



**A G E N D A**  
**HOUSTON-GALVESTON AREA COUNCIL**  
**FINANCE AND BUDGET COMMITTEE MEETING**  
**MAY 17, 2022 9:30 AM**  
**3555 Timmons Lane, 2<sup>nd</sup> Floor**  
**Conference Room B**  
**Houston, TX 77027**

1. CALL TO ORDER
2. N/A
3. PUBLIC COMMENTS – Members of the public may participate by sending comments to [BoardPublicComments@h-gac.com](mailto:BoardPublicComments@h-gac.com); by joining online via website; or by dialing US: 1-888-788-0099 (Toll Free) or 1-877-853-5247 (Toll Free) (Webinar ID: 824 0675 7759; Participant ID: 377144; Passcode: 911101)
4. DECLARE CONFLICTS OF INTEREST
5. N/A

**ACTION**

6. N/A
7. 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. N/A
  - c. TRANSPORTATION PLANS AND PROJECTS – ECONOMIC MODELING SOFTWARE  
Request authorization to negotiate two-year contract with Regional Economic Models, Incorporated for economic modeling software; total amount is \$194,000. (Staff Contact: Craig Raborn)
  - d. INVESTMENT REPORT – 1<sup>ST</sup> QUARTER 2022  
Request approval of the first quarter investment report ending March 31, 2022. (Staff Contact: Jean Mahood)
8. FINANCE AND BUDGET COMMITTEE  
Report on activities and Committee recommendations.
  - a. MONTHLY FINANCIAL REPORT – APRIL 2022  
Request approval of monthly financial report ending April 30, 2022. (Staff Contact: Jean Mahood)
9. TRANSPORTATION PLANNING

a. TRANSPORTATION SAFETY PROGRAMS – FUNDING AGREEMENT

Request adoption of Resolution and authorization to enter into an Advance Funding Agreement with the Texas Department of Transportation for the regional transportation safety program; total amount is \$2,317,500. (Staff Contact: David Fink)

10. HUMAN SERVICES

a. WORKFORCE FINANCIAL MONITORING CONTRACTS

Request authorization to negotiate workforce financial monitoring contracts with Christine H. Nguyen, CPA, and Weaver and Tidwell, LLP for a combined total of \$975,000. (Staff Contact: Rebecca Neudecker)

11. N/A

12. N/A

13. EXECUTIVE DIRECTOR’S REPORT

14. 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.

## **TRANSPORTATION PLANS AND PROJECTS – ECONOMIC MODELING SOFTWARE**

### **Background**

H-GAC's Metropolitan Planning Organization conducts long- and short- range transportation planning at regional and sub-regional levels. Typically, these plans include various strategies and recommendations for transportation investments. It is essential to evaluate and prioritize spending on transportation projects to ensure the transportation network is efficient and cost effective. Economic Impact Analysis is conducted in the project selection or evaluation process. Evaluating economic benefits and impacts of transportation projects on local economy and the region is essential for making efficient transportation investment decisions. The Metropolitan Planning Organization is acquiring software tools to conduct economic modeling of transportation plans and projects.

### **Current Situation**

H-GAC issued a Request for Proposals in February 2022 for purchasing an economic modeling software. One proposal was received in response to the Request for Proposals. The Consultant Selection Committee evaluated and recommended the proposal from Regional Economic Models, Incorporated.

### **Funding Source**

Federal – Transportation Planning Funds

### **Budgeted**

Yes

### **Action Requested**

Request authorization to negotiate two-year contract with Regional Economic Models, Incorporated for economic modeling software; total amount is \$194,000. (Staff Contact: Craig Raborn)

## INVESTMENT REPORT – 1ST QUARTER 2022

### **Background**

N/A

### **Current Situation**

N/A

### **Funding Source**

N/A

### **Budgeted**

N/A

### **Action Requested**

Request approval of the first quarter investment report ending March 31, 2022. (Staff Contact: Jean Mahood)

### **ATTACHMENTS:**

▢ 1st Quarter Investment Report 2022

Cover Memo

**Houston Galveston Area Council  
Investment Report  
For the Three Months Ended March 31, 2022**

	Book Value	Market Value	Percent of Portfolio	
<b>Beginning Balance 12/31/2021</b>				<b>\$ 5,391,036.52</b>
Certificate of Deposit (Maturity 6/11/2022) Yield 0.05% Chase Bank	1,045,581.76	1,045,581.76	19.39%	
Money Market Fund Yield 0.049% BOA Balance as of March 31, 2022	4,344,260.06	4,345,743.72	80.61%	
	<u><b>\$ 5,389,841.82</b></u>	<u><b>\$ 5,391,325.48</b></u>	<u><b>100.00%</b></u>	<u><b>\$ 5,391,325.48</b></u>
Total Investment Income Y-T-D		<u><u><b>\$ 288.96</b></u></u>		

The above securities are in compliance with PFIA and the investment objectives stated within the H-GAC Investment Policy.

