



CITY OF GRAND PRAIRIE
FINANCE AND GOVERNMENT COMMITTEE
 CITY HALL - COUNCIL CHAMBERS, 300 W. MAIN STREET
 TUESDAY, MARCH 01, 2022 AT 2:30 PM

MINUTES

CALL TO ORDER

Councilperson Cole Humphreys called to order the City of Grand Prairie Finance and Government Committee meeting at 2:31 p.m. on Tuesday, March 1, 2022, in the City Hall, Council Chambers, 300 West Main Street, Grand Prairie, Texas.

MEMBERS PRESENT

City Councilperson Cole Humphreys
 City Councilperson Kurt Johnson

MEMBERS ABSENT

Chairperson Jeff Copeland

STAFF PRESENTATIONS

1. Presentation on Homestead Exemption

Finance Assistant Director, Brady Olsen, presented information on the Homestead Exemption. He reviewed the current exemptions and outlined a plan to increase homestead exemptions. Mr. Olsen discussed options, values, and details of potential savings. Mr. Olsen also reviewed the exemption history. Councilperson Humphreys and Mr. Olsen clarified with City Manager, Steve Dye, that the recommendation is 2.5% increase for homestead exemption, but not an additional tax cut. Mr. Olsen noted the value would be approximately \$850,000, and the public will be educated on the additional exemption. The 2.5% increase in the homestead exemption will tentatively be presented to the City Council at a future meeting.

2. Presentation on FY 2021-22 Debt Transactions

Mr. Brady Olsen presented information on FY2021-22 Debt Transactions. He discussed a summary of the issuances and provided details on the interest rates. Mr. Olsen reviewed bidders for Sales Tax revenue refunding bonds, Certificates of Obligation, and General Obligation bonds. He noted that the City was able to secure very low rates, and that the City retained a AAA rating with S&P on our General Obligation bonds. Mr. Olsen also stated that the City received a rating upgrade on our Sales Tax bonds. Additionally, Mr. Olsen commented that the City is considered very low risk and is attractive to investors.

3. Presentation on the Annual Comprehensive Financial Report for the year ended September 30, 2021

Finance Assistant Director, Susan Sanders, and Chief Financial Officer, Cathy Patrick, presented information for the Annual Comprehensive Financial Report (ACFR). They noted that preparation of the report is almost a year-long process, and our City team worked closely with the external auditors, Weaver Assurance – Tax Advisory. Ms. Sanders noted Controller, Luis Barerra, and Weaver CPA, Jennifer Ripka, were key persons involved in producing a quality financial report. Ms. Ripka presented an introduction of the firm, noting that she works in the government aspect. She highlighted

members of the team who worked specifically with the City for the fiscal year 2021 report. Ms. Ripka reviewed the timeline in preparing the audit, the aspects audited, and compliance, noting that the focus is on areas of higher risk.

Ms. Ripka stated Weaver will offer an unmodified, clean opinion, which is the highest level of assurance that can be placed on financial statements. She noted there were no material weaknesses, and no deficiencies were found. Ms. Ripka stated that the City was identified as being low risk. She also noted that the City's total net position increased \$39,500,000 from FYE2020 to \$723,900,000 for FYE2021. Increases were primarily due to an increase in charges for services, sales tax collections, franchise fee collections, and grant collections. Ms. Ripka discussed the ARPA funds received, assigned and unassigned funds, proprietary funds, and bond debt issuances.

Deputy City Manager, Cheryl De Leon, recognized Ms. Susan Sanders, Mr. Luis Barrera, and Chief Financial Officer (outgoing), Ms. Caryn Riggs, for their extraordinary work on the ACFR.

4. Parks Enterprise Financial Report Update – 1st Quarter FY2022

Parks, Arts, and Recreation Assistant Director Business Operations, Gary Yakesch, introduced Parks, Arts, and Recreation Business Operations Manager, Chip Nami, and Parks, Arts, and Recreation Business Manager, Letty Evans. Mr. Nami and Ms. Evans presented information for the Parks Enterprise Financial Report Update, as of 1st Quarter FY2022. Mr. Yakesch noted that the presentation involved information presented at a previous meeting, and that more details were in the Committee members' packets.

Mr. Chip Nami presented the report for the Golf Enterprise fund, specifically defining 'comp' rounds as to type, timing, and tracking. He also noted that one of the golf courses is managed and operated by a contracted vendor, and the other is managed and operated by City staff. Golf leadership is working to standardize the use of 'comp' rounds. Mr. Nami clarified that City employees may receive a discount to play, but they do not play free of charge. Mr. Nami reviewed the financial status of the Golf Enterprise fund through the first quarter, which is trending similarly to last year. He also noted that the first quarter is the weakest quarter. Additionally, he stated the Department is working with a consultant regarding Tangle Ridge management and operations.

Ms. Letty Evans presented the report for Grand Prairie Memorial Gardens, Lake Parks, Epic Waters, The Summit, Ruthe Jackson Center, Uptown Theater, and Prairie Lights.

