



**A G E N D A**  
**HOUSTON-GALVESTON AREA COUNCIL**  
**FINANCE AND BUDGET COMMITTEE MEETING**  
**January 16, 2024, 9:15 AM**  
**3555 Timmons Lane, Conference Room 2-D**  
**Houston, TX 77027**

1. CALL TO ORDER
2. N/A
3. PUBLIC COMMENTS
4. DECLARE CONFLICTS OF INTEREST

**ACTION**

5. CONSENT AGENDA  
Items listed are of a routine nature and may be acted on in a single motion unless requested otherwise by a member of the Board.
  - a. N/A
  - b. AREA AGENCY ON AGING CONTRACT RECOMMENDATION  
Request authorization to fund Fiscal Year 2024 contracts for Advance Hi-Tech Nursing, Inc doing business as LifeSpan Home Care and Synergy Homecare of Northeast Houston in an amount not to exceed \$120,000. (Staff Contact: Curtis Cooper).
  - c. CONSULTANT SELECTION FOR BUFFALO BAYOU EAST DESIGN CONCEPT  
Request approval to execute a consultant contract not to exceed \$475,000 to support the Buffalo Bayou East Design Concept. (Staff Contact: Craig Raborn)
  - d. 2024 INVESTMENT POLICY  
Request approval of H-GAC's Investment Policy. (Staff Contact: Shaun Downie)
6. FINANCE AND BUDGET COMMITTEE  
Report on activities and Committee recommendations.
  - a. MONTHLY FINANCIAL REPORT – DECEMBER 2023  
Request approval of the monthly financial report ending December 31, 2023. (Staff Contact: Christina Ordonez-Campos)
7. TRANSPORTATION PLANNING
  - a. COMMUTE SOLUTIONS MARKETING CAMPAIGN 2024  
Request authorization to contract with media vendors to purchase print/digital, social media, billboards, and radio/tv to promote commute solutions within the region; total amount is \$300,000. (Staff Contact: Miguel Segura)
8. N/A

9. N/A

10. REPORTS

a. N/A

b. EXECUTIVE DIRECTOR'S REPORT

Report on current and upcoming H-GAC activities. (Staff Contact: Chuck Wemple)

11. ADJOURNMENT

In compliance with the Americans with Disabilities Act, H-GAC will provide for reasonable accommodations for persons attending H-GAC functions. Requests should be received by H-GAC 24 hours prior to the function.

## AREA AGENCY ON AGING CONTRACT RECOMMENDATION

### Background

H-GAC is the Area Agency on Aging for Austin, Brazoria, Chambers, Colorado, Fort Bend, Galveston, Liberty, Matagorda, Montgomery, Walker, Waller and Wharton counties. Each year we contract with organizations to provide services for individuals aged sixty and older, including nutrition (congregate and home-delivered meals); transportation; and direct services such as personal assistance and respite care, residential repair, health maintenance, emergency response, and health promotion. Fiscal Year 2024 Aging programs begin October 1, 2023 and end September 30, 2024.

### Current Situation

#### 2024 Funding

In an effort to increase our number of home healthcare providers, we issued requests for proposals for new contractors to provide personal assistance and respite care services. We recommend contracting with two additional providers for the balance of the fiscal year. New contractors will provide approximately 4,800 hours of home healthcare service.

Proposer	Service	Funding
Advance Hi-Tech Nursing, Inc dba LifeSpan Home Care	Personal Assistance and Respite Care	\$60,000
Synergy Homecare of Northeast Houston	Personal Assistance and Respite Care	\$60,000
		\$120,000

The proposal review committee scored each proposal based on experience and capability, program plan, and fiscal responsibility. We recommend funding proposers scoring 75 or higher. We do not recommend funding proposers who scored 74 or less, those applicants are CHOSEN J-X INC., Consider the Lilies Home Care, FCM Group, LLC. DbA Nurse Next Door, BBH Life Care, LLC., Always Best Care Senior Services, International Cargo and Logistics, LLC. DbA Tomori Medical Supplies and Services, Granny's Helping Hand, and A Better Solution In-Home Care.

