



MINUTES

CALL TO ORDER

Chairman Humphreys called the meeting to order at 9:01 a.m.

PRESENT

Chairman Cole Humphreys

Council Member Junior Ezeonu

ABSENT

Council Member Kurt Johnson

STAFF PRESENTATIONS

1. Presentation & Discussion on FY 2023/2024 Proposed Budget – Meeting #2. Fund Summaries and budget discussion over:
 - Epic Central Fund
 - Police Department Funds
 - Airport Fund
 - Downtown, Uptown Theatre, Farmers Market
 - Parks Department Funds
 - Risk Management Fund
 - Employee Insurance Fund
 - Pooled Investments Fund
 - Debt Service Fund
 - Water/Wastewater Debt Service Fund
 - General Fund
 - Capital Lending Fund
 - Equipment Acquisition Fund
 - Municipal Courts Funds
 - Hotel/Motel Tax Fund
 - Cable Operations Fund
 - Tree Preservation Fund
 - Cricket Fund
 - City Council Travel Policy
 - Discuss any items previously presented at F&G Budget Meeting #1, on July 17, 2023:
 - Water/Wastewater Rate Increase
 - Water/Wastewater Fund
 - Stormwater Utility Fund
 - Solid Waste Fund

- Fleet Services Fund

Audit Services / Budget Director Thao Vo provided a summary of what would be discussed today and reviewed the budget calendar and timeline.

Epic Central Fund – Mr. Vo reviewed the purpose of this revenue fund. Consultant Gary Yakesch reviewed hotel occupancy tax, sales tax rebates, lease rents from tenants, hotel and conference center proceeds. He reviewed the EpicCentral debt noting the second payment for Epic Central and the first payment affecting the fund. Mr. Yakesch discussed new program requests including marketing campaigns, landscaping, PlayGrand maintenance contracts, and a fulltime personnel addition. He reviewed the fund summary and discussed expenses. Chairman Humphreys asked for clarification of the balance requirement of \$1.6 million. Deputy City Manager Cheryl De Leon discussed financial management policy requirements. There was discussion from which fund Creative Producer Zane King is paid. Mr. Yakesch noted he is currently paid from the Park Venue Sales Tax Venue fund. He discussed the five-year plan noting eventually the EpicCentral fund will pay that salary. Chairman Humphreys asked if three different staff members are needed. Deputy City Manager Cheryl De Leon noted PlayGrand has been managed by Parks staff, and she would look into whether efforts can be combined with EpicCentral and Parks staff, noting landscaping is required maintenance of the grounds. She said once hotels and restaurants come online, staff would have a better picture. There was discussion on the proceeds, pad sites, stabilization of funds and EpicCentral opening/timeline. Ms. De Leon reminded the committee that in fiscal year 2025, the budget would provide a better picture as revenue would not be recognized until the hotel and conference center are open.

Police Department Funds –Assistant Director of Police Ryan Simpson provided an overview of commercial vehicle enforcement. He noted key changes including a one-time computer purchase and a Texas Department of Transportation grant which no longer requires a city match. Mr. Simpson discussed a new one-time request to purchase a commercial vehicle scale in fiscal year 2023 and reviewed fines and uses of funds for one-time expenses. He provided an overview of Community Policing including addition of an officer for the south sector. Mr. Simpson discussed chair replacements at the Public Safety Building (PSB), the equine facility construction, Axon contract increases for equipment and five fulltime personnel additions including four officers and one sergeant for a new beat in the far southern area of the city. Ms. De Leon noted staff understands the volatility of sales tax and council has had good conservative policies in place. Mr. Simpson noted the Red Light Safety fund is used for traffic safety related expenses until all prior revenues have been expended and will be used for replacement electronic ticket writers, noting when funds are expended costs would be pushed a different fund. Mr. Simpson provided information on the US Marshals Service Agreement (a governmental fund) which is a lease agreement for office space at the PSB, noting funds are primarily used for facility improvements by the Police Department. Chairman Humphreys asked to clarify rent paid. Mr. Simpson advised it increased a few years ago but has been flat since and noted Grand Prairie houses their North Texas location.

