



**CITY OF GRAND PRAIRIE
FINANCE AND GOVERNMENT COMMITTEE
COUNCIL BRIEFING ROOM, 300 W. MAIN STREET
TUESDAY, DECEMBER 14, 2021 AT 2:30 PM**

MINUTES

CALL TO ORDER

Chairperson Jeff Copeland called to order the City of Grand Prairie Finance and Government Committee at 2:33 p.m. on Tuesday, December 14, 2021, in the City Council Briefing Room, 300 West Main Street, Grand Prairie, Texas. The following persons were in attendance:

MEMBERS PRESENT

Jeff Copeland, Chairperson
Cole Humphreys, City Councilperson
Kurt Johnson, City Councilperson

MEMBERS ABSENT

None

GUESTS IN ATTENDANCE

Mr. Andre Ayala, Hilltop Securities

STAFF PRESENTATIONS

1. **Public Improvement District (PID) Presentation**
The Public Improvement District (PID) presentation was postponed until the January 4, 2022, meeting.
2. **Preliminary FYE 2021 Parks Enterprise Financial Reports**
Mr. Gary Yakesch, Assistant Director Parks Finance, presented information for Preliminary FYE 2021 Parks Enterprise Financial Reports. He noted that preliminary projections were presented at the budget workshops last summer. The report presented today will compare the projections with the fiscal year end. He also stated that the previous fiscal year is commonly displayed. However, FY20 was an extraordinary anomaly and is hidden for presentation purposes. Highlights of the presentation included:
 - Discussions of facilities subsidized, when needed, by the ¼ sales tax (Ruthe Jackson, Uptown Theater, The Summit, and Tony Shotwell Life Center). All facilities discussed required less subsidy than projected.
 - Discussions of Lake Parks, specifically that despite the extreme challenges presented, Lake Parks (Loyd Park, Lynn Creek, Britton Park, and the marina) all required less subsidy than projected.
 - Discussion of Memorial Gardens and Mausoleum, noting that the cemetery earned approximately twice the typical yearly revenue. The increased revenue is credited to more citizens making advance arrangements.
 - Discussion of The Epic, noting that while revenue was slightly short of projection, expenditures

were also reduced, resulting in less subsidy than projected.

- Discussion of Epic Waters, which experienced a substantial increase in revenue, credited primarily to the stimulus money citizens received. The average 'spend' per person increased \$9.58. Projected net revenue was \$400,000 due to the pandemic, compared to a typical (non-pandemic) yearly net revenue of \$1,100,000 to \$1,200,000. The facility earned \$3,200,000.

A discussion took place regarding management fees and contracts, and well as guest fees and fee structures.

- The Golf Fund needed no subsidy for the first time in many years. The net revenue between the two courses was \$12,000. The typical yearly subsidy to Golf is approximately \$500,000. A discussion took place about comp rounds, play passes, the number of rounds, including complimentary (comp) rounds, and food and beverage.

Mr. Yakesch clarified that Lake Parks, Memorial Gardens and Mausoleum, the golf courses, and Prairie Lights are all individual funds and are not associated with the ¼ cent sales tax revenue. If they have positive net revenue, the funds are put in reserve for future capital improvement projects. He further clarified that Uptown Theater, The Summit, Tony Shotwell Life Center, Ruthe Jackson Center, and the Farmers Market are subsidized by the ¼ cent sales tax. Any positive net revenue will be placed in reserve for Parks and Recreation improvements. The Epic has its own ¼ sales tax, and the subsidy was built into revenue generated by ¼ cent sales tax that is specific to The Epic.

A discussion took place regarding debt retirement, and it was noted that debt is not reflected in the negative net revenue for Ruthe Jackson Center, Uptown Theater, The Summit, Tony Shotwell Life Center (and the Farmers Market, which was not highlighted in the presentation).

Chairperson Copeland acknowledged the outstanding performance by the Parks team and leadership, specifically complimenting the diversity and quality of programs.