H-GAC maintains a network of authorized providers for direct services such as personal assistance and respite care, residential repair, health maintenance, and emergency response. Eligible consumers select from the available organizations for the specific service they need.

The Aging and Disability Advisory Committee approved funding at its December 21, 2023 committee meeting.

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### Funding Source

Texas Health and Human Services Commission

### Budgeted

Yes

**Action Requested**

Request authorization to fund Fiscal Year 2024 contracts for Advance Hi-Tech Nursing, Inc doing business as LifeSpan Home Care and Synergy Homecare of Northeast Houston in an amount not to exceed \$120,000. (Staff Contact: Curtis Cooper)

## **CONSULTANT SELECTION FOR BUFFALO BAYOU EAST DESIGN CONCEPT**

### **Background**

The Buffalo Bayou East Design Concept project was originally submitted as part of the larger program - Local Active Transportation Studies. Buffalo Bayou East Design Concept (TRN23-04) is a study that aims to improve connectivity and mobility from the Buffalo Bayou shared use path system to three areas:

- Gregg/Velasco
- North Side Treatment Plant East
- 5th Ward Transit Oriented Development and Japhet Creek

### **Current Situation**

A request for proposals for consultant support for this project was issued on July 5, 2023, and closed on August 17, 2023. A total of six (6) proposals were submitted to the Houston-Galveston Area Council. The Proposal Review Committee recommends consultant selection in the ranked order listed below:

1. SWA Group
2. Kimley-Horn
3. Asakura Robinson Company LLC
4. MIG, Inc.
5. LJA Engineering, Inc.
6. TJKM Transportation Consultants

Upon approval by the Board, H-GAC will initiate the process to negotiate and execute a contract not to exceed \$475,000.

### **Funding Source**

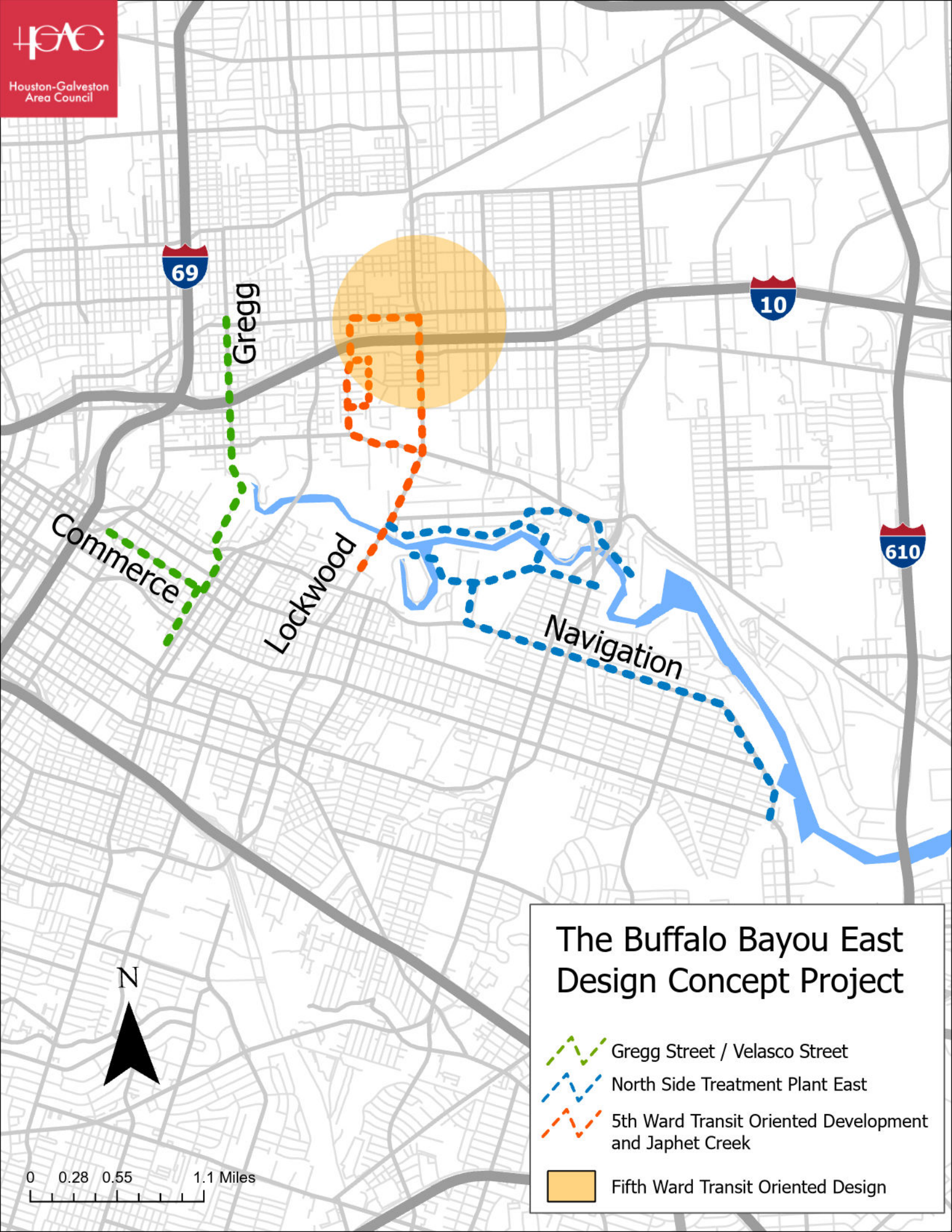
Federal - Surface Transportation Block Grant

