



**MINUTES
CITY COUNCIL FINANCE AND GOVERNMENT COMMITTEE
November 3, 2015**

The City of Grand Prairie Finance and Government Committee convened at 2:33 PM on October 13, 2015 in the Development Center, the Grand Conference Room, 206 W. Church Street, Grand Prairie, Texas. The following persons were in attendance:

COMMITTEE MEMBERS PRESENT

Jim Swafford, Chairman
Greg Giessner
Jorja Clemson

CITY STAFF PRESENT

Tom Cox, Diana Ortiz, Kathleen Mercer, Bill Crolley, Lt. Michael Fleming, Ryan Simpson, Danielle Tate, Fire Chief Robert Fite, Caroline Siskowic, Lisa Norris, Robert Myers, Bob O'Neal, Erica Soto, Ashley Land, Billy Moore, Gary Yakesch, Tim Shinogle, Ron McCuller, Marshall Warder, Andrew Fortune and Gloria Colvin

GUESTS PRESENT

Edward Lopez, Jr., Partner; Sandra Tei, Client Liaison; Peggy McCormick, Operations Manager
Linebarger Goggan Blair & Sampson, LLP

Item #1: Consider Minutes of October 13, 2015

The Finance and Government Committee moved to approve the minutes of October 13, 2015. The motion carried unanimously.

Item #2: Annual Report – Delinquent Tax Collection Performance – Presented by Edward Lopez

Ms. Ortiz informed the committee that each year, the attorneys at Linebarger Goggan Blair & Sampson, LLP are responsible for the collection of delinquent property taxes.

Mr. Lopez said Linebarger has represented the City of Grand Prairie since July 1991 and have collected \$40,027,963 for the City and provided the following highlights:

- * The City's year-end current collection rate is 99.07% in 2015. Since 2009, the City's total delinquent tax roll has decreased by 39% (\$2.1 million). Since 2009, current year taxes turned over to LGB&S have decreased by 55% (\$1.2 million).
- * Linebarger collected \$1,814,722 for the City of Grand Prairie from July 2014 – September 2015.

Mr. Lopez said it is a privilege to represent the City of Grand Prairie. Chairman Swafford thanked Mr. Lopez, Ms. Tei and Ms. McCormick for their efforts and said the Linebarger's track record is great throughout the State of Texas.

Item #3: Insurance Fund Monthly Review – Presented by Lisa Norris

Ms. Norris provided an update on the Employee Insurance Fund through fiscal year-end September 2015.

Ms. Norris mentioned that overall, revenue actuals came in better than both the projections submitted during budget processes in May and the running projections calculated. Revenues totaled \$16,828,857 based upon current information. Unfortunately, expenses came in at \$17,103,959, higher than both the budget and running projections. As a result, the insurance fund is tentatively showing -275,102 operating imbalance for the fiscal year leaving the ending resource at \$3,495,388.

Active employee claims came back down to \$996,216, a reduction from the \$1.16M and \$1.18M in each of the prior two months respectively. However, active claims totaling \$11,363,946 for the year fell beneath the budgeted amount of \$12,192,033, just 90% of budget. Retiree claims ended the year at \$3,267,786, or 142% of budget. However, the September claims of \$263,639 were the fourth consecutive month to fall beneath the fiscal year monthly average. The claims per member per month indicates the past two years showing that as of September, we are the lowest of the prior two years and continue to show the flattening overall for claims. We have had 15 claims exceed \$100,000 this calendar year with only one just over \$500,000.

Item #4: Quarterly Risk Fund Review – Presented by Lisa Norris

Ms. Norris informed the committee that the risk fund had a challenging year with the wind storms from October 2014 and April 2015, followed by the May flooding that impacted areas and revenues throughout our city long after the rains subsided. Notable items this year included stoploss contribution of \$928,925 deposited in risk rather than insurance fund; various recoveries made from either insurance or subrogation; property losses from storms of nearly \$400,000 and the one time expenditures noted for safety equipment, building security and one time city wide repairs that were made. Overall, ended the year with a balance of \$2.89M.

Ms. Norris also presented the property and liability. Our final quarter of the year produced much lower liability claims costs only reaching \$50,022 as compared to the \$90,000 plus costs in each of the prior two years. Auto/property losses were considerably more than each of the two prior years due to the storm damage, primarily from flooding, reaching \$1.73M as of fiscal year end. Auto damage and property loss presented provides a summary of key losses in departments by loss severity. In house collections ended the year strong collecting \$100,014 in total for both property and mobile subrogation efforts. Insurance reimbursement from TML finished strong reaching \$1,617,970 as of September 30, 2015. The City Attorney's office provided a summary of the payments received by TML versus the repair costs related to storms that occurred between October 2014 and May 2015 which damaged city property, equipment and resulted in substantial business interruption and lost revenue.

Ms. Norris said the workers compensation paid costs were up this year, although still very low for a city our size and with the aggressive programs, activity and responsiveness of all our employees in high risk, high demand, and physical jobs such as utilities, streets, parks, fire and police as well as many other divisions across the city.