- Ms. Evans stated Memorial Gardens is doing very well, and she highlighted some special events the Memorial Gardens hosted, including SIDS Awareness and the Candlelight Vigil.
- Ms. Evans reported that Lake Parks is also performing well as of the first quarter, and she noted special events Lake Parks hosted, including the Forest of Fear and a cross-country running event.
- Ms. Evans stated The Epic expenditures are higher than the first quarter last year because the facility is now fully operational, but it is within budget. A discussion took place about the subsidies for The Epic.
- Ms. Evans reported that the number of visitors to Epic Waters increased significantly from last year's first quarter. Epic Central's dynamic pricing strategy is also contributing to increased revenues.
- Ms. Evans stated that The Summit has increased revenue from first quarter last year, and the expectation is the subsidy will be in line with budget.
- Ms. Evans reported that Ruthe Jackson Center is also doing well financially. The renovations have been completed and revenues are expected to increase.

- Ms. Evans stated that revenues are increasing for the Uptown Theater, and she highlighted several special events that have been held at Uptown Theater this fiscal year.
- Ms. Evans reported that Prairie Lights is having a record-breaking year financially. The price increase offset fewer vehicles. Additional revenues were earned from returning activities, including the carnival and concessions.

A discussion took place about available space availability at Memorial Gardens. Ms. Evans stated that the cemetery is approximately 74% occupied, with 10 additional undeveloped acres available. A brief discussion took place about operations, including staffing and rate adjustments.

CONSENT AGENDA

5. Minutes from the Finance and Government Committee Meeting February 1, 2022

Councilperson Kurt Johnson moved to approve the Finance and Government Committee Minutes for February 1, 2022, as presented. Councilperson Cole Humphreys seconded the motion. The motion carried 2-0, with no abstentions.

Ayes: Humphreys, Johnson

Nays: None

Absent: Chairperson Jeff Copeland

6. Construction Manager at Risk (CMAR) contract with Modern Contractors, Inc. for pre-construction management services for the Lynn Creek Event Pavilion in the amount of \$1,000 and approve a construction service fee of 3.0% to be applied at a later time to the actual approved construction costs for the work

7. Construction Manager at Risk (CMAR) contract with Dean Electric, Inc. dba Dean Construction for pre-construction management services for Turner Park Improvements Phase 1 in the amount of zero \$0 and approve a construction service fee of 3.5% to be applied at a later time to the actual approved construction costs for the work

Councilperson Kurt Johnson moved to approve Items 6 and 7 on the Consent Agenda, as presented. Councilperson Cole Humphreys seconded the motion. The motion carried 2-0, with no abstentions.

Ayes: Humphreys, Johnson

Nays: None

Absent: Chairperson Jeff Copeland

ITEMS FOR INDIVIDUAL CONSIDERATION

8. Participation Agreement with 1301 Parker Rd, LLC for Right of Way Improvements in the total amount of \$131,014.75

Public Works Director, Gabe Johnson, presented information regarding an agreement with the developer. The City will repair the water/wastewater sections while the developer is extending the road. The City would be responsible for 25% of the costs, with the developer responsible for 75% of the costs.

Councilperson Kurt Johnson moved to approve Item 8, as presented. Councilperson Cole Humphreys seconded the motion. The motion carried 2-0, with no abstentions.

Ayes: Humphreys, Johnson

Nays: None

Absent: Chairperson Jeff Copeland

9. Developer Participation Agreement with Dechman Owner, LLC, for paving and drainage improvements on Dechman Drive in the not to exceed amount of \$755,860
Mr. Gabe Johnson presented information outlining what actions are allowed by law, discussed zoning issues, and offered other details of the project. Mr. Johnson stated the original anticipated cost to the City was \$755,860. With the new agreement, the total City cost will be \$835,000, with 28%, or \$339,000-\$400,000 participation based and \$495,000 in upsizing the drainage pipe.

Councilperson Kurt Johnson moved to approve Item 9, as presented by Mr. Gabe Johnson, updating the City's cost from \$755,860 to \$835,000. Councilperson Cole Humphreys seconded the motion. The motion carried 2-0, with no abstentions.

Ayes: Humphreys, Johnson

Nays: None

Absent: Chairperson Jeff Copeland

10. Professional Contract with Pyles Whatley for appraisal and court testimony services for City Projects with the combined costs not to exceed \$40,000; the contract will be for one year with the option to renew for four additional one-year periods, not to exceed \$200,000 cumulatively if all extensions are exercised and authorize the Manager to execute the renewal options with aggregate price fluctuations of the lesser of up to \$50,000 or 25% of the original maximum price so long as sufficient funding is appropriated by the City Council to satisfy the City's obligation during the renewal terms
Mr. Gabe Johnson presented information involving a price agreement. City Attorney and Assistant City Manager, Megan Mahan, clarified the process, noting the price is aggregate. If the total cost exceeds the approved threshold, City Council approval will be required.