  
 \_\_\_\_\_  
 Jean Mahood  
 Investment Officer

  
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 Nancy Haussler  
 Chief Financial Officer

## MONTHLY FINANCIAL REPORT – APRIL 2022

### **Background**

N/A

### **Current Situation**

N/A

### **Funding Source**

N/A

### **Budgeted**

N/A

### **Action Requested**

Request approval of monthly financial report ending April 30, 2022. (Staff Contact: Jean Mahood)

### **ATTACHMENTS:**

- Monthly Financial Report – April 2022
- Cover Memo

**HOUSTON-GALVESTON AREA COUNCIL  
FINANCIAL STATUS REPORT  
For the Four Months Ended April 2022**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>%</b>
	<b>Year to date</b>	<b>Year to date</b>	<b>Dollar</b>	
<b>Combined Revenues and Expenditures</b>				
Revenues	\$ 159,459,418	\$ 132,743,011	\$ (26,716,407)	-17%
Expenditures	(159,773,890)	(132,322,363)	27,451,527	-17%
<b>Change in Combined Fund Balance</b>	<b>\$ (314,472)</b>	<b>\$ 420,648</b>	<b>\$ 735,120</b>	

<b>Change in Fund Balance by Fund Type</b>				
Change in fund balance - General Fund	\$ (290,233)	\$ 112,982	\$ 403,214	
Change in fund balance - Gulf Coast Regional 911	335,777	61,506	(274,271)	
Change in fund balance - Enterprise Fund	(24,239)	246,161	270,400	
<b>Total Change in Fund Balances</b>	<b>\$ 21,305</b>	<b>\$ 420,648</b>	<b>\$ 399,343</b>	

**Variance Analysis**

The presentation of the change in fund balance by fund type is intended to highlight the effects of revenue and expenditure transactions by fund. The General Fund (GF) consists of those funds not associated with grant programs or enterprise activities. The Special Revenue Fund (SRF) consists of those funds that are restricted for a specific purpose. HGAC's grant programs are in this fund. The Enterprise Fund is used to track activities of the Cooperative Purchasing program and the Energy Purchasing Corporation. The variances of specific revenues and expenditures are explained on the second page of this report.

\*\*\* The Cooperative Purchasing program has a 183,728 increase toward the Enterprise fund balance YTD, and the Energy Purchasing Corporation is reflecting a 62,433 increase to the Enterprise fund balance.

**HOUSTON-GALVESTON AREA COUNCIL  
FINANCIAL STATUS REPORT  
For the Four Months Ended April 2022**

	Annual Budget	Budget Year to Date	Actual Year to Date	Variance Dollar	%
<b>Revenues</b>					
<b>General and Enterprise Fund</b>					
Membership dues(a)	\$ 462,137	\$ 154,046	\$ 122,118	\$ (31,928)	-21%
HGAC Energy Purchasing Corporation (b)	90,000	30,000	90,739	60,739	202%
Cooperative Purchasing fees	5,750,000	1,916,667	1,465,247	(451,420)	-24%
Gulf Coast Regional 911 fees (c)	2,989,523	996,508	1,394,721	398,214	40%
Interest Income (d)	25,000	8,333	289	(8,044)	-97%
Other	6,281,246	2,093,749	1,414,613	(679,135)	-32%
<b>Total General and Enterprise Fund revenues</b>	<b>\$ 15,597,906</b>	<b>\$ 5,199,302</b>	<b>\$ 4,487,728</b>	<b>\$ (711,574)</b>	<b>-14%</b>
<b>Special Revenue Fund</b>					
Federal Grant (e)	\$ 3,483,782	\$ 1,161,261	\$ 63,792	\$ (1,097,469)	-95%
State Grants (f)	459,296,567	153,098,856	128,191,491	(24,907,365)	-16%
<b>Total Special Revenue Fund revenues</b>	<b>\$ 462,780,349</b>	<b>\$ 154,260,116</b>	<b>\$ 128,255,283</b>	<b>\$ (26,004,833)</b>	<b>-17%</b>
<b>Total Revenues</b>	<b>\$ 478,378,255</b>	<b>\$ 159,459,418</b>	<b>\$ 132,743,011</b>	<b>\$ (26,716,407)</b>	<b>-17%</b>
<b>Expenditures</b>					
Personnel	\$ 30,867,961	\$ 10,289,320	\$ 9,382,904	\$ (906,416)	-9%
Pass-through funds - grant (f)	428,461,002	142,820,334	117,840,723	(24,979,611)	-17%
Consultant and contract services	11,106,676	3,702,225	3,261,318	(440,907)	-12%
Lease of office space	1,884,146	628,049	580,314	(47,735)	-8%
Equipment(g)	3,169,221	1,056,407	88,051	(968,356)	-92%
Travel	357,705	119,235	51,326	(67,909)	-57%
Other expense	3,474,959	1,158,320	1,117,726	(40,593)	-4%
<b>Total Expenditures</b>	<b>\$ 479,321,670</b>	<b>\$ 159,773,890</b>	<b>\$ 132,322,363</b>	<b>\$ (27,451,527)</b>	<b>-17%</b>
<b>Excess of Revenues over(under) Expenditures</b>	<b>\$ (943,415)</b>	<b>\$ (314,472)</b>	<b>\$ 420,648</b>	<b>\$ 735,120</b>	