Airport Fund – Mr. Vo provided an overview of the fund. Airport Director Mark Divita discussed an increase in salaries and benefits. He noted an increase in utilities, namely electricity, and discussed incremental increases in rents to hangars. He reviewed fuel sales and the ability to transfer more funds into Capital Improvement Projects (CIP). Council Member Ezeonu asked what is included in miscellaneous expenses, and Mr. Vo advised indirect costs charged to the airport.

Downtown, Uptown Theatre, Farmers Market – Mr. Vo provided an overview of the Downtown budget. Downtown Manager Chip Nami reviewed highlights, noting he took over the Dia de Los Muertos event, Music on Main, Ice Rink, Tree Lighting Ceremony and the Tool Lending Trailer. He reviewed key changes including a volunteer coordinator position and management of Farmers Market and Uptown Theater. Mr. Nami discussed the Request for Expressions of Interest for the Calvary Church property and reviewed funds lines. Mr. Nami advised the Farmers Market with the funding source of Parks Venue Fund offers entrepreneurs an opportunity to showcase their talents, grow their businesses and attract visitors to downtown. He reviewed highlights including Market on the Move, Sock Drive for the Homeless, a back to school drive and Fiestas Patrias for September 16th. Mr. Nami said Market on the move has twenty-five vendors with currently no fee paid since the program is a leap of faith to test its success and noted vendors are happy for the opportunity. Ms. De Leon advised council requested it and taking it on the road has shown us that we can reach others successfully. Chairman Humphreys noted he would like to review the rent downtown. Mr. Nami advised there have been twenty-five thousand visitors this year so far at Farmers Market which has created a community for the downtown residents. He said they are reviewing private rentals to offset costs and will explore if there is a market for it. Chairman There was discussion on adding temperature control at the Farmer’s Market. There was discussion on Music on Main, creating opportunities for a return on investment and two vendors who have turned a brick and mortar businesses. Council Member Ezeonu noted he does not want to increase the fee to tenants because it provides an important service to the community.

Mr. Nami provided an overview of the Uptown Theater, noting it creates a home for arts in Grand Prairie and assists in attracting visitors downtown. He reviewed Grand Prairie Arts Council (GPAC) rentable dates, noting sixty-five thousand dollars was transferred in from the Hotel Motel fund. Mr. Nami discussed the 33rd District Congressional District Representative Marc Veasey’s Art Show held in May and discussed theater renovations. Chairman Humphreys said he appreciates theater art but would like to see what the appetite is for additional art opportunities. Ms. De Leon noted an opportunity to educate council at briefing to incorporate other art and work with GPAC and discussed key changes to include a focus on rental based clients to improve finances and promote rental of the black box spaces.

Parks Department Funds – Mr. Vo provided a Parks Venue Fund overview. Assistant Director of Parks Chris Michalski discussed the Mi Familia Park Phase I renovation, Tyre Park Phase I Renovation, Turner Park Phase I Renovation and a new grant secured from National Fitness Campaign. He said the department has undergone significant changes with a department reorganization. Deputy City Manager / City Attorney Megan Mahan noted the National Fitness Campaign grant is new and will be taken to Council tomorrow. There was discussion on funds used for renovation. Ms. Mahan noted the main increases were due to salaries and compression. Mr. Michalski provided a Cemetery Fund Overview which is dedicated to providing long term care and maintenance to the cemetery, includes installation of replacement markers, benches and crypt fonts. He said the fund supports six fulltime and three parttime personnel. He reviewed highlights including the Grand Prairie Memorial Gardens perimeter wall replacement, total plots, markers/headstones sold, number of services and sale of remaining plots. There was discussion on bundling of funds, but reviewing The Summit and Ruthie Jackson Center as separate funds.