### **Budgeted**

Yes

### **Action Requested**

Request approval to execute a consultant contract not to exceed \$475,000 to support the Buffalo Bayou East Design Concept. (Staff Contact: Craig Raborn)



## The Buffalo Bayou East Design Concept Project

- Gregg Street / Velasco Street
- North Side Treatment Plant East
- 5th Ward Transit Oriented Development and Japhet Creek
- Fifth Ward Transit Oriented Design

## 2024 INVESTMENT POLICY

### **Background**

H-GAC is required to maintain an investment policy that is consistent with the Public Funds Investment Act. The policy must identify that the goal of public investment is (1) a protection of principal and (2) an increase on earnings through allowable investments. The policy is subject to revision as the law changes and the investment landscape changes.

### **Current Situation**

The Public Funds Investment Act requires that we annually submit our written policy to our governing body of approval. This policy is being submitted to assure compliance with the act.

### **Funding Source**

N/A

### **Budgeted**

N/A

### **Action Requested**

Request approval of H-GAC's Investment Policy. (Staff Contact: Shaun Downie)

### **ATTACHMENTS:**

▫ 2024 Investment Policy

Cover Memo

## INVESTMENT POLICY

### INVESTMENT OF FUNDS

#### I. OBJECTIVES

- Understand suitability of investments to the financial requirements of H-GAC
- Preservation and safety of principal
- Financial security and liquidity of H-GAC funds
- Ability to liquidate investments before their maturity should the need arise.
- Diversification of the investment portfolio.
- Maximize interest yield of funds through methods allowed under Federal and State law.

#### II. RESPONSIBILITY

Planning the investment program is the joint responsibility of the Director of Finance, the Executive Director, the Chief Financial Officer and the Investment Officer(s). The investment program shall be reviewed and approved by the Budget and Finance Committee and Board of Directors prior to its institution. Any policy changes require similar approval.

A primary & a secondary investment officer must be designated and approved by the Budget and Finance Committee and the Board of Directors. The investment officers will be responsible for effectively supervising and managing the assets of the investment fund.

H-GAC investments shall be made with judgement and care under circumstances then prevailing that persons of prudence, discretion, and intelligence exercise the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

#### III. AUTHORIZED INVESTMENTS

The following are authorized investments for H-GAC funds:

1. Obligations of the United States or its agencies and instrumentalities.
2. Direct obligations of the State of Texas or its agencies.
3. Other obligations, the principal of the interest on which are unconditionally guaranteed or insured by the State of Texas or the United States.
4. General obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent.