Councilperson Kurt Johnson moved to approve Item 10, as presented. Councilperson Cole Humphreys seconded the motion. The motion carried 2-0, with no abstentions.

Ayes: Humphreys, Johnson

Nays: None

Absent: Chairperson Jeff Copeland

11. Review of DRAFT Comprehensive Annual Financial Report and associated audit services for Fiscal Year ending September 30, 2021
Deputy City Manager, Cheryl De Leon presented information for Item 11, referring to the staff presentation regarding the Annual Comprehensive Financial Report (ACFR).

Councilperson Kurt Johnson moved to approve Item 11, as presented. Councilperson Cole Humphreys seconded the motion. The motion carried 2-0, with no abstentions.

Ayes: Humphreys, Johnson

Nays: None

Absent: Chairperson Jeff Copeland

12. Ordinance Amending the FY 2021/2022 Capital Improvement Projects Budget for \$19,800 for Compression Brake Signage

Transportation Services Senior Traffic Engineer, Caryl Devries, presented information for Item 12. Ms. Cheryl De Leon provided additional information. Ms. Devries clarified that the ordinance is needed because the project was not originally in the Operating Budget for this fiscal year.

Councilperson Kurt Johnson moved to approve Item 12, as presented. Councilperson Cole Humphreys seconded the motion. The motion carried 2-0, with no abstentions.

Ayes: Humphreys, Johnson

Nays: None

Absent: Chairperson Jeff Copeland

13. Ordinance amending the FY 2020-2021 Operating Budgets in the amount of \$1,489,193

Chief Financial Officer (outgoing), Ms. Caryn Riggs, presented information for Item 13. Ms. Riggs stated that after the audit entries and accruals were entered, adjustments need to be made to various Operating Budgets to bring the budgets in line with what was spent. She also noted that amendments allowing the adjustments are a common practice. Additional information was offered by Ms. Cheryl De Leon.

Councilperson Kurt Johnson moved to approve Item 13 as presented. Councilperson Cole Humphreys seconded the motion. The motion carried 2-0, with no abstentions.

Ayes: Humphreys, Johnson

Nays: None

Absent: Chairperson Jeff Copeland

14. Ordinance amending the FY 2021-2022 Capital Projects Budget to appropriate \$1,000,000 toward the purchase of Mobile Generators and amending the FY 2021-2022 Pooled Investment Fund Budgets to reverse \$1,000,000 of the appropriation previously appropriated through Ordinance #11128-2021

Ms. Caryn Riggs presented information for Item 14. She explained that the Ordinance in Item 14 is similar to the Ordinance in Item 13, with the difference being that Item 13 involved Operating Budgets, and Item 14 involves the Capital Projects Budget. Ms. Riggs stated this process is an administrative action that occurs every year, as there will always be audit entries that cause the budget to be exceeded. It was clarified that the amount listed should be \$1,000,000, not \$10,000,000. A discussion took place regarding the locations for the generators. Ms. Cheryl De Leon will provide more information post meeting regarding the location of the generators.

Councilperson Kurt Johnson moved to approve Item 14, as presented, with the clarification that the amount is \$1,000,000, not \$10,000,000. Councilperson Cole Humphreys seconded the motion. The motion carried 2-0, with no abstentions.

Ayes: Humphreys, Johnson

Nays: None

Absent: Chairperson Jeff Copeland

15. Ordinance amending the FY 2021-2022 Operating Budgets for a net decrease of \$2,625,000

Ms. Caryn Riggs presented information for Item 15. She stated one of the projects this year was to combine some of City's funds, as recommended by the auditors. The Ordinance in Item 15 will move funds not spent on the stadium in fiscal year 2021 to fiscal year 22. This Ordinance will also

consolidate all Solid Waste funds into one fund, which nets as a decrease to the fiscal year 2021-2022 Operating Budgets. It was clarified that monies not on capital projects will automatically be moved to the next fiscal year. However, monies not spent in Operating Budgets must be reappropriated for the next year. Ms. Cheryl De Leon noted that consistency in wording is needed.

Councilperson Kurt Johnson moved to approve Item 15, as presented. Councilperson Cole Humphreys seconded the motion. The motion carried 2-0, with no abstentions.

Ayes: Humphreys, Johnson

Nays: None

Absent: Chairperson Jeff Copeland

EXECUTIVE SESSION

The Finance and Government Committee may conduct a closed session pursuant to Chapter 551, Subchapter D of the Government Code, V.T.C.A., to discuss any of the following:

- (1) Section 551.071 "Consultation with Attorney"
- (2) Section 551.072 "Deliberation Regarding Real Property"
- (3) Section 551.074 "Personnel Matters"
- (4) Section 551.087 "Deliberations Regarding Economic Development Negotiations."

No Executive Session has held.

CITIZEN COMMENTS

No citizen comments were made.

ADJOURNMENT

There being no further business, the March 1, 2022, Finance and Government Committee meeting adjourned at 4:06 PM.



Chairperson, Jeff Copeland
Finance and Government Committee

4-5-22
Date