Item #5: Price agreement with Occu-Med to conduct pre-employment and annual physical testing services for the Fire Department for a 3-year contract effective November 1, 2015 to October 31, 2018, with two annual renewal options for years 2019 and 2020, in an estimated annual amount up to \$47,000 per year for years one through three, \$48,000 for year four, and \$49,000 for year five, for a total contract value up to \$238,000 over 5 years – Presented by Lisa Norris

Ms. Norris said typically, the Fire department new hire physicals were performed through the city-wide occupational health provider, and annual physicals were not performed by the department, but could be done at the employee's leisure through their own doctor under the medical plan. This year, the Fire Chief met with Human Resources and the City Manager's Office to propose implementation of a multi-year plan to conduct annual physicals (beyond pre-employment) for all sworn Fire personnel in accordance with certain testing recommended by the National Fire Protection Agency (NFPA). Chief Fite proposed staggering this new annual physical testing over three-year periods, essentially testing 1/3 of their sworn population each year, to have everyone tested over the three-year period. New hire testing will remain consistent with what is done today and includes a few other tests that are not needed annually. New hires will have to go to the testing site and are not conducted on city sites since they are hired sporadically during the year as vacancies occur.

Chairman Swafford asked if everyone is getting a physical. Chief Fite said that everyone is getting a baseline. Ms. Norris mentioned that the city will only spend up to the appropriated amount of \$30,000 for this fiscal year.

Chairman Swafford states the committee supports this item and recommends bringing forward to City Council for final approval.

Item #6: Update on EMS (Emergency Medical Services) Revenues and Payer Statistics – Presented by Chief Fite and Caroline Siskowic

Chief Fite and Ms. Siskowic provided an update on the EMS (Emergency Medical Services) revenues and payer statistics.

Ms. Siskowic reviewed the following reports:

1. Revenue Reconciliation by Payer - total revenue for FY2015 was \$2,730,196 from all payers, memberships and interest. FY 2014/2015 budget was \$2,662,740 for a total collected over budget of \$67,456.

Council Member Clemson asked how the membership program is publicized. Ms. Siskowic said the information is on the City website and in the Pipeline. Chief Fite said the consultant may recommend increasing the membership and will bring that item to this committee at a later time. Chairman Swafford said we need to look at the entire program before recommending any fee changes and find out what other cities are doing.

2. Revenue by Month by Charge Zone Code - report is based on transaction month and summarizes charges and payments for residents and non-residents, memberships and contains

monthly activity for services that were provided prior to zone codes. Payments for each month reconcile with the Revenue Reconciliation by Payer report.

3. 2% Federal Sequestration - Medicare provider payments were cut by two percent (2%) effective for dates of services April 1, 2013 through March 31, 2016 as part of the federal spending reductions. This report summarizes, by transaction month (month payment was received), revenues cut by Medicare under this mandatory reduction.

4. Annual Collections Statistics - report provides charges, payments and adjustments by payer type.

5. Payer Mix - report provides transports by primary payer.

6. Aged Receivables - report includes outstanding receivables as of August 31, 2015 for dates of service January 10, 2014 (beginning date of new billing system) through August 31, 2015.

The committee thanked Chief Fite and Ms. Siskowic for their presentation.

Item #7: Purchase of one 2015 24-foot “Justice by Boston Whaler” boat, for the Police Department’s Lake Patrol Unit, from “Brunswick Commercial and Government Products, Inc.,” in the amount of \$133,078, through an Inter-Local agreement with the Government Services Administration (GSA) – Presented by Ryan Simpson

Mr. Simpson informed the committee that currently the Lake Patrol Unit utilizes a 2006 "Low Funwale" outboard boat, which has become unsuitable for lake patrol operations. The proposed 2015 Justice by Boston Whaler boat was selected after comparing the boats of other police marine patrol units in the State of Texas. The Justice by Boston Whaler boat will enhance the visibility and enforcement capability of the GPPD Lake Patrol Unit and increase the level of officer safety while in operation. In addition, this boat will increase the Department's overall development of its Community Policing goals on Joe Pool Lake as it more approachable on the water. Finally, the Justice by Boston Whaler will double the current dive boat capabilities of the GPPD/GPFD Unified Dive Team, which currently services Joe Pool Lake with rescues, searches, and recoveries.

Chairman Swafford states the committee supports this item and recommends bringing forward to City Council for final approval.

Item #8: Price agreement for SNAP Heartworm, SNAP Parvo, SNAP FeLV, and SNAP Feline Triple tests for testing animal shelter animals from IDEXX (up to \$16,470 annually) for one year with the option to renew for three additional one year periods totaling \$65,880 if all extensions are exercised and authorize the City 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 – Presented by Danielle Tate

Ms. Tate said this price agreement is for SNAP Heartworm, SNAP Parvo, SNAP FeLV, and SNAP Feline Triple tests for testing animal shelter animals from IDEXX and will let us know beforehand

Chairman Swafford states the committee supports this item and recommends bringing forward to City Council for final approval.