## INVESTMENT POLICY

5. Certificates of Deposit issued by State and National banks domiciled in the State of Texas the payment of which is insured in full by the Federal Deposit Insurance Corporation.
6. Fully collateralized direct Repurchase Agreements with a defined termination date purchased pursuant to a master contractual agreement which specified the rights and obligations of both parties, and which requires that securities involved in the transaction be held in a safekeeping account subject to the control and custody of H-GAC.
7. No Load Money Market Mutual Funds and No-Load Mutual Funds. To be an allowable investment, money market funds must adhere to a 90-day weighted average maturity. No-load mutual funds with a weighted average maturity of up to 2 years are allowable if they are registered with the Securities and Exchange Commission, invest exclusively in obligations authorized by the Public Funds Investment Act, adhere to the requirements set forth for investment pools and are continuously rated by at least one nationally recognized investment rating firm at not less than AAA or its equivalent. A government may invest no more than 15% of its operating funds (excluding bond proceeds, reserves, and debt service funds) in this type of mutual fund.
8. Time deposits in the Council's depositories.
9. Investment pools created to function as money market funds must mark-to-market daily and maintain a market value ratio between .995 and 1.005. These pools must be continuously rated no lower than AAA, AAA-m or an equivalent rating by at least one nationally recognized rating agency.
10. Banker's Acceptances 1) 270 days or fewer, 2) Liquidated in full at maturity, 3) Eligible Federal Reserve Bank collateral, 4) U.S. Bank rated not less than A-1 or P-1.
11. Any combination of the foregoing.

Any law passed by the Texas State legislature changing the scope of legal investments available to a Council of Governments shall be considered included as part of this Investment Policy.

H-GAC monitors investments upon each maturity and compares interest rates offered from various brokers and the state of Texas to assure that rates are competitive for the market. Such comparisons are reviewed by the investment officer(s) and the CFO before investments are made. The comparison analysis is retained for review.

#### IV MATURITY OF INVESTMENTS

The Council measures interest rate risk using the weighted average maturity method based on the fund in which the Council makes investments.

***For pooled funds, the portfolio is measured using the dollar-weighted average maturity allowed based on the stated maturity date for the portfolio as a whole. (2256.005c)***

## INVESTMENT POLICY

Portfolio maturities will be structured to meet the liquidity needs of H-GAC first and then to achieve the highest prudent return of interest. When H-GAC has funds that will not be needed to meet current-year obligations, maturity restraints will be imposed based upon H-GAC's investment strategy for each fund. The maximum allowable stated maturity of any individual investment owned by H-GAC is five years unless specific authority is given to exceed this limit.

Reserve funds may be invested in securities exceeding five years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of funds. Any proposed investments in securities exceeding five years maturity must be disclosed to and approved by the Budget and Finance Committee and the Board of Directors including any appropriate time restrictions. The settlement of all transactions, except investment pool funds and mutual funds, is on a delivery versus a payment basis.

### I. COLLATERALIZATION REQUIREMENTS

H-GAC's depository accounts must be collateralized. The H-GAC Budget and Finance Committee and the Board of Directors shall select the form of securities pledge contract or surety bond used to secure H-GAC funds. Additional, substitution, or withdrawal of collateral for H-GAC funds shall be subject to approval of H-GAC's Board of Directors.

The Investment Officer is authorized to accept from depositories of H-GAC funds, as security for deposits, the following kinds of securities: Direct obligations of the United States of America backed by its full faith and credit; evidence of indebtedness guaranteed by Federal Intermediate Credit Banks, Federal Land Banks, Banks for Cooperative, Federal Farm Credit System, Federal Home Loan Banks, Federal National Mortgage Association; any general or special obligations (approved by the Attorney General of Texas) issued by a State of Texas public agency payable from taxes, revenues, either or both, provided all of such obligations are rated A or better by a generally recognized national bond-rating agency.

At all times, such securities shall have a market value of not less than 100% of the amount of the deposits secured thereby, adjusted by the insurance coverage provided those deposits by the Federal Deposit Insurance Corporation.