**Variiances:**

- a) Membership dues were billed in early January. We anticipate that most dues will be received by May.
- b) The Energy Purchasing Corporation received large pass-due payments in March and April with the total amount of \$73,282 which causes the big increase in revenues.
- c) The Gulf Coast Regional 911 fees reported includes the 9-1-1 fees received to date and the 9-1-1 equipment grant revenues.
- d) Interest income continues to be low due to the low Federal Reserve holding interest rates. H-GAC will move some of the investment to TexPool to earn more interest.
- e) The Federal grant program replaces heavy duty diesel trucks and has had a slow start this year. The implementation schedule for the project has taken longer than anticipated.
- f) Pass-thru expenses and corresponding revenues are down in three major program areas: Criminal Justice by 28%, Solid Waste program by 27% and Aging Services by 26%. The criminal justice program is applying for continuation of funding which will support the efforts of the program. Solid Waste just completed the procurement process for pass-thru projects. The expenses will pick up in the second quarter. Aging received substantial increases in funding toward the end of the previous fiscal year and the funding was carried over to 2022.
- g) Office renovation is likely to begin in June after the plan is presented and approved by the Board.



## **TRANSPORTATION SAFETY PROGRAMS – FUNDING AGREEMENT**

### **Background**

In 2020, motor vehicle crashes cost the Houston-Galveston area approximately \$6.5 billion in injuries, fatalities, and property damage. Traffic safety is one of the top concerns expressed most frequently by our region's residents. The Transportation Policy Council approved a Vision Zero Resolution in October of 2019 with an aspirational goal to end fatalities in the region by 2050. This goal supports the City of Houston, Harris County and Texas Department of Transportation's Vision Zero goals.

### **Current Situation**

Under the regional transportation safety program, H-GAC is currently conducting a Transportation Safety Campaign, Teens is the Driver Seat Education, Child Safety Program, Adult Bicycle and Pedestrian Safety Education, and Intersection Safety Assessments.

Staff is requesting authorization to enter into an Advance Funding Agreement with the Texas Department of Transportation for \$2,317,500 to continue the regional transportation safety program.

### **Funding Source**

Federal – Surface Transportation Block Grant Funds

### **Budgeted**

Yes

### **Action Requested**

Request adoption of Resolution and authorization to enter into an Advance Funding Agreement with the Texas Department of Transportation for the regional transportation safety program; total amount is \$2,317,500. (Staff Contact: David Fink)

### **ATTACHMENTS:**

## **WORKFORCE FINANCIAL MONITORING CONTRACTS**

### **Background**

H-GAC currently contracts with Weaver and Tidwell, LLP, and Christine H. Nguyen, CPA to perform fiscal monitoring for all workforce system contractors.

### **Current Situation**

We are in the fourth year of procurement with financial monitoring contracts ending in May 2022. In April, staff submitted a request for procurement to the HGAC procurement team for review and release to solicit proposals for financial monitoring services.

We recommend extending Weaver and Tidwell's and Christine Nguyen's contracts for one additional year for up to \$975,000 to provide continuity of monitoring. The firms will continue conducting financial monitoring activities for a minimum of 25 workforce contractors, including:

- financial system compliance monitoring
- expenditure testing for appropriateness and allowability
- special reviews of workforce management information and financial reporting systems, and risk management
- continuing education for contractors on financial topics

### **Funding Source**

Texas Workforce Commission

### **Budgeted**

Yes

### **Action Requested**

Request authorization to negotiate workforce financial monitoring contracts with Christine H. Nguyen, CPA, and Weaver and Tidwell, LLP for a combined total of \$975,000. (Staff Contact: Rebecca Neudecker)