Item #9: Change Order #1 for the Advanced Metering Infrastructure project from Itron, Inc., at an estimated amount of \$1,650,000 increasing the total project contract to \$6,900,000 and authorize the City Manager to execute any additional 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 term(s) – Presented by Ron McCuller

Mr. McCuller informed the committee that on July 14, 2015 City Council awarded a contract to Itron, Inc. for the provision of a fully functioning Automated Metering Infrastructure (AMI) System. The conversion to the new system was to take place over a 5 year period as additional funding is approved by City Council. As part of the FY16 budget process additional funds were approved for this project in the amount of \$1.25 million. Staff requests approval to amend the contract with Itron, Inc. for the Automated Metering Infrastructure system in the amount of \$1.25 million for year 2 funding of the project and \$400,000 for replacement meters as needed.

Council Member Clemson asked if the new water meters are easy to read as many of our residents keep up with their daily or weekly water usage. Mr. McCuller said the new water meters are easy to read. Council Member Giessner asked if the \$400,000 budgeted will be used for typical operating costs. Mr. McCuller said these funds will be used only for the replacement program.

Chairman Swafford states the committee supports this item and recommends bringing forward to City Council for final approval.

Item #10: Acquisition of property for extension of Fish Creek Linear Park – Presented by Tim Shinogle

Mr. Shinogle informed the committee that Fish Creek Linear Park was planned to be a continuous trail linkage extending from the Arlington/Grand Prairie corporate boundary to the city limits of Dallas. Three phases of development are complete and in place consisting of 110 acres and 2.3 linear miles of multipurpose trail. In 2007, negotiations were begun for a tract of land adjacent to Matthew Road. Concurrently, design plans were initiated for linear park development on this tract which would allow connection to the existing trail and planned parking lot to be developed as part of the Lake Ridge Parkway extension.

The tract was subsequently acquired by Texas Midstream, a subsidiary of Chesapeake Energy. Land negotiations were stymied due to gas drilling issues at that time. Recently, staff found a willingness of Texas Midstream representatives to negotiate with the City to disperse of the tract. The 8.02 acre tract was appraised at a value of \$139,302. Texas Midstream is also proposing to donate 2.346 acres. The acquisition provides a direct connection and continuation of linear park development and staff recommends acquisition of the property.

Chairman Swafford states the committee supports this item and recommends bringing forward to City Council for final approval.

Item #11: Ordinance amending the FY 2015/2016 Capital Improvement Project Budget; and Change Order 1 with Lee Lewis Construction, Inc. in the amount of \$1,100,000 for pre-purchase of aluminum materials for the OpenAire retractable roofing structure on the EPIC Waters facility, resulting in an estimated \$392,198 construction cost savings to the City – Presented by Marshall Warder

Mr. Warder informed the committee that at their December 9, 2014 meeting, Council awarded the initial component of the Construction Manager at Risk (CMAR) contract to Lee Lewis Construction, Inc. for pre-construction services in the amount of \$20,000. This award provided for CMAR services including development of project estimates, preliminary construction schedules, value engineering and constructability review during the Design Phase.

The CMAR has been working with HKS and the City since that award to assist in final development of the project planning. Once the plans are brought to completion, the CMAR will advertise the project and receive subcontractor bids for the various disciplines of work included within the scope of the project. The second component of the CMAR contract would then become the Guaranteed Maximum Price (GMP) that will be assimilated from the subcontractor bids received, vetted, and submitted by Lee Lewis for best quality and value to the City. The GMP will subsequently be brought to Council for consideration and final approval. Once approved, the GMP will be added by amendment to the initial contract award.

In the interim and before the GMP is prepared, it has been made known that a pre-purchase of aluminum materials that will be utilized in the construction of the OpenAire retractable roof system for the EPIC Waters portion of the project will save significant costs for the City. An early purchase of these materials in the amount of \$1,100,000 will allow the City to realize a hard cost savings to the project estimated at \$392,198. If approved by Council, this requested early funding will ultimately be rolled into the final GMP amount, but the savings will be locked in to the overall benefit of the project. Therefore, approval of the requested funding for pre-purchase of these materials is recommended by City staff at this time.

Chairman Swafford states the committee supports this item and recommends bringing forward to City Council for final approval.

Executive Session

Mr. Swafford announced an Executive Session starts at 3:59 p.m. pursuant to Chapter 551 of the Texas Government Code, Section 551.087 “Deliberation regarding economic development negotiations”. The executive session adjourned at 4:13 p.m.

Chairman Swafford states the committee supports the two incentive packages and recommends bringing forward to City Council for final approval.

Adjournment: There being no further business, the Finance and Government Committee Meeting adjourned at 4:15 p.m.

Diana G. Ortiz
Staff Liaison

Jim Swafford
Finance and Government
Chairman

Date