### VI WRITTEN CERTIFICATION FROM INVESTMENT FIRMS

H-GAC may conduct business with any broker licensed to do business in the State of Texas and authorized to negotiate transactions on the national stock exchange. Qualified brokers will be approved by H-GAC's Budget and Finance Committee and Board of Directors to conduct investment transactions on behalf of the Council. Any business organization which seeks to sell an authorized investment

## INVESTMENT POLICY

to H-GAC must provide a written instrument certifying that they have received and thoroughly reviewed H-GAC's investment policy and have implemented reasonable procedures and controls in an effort to preclude imprudent or noncompliant investment activities arising from investment transactions.

***The governing body of an entity subject to this subchapter or the designated investment committee of the entity shall, at least annually, review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the entity.***

### VII PROHIBITED TRANSACTIONS

The Investment Officer is prohibited from:

1. shorting securities;
2. selling calls on securities owned by H-GAC;
3. entering into reverse repurchase agreements;
4. trading in options or futures contracts;
5. purchasing mortgage-backed derivatives known as principal only (PO's), interest only (IO's) and inverse floaters;
6. purchasing or selling securities from dealers or public depositories other than those approved by the Budget and Finance Committee;
7. making any other investment transaction on behalf of H-GAC that is prohibited by law or that has not been authorized by the Budget and Finance Committee.

### VIII REPORTING REQUIREMENTS

The investment officer is responsible for preparing and submitting quarterly written reports of investment transactions and performance to the Budget and Finance Committee and the Executive Director as described in the Public Funds Investment Act. The report must:

1. Describe in detail the investment position of H-GAC on the date of the report;
2. Be prepared and signed by the investment officer;
3. State the book value and market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested;
4. State the maturity date of each directly held separate asset that has a maturity date;
5. Contain a summary statement of each pooled fund group that states the:
  - a. beginning and ending market values for the reporting period, and
  - b. additions and changes to the market value during the period;
6. State the compliance of the investment portfolio of H-GAC as it relates to:
  - a. the investment strategy expressed in H-GAC's investment policy, and
  - b. relevant provisions of Government Code Section 2256.023;

## INVESTMENT POLICY

7. State the percentage of the total portfolio which each type of investment represents.

In conjunction with H-GAC's annual financial audit, a compliance audit shall be performed for management controls on investment and adherence to the H-GAC's investment policies.

If the investment officer has a personal business relationship with an entity or is within the second degree by affinity or consanguinity to an individual seeking to sell an investment to H-GAC, the investment officer must file a statement disclosing that personal business interest, or relationship, with the Texas Ethics Commission, the Budget and Finance Committee, and the Board of Directors.

In addition, investment pools must provide investment officers with a disclosure instrument which contains specific and detailed information. Investment pools must provide investment officers with transaction confirmations and a detailed monthly report.

### IX CONTINUING EDUCATION

It is H-GAC's policy to provide training required by the Public Funds Investment Act and periodic training in investments for the investment officer through courses and seminars offered by professional organizations and associations in order to insure the quality, capability, and currency of the investment officer in making investment decisions. The Chief Financial Officer and investment officer(s) shall attend at least one training session relating to their investment responsibilities within 12 months of assuming duties this initial training must contain at least ten hours of instruction relating to their respective responsibilities under the Public Funds Investment Act. *Gov't Code 2256.008 (a)*.

The Chief Financial Officer and the investment officer(s) shall attend an investment training session not less than once in a two year period that begins on the first day of the agency's fiscal year and consists of the two consecutive fiscal years after that date, and receive not less than eight hours of instruction relating to investment responsibilities under the Public Funds Investment Act from an independent source approved by the board or by the Budget & Finance Committee advising the investment officer. *Gov't Code 2256.008(a-1)*.

### X ANNUAL REVIEW

The board shall review its investment policy and investment strategies not less than annually. The board shall adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the investment policy or investment strategies. *Gov't Code 2256.005(e)*.

