Cheryl De Leon thanked staff for their efforts and the potential savings to the city. Motion to recommend approval of items eleven and twelve to City Council made by Council Member Johnson, seconded by Council Member Ezeonu. The motion carried unanimously.

13. Ordinance amending the FY 2023/2024 Capital Improvement Projects budget in the Economic Development CIP Fund and Capital Reserve Fund for the FY 2022/2023 General Fund sales tax in accordance with the City's Financial Management Policies

Mr. Vo presented this item to the committee noting the FY 2022/2023 General Fund revenues total \$176,982,213.96, including \$48,040,231.39 from sales tax. To comply with Section VI.S. of the City's Financial Management Policies, the General Fund will retain \$46,015,375.63 of the sales tax revenue.

Chairman Humphreys inquired on the use of the remaining funds. Mr. Vo said the remaining \$2,024,855.76 sales tax revenue will be distributed as, the first \$1M will be allocated solely to Economic Development and the additional funds of \$1,024,855.76 will be evenly distributed to Economic Development, Redevelopment, Public Art, and Special Projects, each receiving \$256,213.94.

Council Member Johnson asked for clarification on the special projects. Ms. DeLeon said the special projects would be presented to Council at the Council Visioning and Priorities meeting. Motion to recommend approval of this item to City Council made by Council Member Johnson, seconded by Council Member Ezeonu. The motion carried unanimously.

14. Ordinance amending the FY 2023/2024 Capital Improvements Projects budget in the Capital Reserve Fund and Economic Development CIP Fund to transfer the remaining appropriations from two projects in the Municipal Facilities CIP Fund to other funds that better align with the projects

Mr. Vo presented this item to the committee noting that as part of the mid-year budget process, projects in the City's Capital Improvement Program (CIP) Funds are reviewed by the City Manager, and revisions are presented to the City Council. Staff requests the City Council to approve an ordinance allowing the transfer of the remaining appropriations from two projects in the Municipal Facilities CIP Fund to other funds that better align with the projects and to approve the appropriation of funds for a new project in the Municipal Facilities CIP Fund. Mr. Vo discussed the Redevelopment Projects and the Redevelopment and New Economic Development Projects.

Motion to recommend approval of this agenda item to City Council made by Council Member Johnson, seconded by Council Member Ezeonu. The motion carried unanimously.

15. Resolution Accepting a Petition to Create the River Central Public Improvement District

Planning and Development Director Rashad Jackson informed the committee he would present agenda items fifteen and sixteen together noting the City received a petition signed by the required number of property owners in River Central requesting that the City create a public improvement district (PID) for the neighborhood. The PID would consist of approximately 325.463 acres of land. The general boundaries of the assessment district are as follows: by the West Fork Trinity River north of the 114th Street and east of North State Highway 360. Mr. Jackson also discussed the improvements that may be included and added the law authorizing the creation of a PID requires that a public hearing be conducted to receive comment. Following the public hearing, the City Council will consider a resolution authorizing the establishment of Public Improvement District #20. If PID #20 is established, a public hearing will be held in September 2024 on a 2024/25 budget, a five-year service plan, and levying an assessment. The PID will not utilize an advisory board.

Chairman Humphreys said the tax levy is not much currently. Mr. Jackson concurred and said it will increase with development. Chairman Humphreys asked if the PID goes into effect immediately. Mr. Jackson said it would not and discussed the steps on the process of a Public Improvement District. Motion to recommend approval of agenda items fifteen and sixteen to City Council made by Council Member Johnson, seconded by Council Member Ezeonu. The motion carried unanimously.

16. Resolution Creating the River Central Public Improvement District

Motion noted on agenda item fifteen.

17. Annual contract with Carruthers Landscape Management Inc. for landscape maintenance at multiple Park locations including all city-owned medians and rights-of-way. This contract will be for \$720,000.00 for one year with the option to renew for four additional one-year periods totaling \$3,600,000.00 if all extensions are exercised

Parks, Arts and Recreation Superintendent Joey Gomez informed the committee this contract is for the landscape maintenance services to include mowing, edging, blowing, trimming, pruning, integrated pest management, fertilization, mulching, seasonal color rotations, tree maintenance, litter removal, irrigation maintenance, and repairs, and other landscape-related services for approximately 367 acres of medians, rights-of-way, and other City-owned properties. Such properties include the Tourist Information Center, The Betty Warmack Library, the City Service Center, and a few other locations.

Motion to recommend approval of this agenda item to City Council made by Council Member Johnson, seconded by Council Member Ezeonu. The motion carried unanimously.

18. Ordinance amending the FY2023/2024 Prairie Lights Operating Fund; change order with Josh Barnett Productions (Lightasmic) not to exceed 650,000 for new displays at Prairie Lights

Parks, Arts and Recreation Director Ray Cerda along with Marketing and Communications Supervisor Kelly Eddlemon and Special Events Manager Emily Linares informed the committee as the success and popularity of Prairie Lights continues to grow and as it approaches its 20th year in operation, City staff believes it is an appropriate time to invest back into the event with several substantial upgrades within the drive-through portion of the park in addition to other typical year-to-year updates. These new features will utilize new, state-of-the-art technology that would enhance the overall guest experience and help the event to remain ahead of the competition in the ever-expanding market. In addition, to address the common complaint of long wait times at the event, these new features would allow for existing components to be repositioned along the road leading up to the entry/pay gates, which brings several exciting experiences to guests earlier in their journey. Chairman Humphreys thanked staff for their efforts and is looking forward to the enhancements.

Motion to recommend approval of this agenda item to City Council made by Council Member Johnson, seconded by Council Member Ezeonu. The motion carried unanimously.

19. Contract for the purchase of furniture, fixtures and equipment (FF&E) for City Hall East Level 2 Public Health & Environmental Quality Office Renovations in the total amount of \$344,171.82 which will be divided into two contracts. The first contract in the amount of \$99,982.06 will be with Interior Resources Group through a national interlocal agreement with OMNIA Partners Cooperative. The second contract in the amount of \$244,189.76 will be with Wilson Bauhaus Interiors through national interlocal agreements with both NCPA and OMNIA Partners Cooperative

Director of Design and Construction Andy Henning presented this item to the committee noting approval of two contracts for the purchase of furniture, fixtures and equipment (FF&E) for City Hall East Level 2 Public Health & Environmental Quality Office Renovations in the total amount of \$344,171.82. Mr. Henning also discussed the breakdown of these contracts.

Motion to recommend approval of this agenda item to City Council made by Council Member Johnson, seconded by Council Member Ezeonu. The motion carried unanimously.

EXECUTIVE SESSION

No executive session was held.

CITIZEN COMMENTS

No citizen comments.

ADJOURNMENT

Chairman Humphreys adjourned the meeting at 4:04 p.m.

A handwritten signature in black ink, appearing to read "Kurt Johnson". The signature is fluid and cursive, with the first name "Kurt" and last name "Johnson" clearly distinguishable. It is positioned above a horizontal line.

Kurt Johnson, Council Member