3. 2021-2022 Plan of Finance

Mr. Brady Olsen, Treasury and Debt Manager, presented information for the 2021-2022 Plan of Finance. Mr. Olsen stated that the current environment is low interest, and it will be in the City's best interest to take advantage of the low interest rates before they rise. The City may be able to refinance some of the current debt and realize substantial savings. Mr. Olsen introduced Mr. Andre Ayala from Hilltop Securities. Mr. Ayala discussed potential refinancing of \$75,000,000 sales tax bonds issued in 2015 for The Epic. Additionally, the City has over \$40,000,000 in General Obligation bonds that are secured by property taxes and are eligible to be refinanced. The City also has the annual Capital Improvement Program that is secured in part by Certificates of Obligation. Lastly, there is a debt associated with Water and Sewer bond that may be refinanced. Mr. Ayala explained the bond buyer indexes. He additionally stated that only 1% of the time has the GO index been lower than it is now, and just 0.8% of the time regarding the revenue index. Overall, the indexes indicate that municipal bonds are pricing at some of the lowest rates in history. Mr. Ayala reviewed the GO bonds that are candidates, with the total at almost \$42,000,000, and he discussed the process. Mr. Ayala also discussed potential substantial savings on the sales tax bonds (specifically The Epic). He also outlined the process to refinance the bonds. Mr. Olsen explained the fee structure and what is considered to determine the net cost. Mr. Ayala concluded the presentation by highlighting the significant savings if action is taken timely. The Finance and Government Committee indicated support to move forward with refinancing, as recommended.

CONSENT AGENDA

4. Minutes from the Finance and Government Committee Meeting November 2, 2021

Chairperson, Councilperson Jeff Copeland, presented for approval the Minutes from the November 2, 2021 Finance and Government Committee meeting.

Councilperson Kurt Johnson moved to approve the Finance and Government Committee November 2, 2021 minutes, as presented. Councilperson Cole Humphreys seconded the motion. The motion passed 3-0.

Ayes: Copeland, Humphreys, Johnson

Nays: None

Abstentions: None

Absent: None

Deputy City Manager, Cheryl De Leon, provided summaries of Consent Agenda Items 5 through 8 to the Finance and Government Committee in advance of the meeting. See Item 8 for vote on items 5 through 8.

5. Administrative Service Agreement between the City of Grand Prairie and the Grand Prairie Local Government Corporation

6. Change Order/Amendment No. 3 with AUI Partners, LLC in the amount of \$80,488.70 for change orders regarding the Fire Station 3 construction project at 1260 West Marshall Drive

7. Construction Manager at Risk (CMAR) Contract with AUI Partners, LLC for pre-construction management services for Phase I Mi Familia in the amount of \$3,000 and approve a Construction Service Fee of 2.25% to be applied at a later time to the actual approved construction costs for the Phase I work

8. Resolution authorizing the City Manager to accept a Texas Department of Transportation Airport Rescue Plan Act Grant Agreement in the amount of \$59,000

Councilperson Cole Humphreys moved to approve Items 5 through 8 on the Consent Agenda, as presented. Councilperson Kurt Johnson seconded the motion. The motion passed 3-0.

Ayes: Copeland, Humphreys, Johnson

Nays: None

Abstentions: None

Absent: None

ITEMS FOR INDIVIDUAL CONSIDERATION

9. Change Order #3 with Employer Direct Healthcare (Surgery Plus) in the amount of \$125,000, for an overall annual amount for 2021 not to exceed \$500,000, and Price Agreement Renewal #5 for an overall annual amount not to exceed \$520,000 for both procedure costs and an increased administration fee of \$4.00 PEPM beginning January 1, 2022

Ms. Euriah Brown, Human Resources Advisor, presented general information for Item 9. It was

clarified that the need for the change order is due to more employee participation in the money-saving program.

Councilperson Cole Humphreys moved to approve Item 9, as presented. Councilperson Kurt Johnson seconded the motion. The motion passed 3-0.

Ayes: Copeland, Humphreys, Johnson

Nays: None

Abstentions: None

Absent: None

10. Ordinance amending the FY 2021-22 Pooled Investment Fund Budget: Purchase and installation of mobile backup generators and docking stations from Holt CAT through a national cooperative agreement with Sourcewell (formerly NJPA) in the amount of \$1,655,910.38 with a 10% contingency of \$165,591.00.

Mr. Ray Riedinger, Facility Services Manager, presented general information for Item 10. A discussion took place regarding the placement location of the generators, as well as the possible need for additional generators to be placed in the southern section of the City.

