



MINUTES

CALL TO ORDER

Chairperson Jeff Copeland called to order the City of Grand Prairie Finance and Government Committee convened at 2:30 p.m. on Tuesday, August 3, 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 NOT PRESENT

No Guests were recognized as being in attendance.

STAFF PRESENTATIONS

1. Presentation on Financial Resiliency

Treasury and Debt Manager, Brady Olsen, presented information on our financial resiliency. Mr. Olsen stated that the City of Grand Prairie has a AAA bond rating, which is the highest rating possible. An outside agency determines each year the City's risk factor. The rating indicates how likely the City is to pay back what is owe. The City of Grand Prairie currently has a higher rating than 35 states, the European Union, China, France, New Zealand, and the USA as a whole. The rating is based on four factors: economy, financial performance, management, and debt level. The outside agency, S&P, determined that under a stress situation, such as another pandemic, the City would perform better than the US due to our conservative budgeting and strong revenue growth. He noted the Finance and Government Committee, the Budget Department, the City Council, and all department leadership have all contributed to our healthy financial position.

Mr. Olsen also state that the City's liquidity (the cash that could be access within a year) is very strong. If another stress occurred, such as another pandemic, the City has enough in reserves to operate for six months. The City's tax base, property values and increased residents/properties, has grown at least 4.5% every year since 2012. Deputy City Manager, Cheryl De Leon noted that the growth is a very important indicator in the AAA rating. Mr. Olsen stated that in 2020, our sales tax revenue increased 1% over 2019. He noted that our strength is in our diversity. Many cities have one large business anchor they depend on for growth. For example, if retail is down, warehousing may go up. Mr. Olsen noted that Planning and Zoning, the City Council as a whole, and the Economic Development team are all responsible for the City's diversity of our industrial, commercial, and residential base.

Mr. Olsen offered some historical information regarding the City of Grand Prairie's financial health.

- In worst month of 2020, with most businesses closed, our sales tax revenue was down just 14% from 2019. Of the 15 months of COVID -19, only five months were lower in tax revenue than the previous year, with 10 months performing better than the previous year. He credited the diversity, including warehousing.
- During the recession, the City had a 4% sales tax decline in 2009, and a 2% in 2010.
- Property tax value increased in 2020 over 2019.
- The City has not experienced a decline greater than 3% since 1999.

Mr. Olsen also noted that these points are ones the rating agencies strongly consider. He again noted

that the Finance and Government Committee has played a significant role in our financial situation by making recommendations to ensure the City has reserves in place and practice conservative budgeting.

2. Quarterly Investment Report

Mr. Brady Olsen presented the quarterly investment report, as required by the State of Texas. The City currently has \$54,000,000 more as of the end of June than it had at the beginning of the year. The City receives a large portion of its revenue at the beginning of the year. The City has a portfolio of approximately \$400,000,000, and it is required for the funds to be invested in safe, low-risk entities. Liquidity and safety are the two primary factors regarding the City's investments. Examples of our investments are the US Treasury, Freddy Mac, Federal Home Loan Board, and the Federal Farm Credit Bank. The City also invests in other municipal bonds. The investments are generally kept within a three-year time frame. Most of the City's money can be available within one year, with part of the funds available within hours. The rest of the funds can be available at three years when they mature. Mr. Olsen reviewed the interest report by month, noting that the goal was to ensure the revenue is meeting the budget. The overall strategy is a ladder portfolio to ensure the City has money come back every month.

A discussion took place on various type of investments, and Ms. Cheryl De Leon commented on the outstanding performance of Mr. Olsen and his team in protecting our funds.

3. Basic Rules for Public Procurement

Interim Purchasing Manager, Angi Mize, introduced the Purchasing Department team, Senior Buyers Alysia Ducote, Venona McGee, Anda Upchurch, and herself. Ms. Mize presented information on the basic rules for public procurement, including the role of the Purchasing Department. She stated that three dollar-values are key markers. If a purchase is less than \$3,000, Purchasing will recommend to the purchaser to compare prices for best value, and to use their department's procurement card for payment. If the purchase is \$3,000 to \$49,999, the purchaser must obtain three quotes, with at least two of those quotes from HUB (Historically Underutilized Businesses), and to seek out Grand Prairie businesses first. Ms. Mize also explained the definition of a HUB vendor (minority and/or woman-owned business), and the requirement for the business to be registered with Central Master Bidders List (state agency). Ms. Mize also stated that purchases could be made using cooperative or interlocal contracts, where other approved agencies have done the vetting, allow the City to 'piggyback' on their contracts. Ms. Mize also explained that any purchase \$50,000 or greater must be completed through sealed bids, and the purchase must have City Council's approval. The City currently has over 454 existing agreements. She also provided examples of cooperative and interlocal agreements. Some purchases are exempt from the process, including such as emergency situations, sole source (researched by Purchasing Buyers), professional services, and resale items.

CONSENT AGENDA

Ms. Cheryl De Leon reviewed the general guidelines for items that are included on the Consent Agenda. In general, items on the Consent Agenda have been thoroughly vetted. items 100K or less, or no dollar value at all, more routine, can be put on Consent Agenda. Councilpersons Jeff Copeland and Kurt Johnson requested that items on the Consent Agenda that need to be ratified should include an explanation.