## **INVESTMENT POLICY**

### **XI NOTIFICATION OF INVESTMENT CHANGES**

It shall be the duty of the investment officer(s) to notify the Budget and Finance Committee of any significant changes in current investment methods and procedures prior to their implementation, regardless of whether they are authorized by this policy or not.

## MONTHLY FINANCIAL REPORT - DECEMBER 2023

### **Background**

N/A

### **Current Situation**

N/A

### **Funding Source**

N/A

### **Budgeted**

N/A

### **Action Requested**

Request approval of the monthly financial report ending December 31, 2023. (Staff Contact: Christina Ordonez-Campos)

### **ATTACHMENTS:**

- ▢ Monthly Financial Report - December 2023
- Cover Memo

**HOUSTON-GALVESTON AREA COUNCIL  
FINANCIAL STATUS REPORT  
For the Twelve Months Ended December 2023**

	<u>Budget</u> <u>Year to date</u>	<u>Actual</u> <u>Year to date</u>	<u>Variance</u> <u>Dollar</u>	<u>%</u>
<b>Combined Revenues and Expenditures</b>				
Revenues	\$ 456,651,211	\$ 437,108,273	\$ (19,542,938)	-4%
Expenditures	(455,007,296)	(436,249,118)	18,758,178	-4%
<b>Change in Combined Fund Balance</b>	<b>\$ 1,643,915</b>	<b>\$ 859,155</b>	<b>\$ (784,760)</b>	

<b>Change in Fund Balance by Fund Type</b>				
Change in fund balance - General Fund	\$ (541,584)	\$ (1,684,895)	\$ (1,143,311)	
Change in fund balance - Gulf Coast Regional 911	2,080,057	1,739,699	(340,358)	
Change in fund balance - Enterprise Fund	105,442	804,351	698,909	
<b>Total Change in Fund Balances</b>	<b>\$ 1,643,915</b>	<b>\$ 859,155</b>	<b>\$ (784,760)</b>	

**Variance Analysis**

The Board approved a reduction of H-GAC's fund balance for capital improvement in 2023. This reduction will show on the change in the fund balance above as we are approaching the completion of the renovation project.

\* The Cooperative Purchasing program has contributed a \$720,374 increase toward the Enterprise fund balance YTD, and the EnergyPurchasing Corporation is reflecting a \$83,977 increase to the Enterprise fund balance which results in a total of \$804,351.

**HOUSTON-GALVESTON AREA COUNCIL  
FINANCIAL STATUS REPORT  
For the Twelve Months Ended December 2023**

	Annual Budget	Budget Year to Date*	Actual Year to Date	Variance Dollar	%
<b>Revenues</b>					
<b>General and Enterprise Fund</b>					
Membership dues	\$ 462,136	\$ 462,136	\$ 462,336	\$ 200	0%
HGAC Energy Purchasing Corporation	75,000	69,433	137,642	68,209	98%
Cooperative Purchasing fees (a)	5,500,000	5,343,348	5,113,994	(229,355)	-4%
Gulf Coast Regional 911 fees	2,605,121	3,546,934	4,150,653	603,719	17%
Interest Income	200,000	277,070	750,283	473,213	171%
Other	7,781,387	4,986,302	6,126,799	1,140,497	23%
<b>Total General and Enterprise Fund revenues</b>	<b>\$ 16,623,644</b>	<b>\$ 14,685,223</b>	<b>\$ 16,741,706</b>	<b>\$ 2,056,483</b>	<b>14%</b>
<b>Special Revenue Fund</b>					
Federal Grant	\$ 200,000	\$ 191,303	\$ 167,371	\$ (23,932)	-13%
State Grants	474,015,106	441,774,685	420,199,195	(21,575,489)	-5%
<b>Total Special Revenue Fund revenues</b>	<b>\$ 474,215,106</b>	<b>\$ 441,965,988</b>	<b>\$ 420,366,567</b>	<b>\$ (21,599,421)</b>	<b>-5%</b>
<b>Total Revenues</b>	<b>\$ 490,838,750</b>	<b>\$ 456,651,211</b>	<b>\$ 437,108,273</b>	<b>\$ (19,542,938)</b>	<b>-4%</b>
<b>Expenditures</b>					
Personnel (b)	\$ 34,141,958	\$ 33,400,235	\$ 32,310,616	\$ (1,089,619)	-3%
Pass-through funds - grant	431,342,942	399,432,778	385,189,467	(14,243,310)	-4%
Consultant and contract services	15,392,991	13,173,421	7,695,869	(5,477,552)	-42%
Lease of office space	1,827,797	1,655,538	1,680,916	25,378	2%
Equipment (c )	4,943,200	2,181,349	4,293,195	2,111,845	97%
Travel	687,449	408,783	436,655	27,872	7%
Other expense	4,938,555	4,755,193	4,642,401	(112,792)	-2%
<b>Total Expenditures</b>	<b>\$ 493,274,892</b>	<b>\$ 455,007,296</b>	<b>\$ 436,249,118</b>	<b>\$ (18,758,178)</b>	<b>-4%</b>
<b>Excess of Revenues over(under) Expenditures</b>	<b>\$ (2,436,142)</b>	<b>\$ 1,643,915</b>	<b>\$ 859,155</b>	<b>\$ (784,760)</b>	