Councilperson Cole Humphreys moved to approve Item 10, as presented. Councilperson Kurt Johnson seconded the motion. The motion passed 3-0.

Ayes: Copeland, Humphreys, Johnson

Nays: None

Abstentions: None

Absent: None

11. Authorize the city manager to amend the BrandEra and Madden Media contracts for advertising from \$325,000 each to BrandEra \$525,000 and Madden \$425,000 by dividing the unused \$300,000 on the not renewed contract with Rhyme and Reason

Ms. Cheryl De Leon presented general information for Item 11. A brief discussion took place regarding the "Live Life Grand" branding.

Councilperson Cole Humphreys moved to approve Item 11, as presented. Councilperson Kurt Johnson seconded the motion. The motion passed 3-0.

Ayes: Copeland, Humphreys, Johnson

Nays: None

Abstentions: None

Absent: None

12. Change Order/Amendment No. 3 with Hill & Wilkinson General Contractors in the amount of \$196,858.84 for change orders regarding Phase 3 Construction of the City Hall Municipal Campus

Mr. Andy Henning, Senior Building and Construction Projects Manager, presented general information for Item 12. He stated that most of the funds are being requested by Parks and Recreation and Public Works as 'clean up,' such as replacing old clay pipes and removal of dead trees from the spring storm. Mr. Henning also noted that an additional change order will likely be needed.

Councilperson Cole Humphreys moved to approve Item 12, as presented. Councilperson Kurt Johnson seconded the motion. The motion passed 3-0.

Ayes: Copeland, Humphreys, Johnson

Nays: None

Abstentions: None

Absent: None

13. Amendment/Change Order No. 1 to Professional Engineering Services contract with Innovative Transportation Solutions, Inc. for preparation and processing of local project advance funding agreements (LPAFA) with all appropriate transportation partners in the amount of \$54,000 annually during the four remaining renewal terms, for an overall increase of \$216,000.00 if all extensions are exercised. Authorize the City Manager to execute the renewal options with aggregate price fluctuations of up to \$50,000 so long as sufficient funding is appropriated by the City Council to satisfy the City's obligation during the renewal terms

Mr. Walter Shumac, Director of Transportation Services, presented general information for Item 13.

Councilperson Cole Humphreys moved to approve Item 13, as presented. Councilperson Kurt Johnson seconded the motion. The motion passed 3-0.

Ayes: Copeland, Humphreys, Johnson

Nays: None

Abstentions: None

Absent: None

14. Resolution granting 380 Incentive Agreement with CB Jeni Homes, LLC; granting an 80% rebate on the city's 1% general city use tax revenue

Mr. Marty Wieder, Director of Economic Development, presented general information for Item 14 regarding two new subdivisions.

Councilperson Cole Humphreys moved to approve Item 14, as presented. Councilperson Kurt Johnson seconded the motion. The motion passed 3-0.

Ayes: Copeland, Humphreys, Johnson

Nays: None

Abstentions: None

Absent: None

15. Discussion and consideration of all matters incident and related to approving and authorizing publication of notice of intention to issue up to \$26 million in certificates of obligation, including the adoption of a resolution pertaining thereto

See Plan of Finance presentation for discussion. See Item 16 for vote.

16. Discussion and consideration of all matters incident and related to the issuance and sale of \$62.5 million of "City of Grand Prairie, Texas, Sales Tax Revenue Refunding Bonds, Taxable Series 2022," including the adoption of an ordinance authorizing the issuance of such bonds, establishing parameters for the sale and issuance of such bonds and delegating certain matters to an authorized official of the City.

See Plan of Finance presentation for discussion.

Councilperson Cole Humphreys moved to approve Items 15-16, as presented. Councilperson Kurt Johnson seconded the motion. The motion passed 3-0.

Ayes: Copeland, Humphreys, Johnson

Nays: None

Abstentions: None

Absent: None

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 was held.

CITIZEN COMMENTS

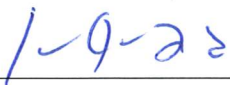
No citizen comments were made.

ADJOURNMENT

There being no further business, the Finance and Government Committee meeting adjourned at 4:05 p.m.



Chairperson, Jeff Copeland
Finance and Government Committee



Date