Mr. Michalski reviewed The Epic and Epic Waters funds and revenue sources noting the fund supports twenty-three fulltime, one-hundred parttime and twenty-five seasonal personnel. He

reviewed Epic Recreation highlights, noting membership is now at 11,424 members, with revenue at \$1.14 million. Mr. Michalski noted operational maintenance cost supports a one hundred twenty thousand square foot facility. Ms. Mahan noted they decreased the amount charged for individual classes at The Epic. Mr. Michalski said they are expanding external partnerships to increase revenue and rental usages. There was discussion on number of necessary parttime employees and working hours. Mr. Michalski advised most parttime employees work nineteen hours per week. Ms. Deleon noted Epic Waters sustains itself and discussed its dynamic pricing. Mr. Michalski reviewed admission rates, proposed schedule reduction and two dollar resident rate increase. He said once EpicCentral and hotels open, room packages can be offered to grow attendance numbers. There was discussion of Epic Waters sustaining The Epic and the need to put aside funds for repair and maintenance.

Mr. Michalski provided a Lake Parks fund overview, noting it includes the ongoing operating expenses for Lynn Creek Park and Loyd Park. He reviewed year-to-date revenues, noting Loyd Park is strong revenue generator with gate fees currently at four hundred eighty-nine thousand dollars with lodging at \$1.05 million. He noted Lynn Creek Park gate fees of \$1.10 million and Marina lease fees of one hundred ninety-three thousand dollars. Mr. Michalski said the fund supports twenty-four fulltime, six parttime and thirty seasonal personnel. Chairman Humphreys asked to review a sea wall option, and Mr. Michalski said he would review with the Army Corp of Engineers.

Mr. Michalski reviewed fund highlights including installation of two thousand linear feet of fencing protecting the shoreline at Lynn Creek Park, enhancement cooperation with Grand Prairie Police Department (GPPD) on enforcing park rules to include prohibition of glass containers and illegal parking within Lynn Creek Park and enhanced Loyd Park electrical systems to support lodging facilities. He noted changes to replace reservation system for booking lodging facilities.

Mr. Michalski provided a Golf Fund overview which uses the enterprise fund and provides maintenance operations for Tangle Ridge, Prairie Lakes and Pro Shop operations. He discussed rounds played, number of personnel and fund highlights with significant changes in replacement of trucks, mowers and office equipment.

Mr. Michalski provided a Prairie Lights fund overview noting revenue is from user fees. He said the fund provides setup and operations of the holiday light park located at Lynn Creek Park on Joe Pool Lake noting it attracted over twenty-five thousand vehicles and one hundred thirty-five thousand guests. There was discussion on personnel including two fulltime and thirty seasonal employees fully funded from this event but who also work other special events throughout the year.

Risk Management Fund – Human Resources Director Lisa Norris and Ms. Mahan provided a Risk Management fund overview, noting it accounts for all funds collected through internal service rates for workers compensation, property and liability insurance indemnity. The fund is managed cooperatively between the City Attorney’s Office and Human Resources. Ms. Norris said it is charged back to departments on headcount basis and noted key changes include using funds from stoploss reserve for employee insurance fund, increased property and liability premiums and claims, and reducing contracted services.

Employee Insurance Fund – Ms. Norris reviewed the employee insurance review noting the fund accounts for funding of all health and wellness related benefits and services for both

employees and retirees, such as medical, dental, vision, life, disability and the Employee Assistance Program. There was discussion on self-funding claims and utilizing a third-party claims administrator to manage claims. Ms. Norris reviewed key changes for fiscal year 2023 including volatility in medical and pharmacy costs and drawing down ending resource balance for any deficit. She said for fiscal year 2024 they account for increased medical pharmacy claims costs, discontinuing the health spending account incentive, increasing city medical contribution for actives and retirees and reducing copay for mental health visits to support affordability of care due to mental health crisis. There was discussion on claims handling, city and employee contribution, the premium for one hundred percent paid costs and stop loss reserve.

Pooled Investments Funds – Mr. Vo discussed pooled investments noting increased revenue by \$2 million due to market changes, adding investment advisory services. There was discussion on the importance of having a third-party contractor, investments, AAA rating and buying debt, the financial management policy and short-term bonds. Mr. Vo noted as interest rates go higher, staff would review and provide information to this committee.