4. Minutes from the July 6 and July 13, 2021, Finance and Government Committee Meetings
5. Extension of AEG Lease Amendment for a 50% Rent Reduction during the term of the COVID pandemic through September 30, 2021
6. Amendment/Change Order No. 1 for construction contract with Felix Construction Company in the amount of \$50,778.09 for South Sector Pump Station Phase II

7. Amendment/Change Order No. 1 for Professional Engineering Services Contract with Criado and Associates for providing Final Design of Dechman Road from Westchester Parkway to Bardin Road in the total amount of \$85,200
8. Ratify the contract for the purchase of furniture, fixtures, and equipment (FF&E) for the Water Revenue Department renovations project through Wilson Office Interiors in the total amount of \$81,006.52
9. Purchase of traffic signal poles from Pelco Structural, LLC in the amount of \$73,325 through a national inter-local agreement with House-Galveston Area Council (H-GAC) cooperative purchasing program
10. Amendment/Change Order No. 2 to the Interlocal Agreement with Dallas County in the additional amount of \$100,000 for Rock Island Road Bridge, MCIP 40812 at Bear Creek in the City of Grand Prairie

Councilperson Kurt Johnson moved to approve Items 2-10 on the Consent Agenda. Councilperson Cole Humphreys seconded the motion. The motion passed 3-0.

Ayes: 3

Nays: 0

Abstentions: 0

ITEMS FOR INDIVIDUAL CONSIDERATION

11. Change Order/Amendment No. 4 with Merriman Anderson Architects (MAA) in the amount of \$557,650 for additional design services associated with the enhanced and expanded EpicCentral project

Senior Building and Construction Project Manager, Mr. Andy Henning (Engineering), presented information for Item 11. He explained why change orders/amendments are done. Regarding Item 11, the funds were budgeted and served as a place holder until the City could define the scope of work. The \$350,000 of the amount listed in Item 11 is our 'inheritance' from the Construction Administration Services, which is the design team's oversight of construction, in this case, for the hotel and conference center. City Attorney, Megan Mahan, offered additional background information for Item 11.

Councilperson Cole Humphreys moved to approve Items 11. Councilperson Kurt Johnson seconded the motion. The motion passed 3-0.

Ayes: 3

Nays: 0

Abstentions: 0

12. Ordinance amending the FY2020/2021 Capital Improvement Projects Budget; contract with Fast General Contracting for construction of Grand Prairie Memorial Gardens Perimeter Wall Improvements in the amount of \$325,500; Acceptance of Alternate Bid in the amount of \$43,500 for demolition and replacement of perimeter wall, plus a 5% contingency of \$18,450 for a total project cost of \$387,450; Reject all bids from RFB #21100

Parks, Arts and Recreation Director, Duane, and Assistant Director – Business Operations, Gary Yakesch, presented information for Item 12. Mr. Strawn displayed slides showing the area to be repaired and constructed in phase 2, which will enhance the value. He stated that the project was

previously bid, but the vendor's bid was too high. The wording in the bid was revised, the project was rebid, and the vendor with a better price was selected. The first bid needs to be rejected, and the second bid accepted.

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

Ayes: 3

Nays: 0

Abstentions: 0

13. The FY 2022 Transit Grant Application for "The Grand Connection" and approval of a Resolution authorizing the City Manager to submit Fiscal Year 2022 grant application with the Federal Transit Administration (FTA) for \$570,712 for Capital Expenditures, \$262,000 for Operating Expenditures and \$32,950 from Transportation Development Credits (TDC), Department of Transportation (TXDOT) for \$170,584. The City will provide a matching requirement of \$385,099 with the balance of \$20,000 from Dallas County. The total budget to operate the Grand Connection for Fiscal Year 2022 is \$1,441,345

Director of Transportation Services, Walter Shumac, presented with Transit Manager, Monica Law, the Grand Connection budget. Mr. Shumac explained the function of the Grand Connection. Examples include transportation of seniors and handicapped citizens. Ms. Law discussed specific items in the budget, and she offered information on the Transit Grant Application. She also noted that some vehicles will be replaced. Ms. Law clarified that use of Grand Connection is only for persons aged 60 or over, and for persons who are handicapped or disabled. Mr. Shumac noted that the total budget for the Grand Connection is \$1,400,000, and the City's share is \$385,000.

A discussion took place regarding advertising of Grand Connection so that more eligible citizens could become aware of the service. Mr. Shumac noted that the Summit is a primary source of exposure. Mr. Shumac also stated that his department is also working on other options for Grand Prairie, such as Via Transportation.

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

Ayes: 3

Nays: 0

Abstentions: 0

14. Ordinance amending the Capital Improvement Projects; Amendment (Change order) No.3 to professional engineering and surveying services Contract with Kimley Horn and Associates for hydraulic analysis and design modifications of Rock Island Road Bridge at Bear Creek in the amount of \$200,400

Mr. Walter Shumac presented information for Item 14. The City has an interlocal agreement with the county for this project, with the City constructing the first two lanes, and the county expanding the project to four lanes. The City will be reimbursed for design costs that are being spent up front, as the county will fully fund the construction.

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

Ayes: 3

Nays: 0

Abstentions: 0

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 - City Manager's Contract"*
- (4) *Section 551.087 "Deliberations Regarding Economic Development Negotiations."*

No Executive Session was convened.

CITIZEN COMMENTS

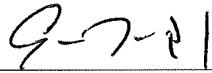
No citizen comments were made.

ADJOURNMENT

There being no further business, the Finance and Government Committee meeting adjourned at 3:37 p.m.



Chairperson, Jeff Copeland
Finance and Government Committee



Date