**Variances:**

*\* This month we are presenting a slightly different variance analysis format. The new analysis compares actual year-to-date expenses against the past five-year average percentage to date, which will more closely track actual revenue and expense throughout the year.*

a) Cooperative Purchasing fees doubled in December and will come close to projections at year end.

b) Personnel is behind due to 80 positions not being filled by the end of this year.

c) Equipment expenses are mainly for the office renovation project this year which is near completion.



## COMMUTE SOLUTIONS MARKETING CAMPAIGN 2024

### Background

The Houston-Galveston Area Council seeks to implement a Commute Solutions marketing campaign in 2024. The goal of the campaign is to increase awareness about the regional transportation demand management program and the various commute options that exist to help reduce congestion and improve air quality. The campaign will focus on major employers and commuters in the eight-county area that has not attained certain federal air quality standards.

### Current Situation

The marketing campaign will include advertisements with various media outlets to support outreach efforts to shift travel behavior towards more efficient use of our existing transportation networks. The 2024 campaign will include media buys secured by the H-GAC Communications Department. A list of potential vendors and estimated budget for each is listed below:

Type	Amount	Potential Vendors
Print/Digital Advertising	\$80,000	Houston Chronicle, Houston Business Journal, CityBook, Google; Cox Media – KKBQ, KTHT, iHeart – KOVE, KAMA, KBXX, KMJQ, KODA, KQBT, KTBZ, KRBE, Texas Southern University, University of Houston
Social Media	\$80,000	Facebook, Twitter, Instagram, LinkedIn
Billboards	\$65,000	Outfront, SignAd, ClearChannel, Lamar
Radio/TV/Streaming	\$45,000	KTRK, KPRC, KIAH-TV; KRIV, Cox Media – KKBQ, KTHT, iHeart – KOVE, KAMA, KBXX, KMJQ, KODA, KQBT, KTBZ, KRBE, Texas Southern University, University of Houston, Spotify, You Tube
Tradeshows and Events	\$30,000	Greater Houston Partnership, HR Houston, Texas Parking and Transportation Association

The proposed timeline for the campaign is from January 2024 through December 2024. This project is included in the Transportation Improvement Program and is funded through the federal transportation funds.

### Funding Source

Federal – Congestion Mitigation and Air Quality Funds

### Budgeted

Yes

### Action Requested

Request authorization to contract with media vendors to purchase print/digital, social media,

billboards, and radio/tv to promote commute solutions within the region; total amount is \$300,000.  
(Staff Contact: Miguel Segura)

## EXECUTIVE DIRECTOR'S REPORT

### **Background**

N/A

### **Current Situation**

N/A

### **Funding Source**

N/A

### **Budgeted**

N/A

### **Action Requested**

Report on current and upcoming H-GAC activities. (Staff Contact: Chuck Wemple)