Debt Service Fund - Mr. Vo provided an overview noting it is primarily funded from taxes and interest earnings to meet the requirements of General Obligation Debt Service and reserve. Key changes noted are total expenditures change annually to meet our debt payment obligations; issuing \$40 million in certificates of obligation to fund Capital Improvement Projects for Fire, IT, Library, Municipal Facilities, Police and Streets. There was discussion on the debt and property tax rate.

Water/Wastewater Debt Service Fund – Mr. Vo provided an overview noting it is funded from operating revenue to meet the water/wastewater (W/WW) debt requirements for principal and interest payments.

General Fund – Mr. Vo provided an overview noting it provides funding for basic operating services such as Police, Fire, Municipal Court, Transportation and Mobility, and various support services. Ms. De Leon noted the hired consultant determined anticipated growth at lower rate. Mr. Vo said the General Fund is supported by property taxes, sales taxes and other fees/charges. He discussed a 6.5 percent increase in proposed sales tax revenues. Mr. Vo advised property tax remains at \$.66/\$100, with an average taxable value of homestead exemption increase from 12.5 percent to 15 percent and noted average taxable home value at \$235,000. There was discussion regarding Tax Increment Financing. Mr. Vo reviewed the sales tax financial management policy. He discussed the three-tier program with first tier of twenty-six percent of total proposed revenues used for general fund; the second tier with first excess \$1 million to be used for reserve/improvement projects/other; and the third tier would divide the remaining excess equally into each of four areas – economic development, redevelopment, public art and special projects. There was discussion on tier two reserves. Council Member Ezeonu noted he wants to ensure the funds are used yearly for the earmarked projects. Ms. De Leon said they will bring back “buckets” to be allocated and get direction from this committee on where dollars should be spent. Chairman Humphreys asked to include suggestions for tier two.

Mr. Vo reviewed major General Fund expenditures including increases to salaries and benefits of three percent for civil service employees / five percent for non-civil service employees, part time seasonal minimum wage increase to fifteen dollars per hour and the compression study increased overall salaries. He noted transfers out include the sales tax financial management

policy. Mr. Vo discussed significant current new requests which include thirty-one additional full-time employees, cybersecurity management software and Prairie Paws exterior and security improvements. There was discussion on animal shelter improvements.

Capital Lending Fund – Mr. Vo noted the fund was established for financing one-time, non-recurring capital projects and disbursements from the fund are authorized by City Council action following recommendations by the City Manager’s Office and the Finance and Government Committee. He said one-time uses will not be repaid, citywide gas royalties go into this fund and no lending activity is forecasted for upcoming year.

Equipment Acquisition Fund – General Services Director Jayson Ramirez discussed use for purchasing capital outlay when unit purchase price is ten thousand dollars or more, including replacement vehicles for Engineering Services, Fire, Parks, Police, Public Health and Transportation. He discussed key changes including the purchase of forty-four vehicles and equipment units in fiscal year 2023. Mr. Ramirez noted the fiscal year 2024 proposed budget is for eight vehicles and equipment units, and the “make ready” equipment for an additional twenty-one vehicles. He said the use of American Rescue Plan Act (ARPA) funding resulted in fewer vehicle and equipment purchases using this fund in fiscal year 2024.

Chairman Humphreys called a recess at 11:38 a.m. for lunch.

Mr. Humphreys call the meeting back to order at 12:13 p.m.

Mr. Vo reviewed General Fund appropriations by department, approved/modified versus proposed and major changes. Chairman Humphreys requested to clarify levels of cyber security/access. Mr. Vo discussed access control and levels. There was discussion on the Mobile Library and increasing locations, and hiring additional code compliance officers.

Municipal Courts Funds – Mr. Vo provided an overview of the Municipal Court building security fund which is funded by proceeds of a security fee paid by defendants who have been convicted of a misdemeanor offence. He said thirty-five percent of the fourteen dollar court fee is deposited into this fund and is used for building security / City Marshals. Municipal Court Director Steven Cherry discussed the judicial efficiency fund which is dependent upon the year and enforcement level. He said it is funded from proceeds of a twenty-five dollar one-time fee paid by defendants who have been convicted of a misdemeanor offence, noting ten dollars goes to the General Fund, two dollars and fifty cents goes to the municipal court judicial efficiency fund. Mr. Vo and Mr. Cherry provided an overview of the technology fund noting it funds software and any other technology used. They also reviewed Truancy Prevention and Diversion funds.

Hotel/Motel Tax (HOT) Fund – Mr. Vo discussed seven percent tax charged to occupants of city hotels, motels, and any other facility in which the public may obtain sleeping quarters. He said it is a special revenue guests pay at thirty percent, seven percent goes to the city and six percent to state. Mr. Vo noted key changes are the I.T. Digital Event Calendar software, music friendly program and the Hispanic history book. Tourism Manager Sara Dedeluk discussed both programs/projects and addition of one fulltime group sales professional. Mr. Vo provided information on how the HOT can be used. Ms. Dedeluk advised most of the funding is used for advertising, marketing and the visitor guide. Chairman Humphreys said he would like a more detailed break out of how funds are used. Ms. De Leon and Mr. Vo advised they would provide an update.

Cable Operations Fund – Mr. Vo noted the fund provides government access programming to residents of Grand Prairie and advised accounts for revenue are collected from the one percent fee charged to cable customers. Mr. Vo discussed key changes including decreasing revenues, removal of one-time cameras and mics from last year and a slight increase in salaries and merits increases. There was discussion on use of the city easement, streaming and defining who is a telecom provider.

Tree Preservation Fund – Mr. Vo advised this fund is based on an ordinance approved a short time ago, established for tree mitigation fees. He said when a developer takes out a certain amount of trees and cannot or does not mitigate for the removed trees, they pay a fee established in the ordinance. Planning Director Rashad Jackson said it is part of the developer’s plan, and Mr. Vo added it has to be used to replant trees. Chairman Humphreys asked to clarify how departments would request money to replace trees. Mr. Vo and Ms. De Leon explained the process and measure for charging the tree fee.

Cricket Fund – Mr. Vo discussed funding for operations of the new Major League Cricket stadium. There was discussion on the monthly rental agreement.

City Council Travel Policy – City Manager Bill Hills, Ms. Mahan and Ms. De Leon provided and overview of the current policy and information on business meals. Mr. Vo discussed per diem as it relates to travel, actuals and overages. He reviewed the proposed travel meals payment procedure for business meals and meals payment procedure for personal meals. Ms. De Leon advised they are providing information and options for council to determine how they prefer to manage their procedures regarding meals. Council Member Ezeonu said he preferred to take per diem instead of using a card. Ms. De Leon clarified the business meal option. There was discussion on per diem amounts, recommended proposed changes to the policy, eligible travel / local travel expenses, meals not purchased by city staff and meals for conferences within a thirty-mile radius. Mr. Vo reviewed non-local travel expenses and discussed business meals, which would be reimbursed based on actual costs and requires itemized receipt listing attendees and business purpose. There was discussion on providing a reasonable tip, noting the city will not reimburse tip above twenty percent, and discussion on who should approve exceptions. There was discussion on transportation and lodging, allowing travel and accommodations a day before and a day after conferences. The committee recommended striking the clause pertaining to limiting council to twenty percent of the travel budget per council member. Council Member Ezeonu noted he would like to increase the travel budget to one hundred thousand total per year and no limits on amount of travel per council member. The committee recommended keeping the clause allowing the City Manager and Mayor to decide on exceptions from the policy.

EXECUTIVE SESSION

There was no closed session.

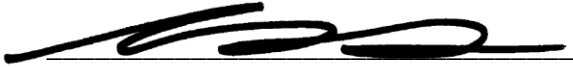
CITIZEN COMMENTS

There were none.

ADJOURNMENT

Chairman Humphreys adjourned the meeting at 2:02 p.m.

The foregoing minutes were approved at the December 5, 2023, Finance and Government Committee meeting.

A handwritten signature in black ink, consisting of several fluid, overlapping loops and a long horizontal stroke at the end.

Cole Humphreys, Chairman