



A G E N D A
HOUSTON-GALVESTON AREA COUNCIL
FINANCE AND BUDGET COMMITTEE MEETING
January 19, 2020 9:15 AM

https://zoom.us/webinar/register/WN_KB_KSNDjSxiCeFbS4Pk1Lw

1. CALL TO ORDER
2. N/A
3. PUBLIC COMMENTS – Members of the public may participate by sending comments to 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: 981 1998 1817; Participant ID: 452740; Passcode: 801665)
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. HGACBUY – FLEET SERVICES EQUIPMENT
Request authorization of contracts with respondents for Fleet Services Equipment. (Staff Contact: Ronnie Barnes)
 - c. H-GAC PERSONNEL POLICY - AMENDMENT
Request approval of proposed revisions to H-GAC personnel policy. (Staff Contact: Meagan Coughlin)
 - d. AGING SERVICES CONTRACT
Request authorization to contract with Texas Southern University for evidence-based health education and promotion instruction services for older adults; amount not to exceed \$70,000. (Staff Contact: Mike Temple)
 - e. INVESTMENT POLICY
Request approval of H-GAC's Investment Policy. (Staff Contact: Nancy Haussler)
6. FINANCE AND BUDGET COMMITTEE
Report on activities and Committee recommendations.
 - a. MONTHLY FINANCIAL REPORT – DECEMBER 2020
Request approval of monthly financial report ending December 31, 2020. (Staff Contact: Nancy Haussler)

7. TRANSPORTATION PLANNING

a. CLEAN VEHICLES PROGRAM – CONGESTION MITIGATION AND AIR QUALITY FUNDING AGREEMENT

Request authorization to enter into a Local Project Advance Funding Agreement with Texas Department of Transportation for the receipt of Congestion Management and Air Quality funding for the Clean Vehicles Program; amount not to exceed \$8,000,000. (Staff Contact: Patrick Mandapaka)

8. ADJOURNMENT

HGACBUY – FLEET SERVICES EQUIPMENT

Background

The H-GAC Cooperative Purchasing Program (HGACBuy) establishes contracts for a variety of products and services through competitive solicitations. Member governments are able to use the contracts to make purchases. HGACBuy received and opened twenty-one bids for Fleet Services Equipment on November 12, 2020. The following companies submitted bids:

Argos Connected Solutions, LLC	Indianapolis, IN
ARI Phoenix, Inc.	Lebanon, OH
Baus Systems, LLC	Seattle, WA
Envue Telematics, LLC	Longview, TX
Fleetcard Inc., dba Impac Fleet	The Woodlands, TX
Fleet Solutions LLC, dba USA Fleet Solutions	Reno, NV
GoFleet Corp.	Mississauga, ONTARIO
Gray Manufacturing Company, Inc.	St. Joseph, MO
Liftnow Automotive Equipment Corp.	Yorktown Heights, NY
Mohawk Lifts LLC	Amsterdam, NY
MTF Equipment Sales, Inc	Houston, TX
N/S Corp.	Inglewood, CA
Rossmann Enterprises, Inc., dba Clean Air Concepts *	Cincinnati, OH
Routeware, Inc.	Portland, OR
Rubicon Global, LLC	Atlanta, GA
SafetyFirst Advantage, LLC, dba SafetyFirst Advantage	Parsippany, NJ
Track Star International, Inc.	Calabash, NC
Vehicle Service Group, LLC, dba Rotary Lift	Madison, IN
Veracity Wireless, Inc., dba FieldLogix	San Diego, CA
Washing Equipment of Texas, Inc.	Austin, TX
Whiting Systems, Inc.	Alexander, AR

* Joint bid

Current Situation

This contract is a continuation of an existing contract in our portfolio, consisting of equipment relating to vehicle lift and support, tire and wheel maintenance, exhaust extraction, lubrication and fluid management, pressure washing/shop cleaning, compressors, as well as vehicle wash systems and GPS fleet monitoring solutions.

Fifteen manufacturers were added covering material handling and lift equipment, brake lathe equipment, idling vehicle exhaust-extraction equipment, vehicle lube & fluid equipment, air compressors, GPS fleet vehicle tracking & reporting solutions, and battery-powered large vehicle mobile wash equipment. All bid responses have been evaluated by HGAC staff.

Fourteen bids (consisting of seventeen vendors) are being recommended for award.

Funding Source

Participating local government purchases

Budgeted

N/A

Action Requested

Request authorization of contracts with respondents for Fleet Services Equipment. (Staff Contact: Ronnie Barnes)

ATTACHMENTS:

- FL03-21: Award Recommendations Table Cover Memo

FL03-21: Award Recommendations Table

Manufacturer	Product Code	Bidder
A: Vehicle Lift and Support Equipment		
American Forge & Foundry	FL21A01	Liftnow Automotive Equipment Corp.
ARI-Hetra	FL21A02	ARI Phoenix, Inc.
BendPak	FL21A03	Liftnow Automotive Equipment Corp.
Challenger Lifts	FL21A04	Liftnow Automotive Equipment Corp.
Gray Manufacturing	FL21A05	Gray Manufacturing Company, Inc.
Hein-Werner	FL21A06	Liftnow Automotive Equipment Corp.
Hunter	FL21A07	Mohawk Lifts LLC
Mohawk	FL21A08	Mohawk Lifts LLC
Norco	FL21A09	MTF Equipment Sales, Inc.
Omega Lift (Hein-Werner)	FL21A10	Liftnow Automotive Equipment Corp.
Pro-Lift (Hein-Werner)	FL21A12	Liftnow Automotive Equipment Corp.
QSP (Quality Stainless Products)	FL21A13	Liftnow Automotive Equipment Corp.
Rotary Lift	FL21A14 - FL21A15	Liftnow Automotive Equipment Corp.
B: Tire and Wheel Equipment		
Ammco (Hennessy Industries)	FL21B01	Liftnow Automotive Equipment Corp.
ARI-Hetra	FL21B02	ARI Phoenix, Inc.
Coats (Hennessy Industries)	FL21B03	Liftnow Automotive Equipment Corp.
Hunter	FL21B04	Mohawk Lifts LLC
Pro-Cut	FL21B05	Liftnow Automotive Equipment Corp.
Rotary Lift	FL21B06	Liftnow Automotive Equipment Corp.
C: Exhaust Extraction Equipment		
ARI-Hetra	FL21C01	ARI Phoenix, Inc.
Magnegrip (Clean Air Concepts)	FL21C02	Rossmann Enterprises, Inc., dba Clean Air Concepts; Deborah A. Anstett, dba Aire-Deb Corp.; Murphy Specialties, Inc.; Weidner & Associates, Inc.
NS Corporation	FL21C03	N/S Corp.
D: Lubrication and Fluid Management Equipment		
Lincoln Industrial	FL21D03	Liftnow Automotive Equipment Corp.
Mahle	FL21D04	Liftnow Automotive Equipment Corp.
Motorvac	FL21D05	MTF Equipment Sales, Inc.
E: Miscellaneous Catalogs (covering portable/stationary cleaning equipment, compressors, and waste oil/ water processing equipment)		
Aaladin Cleaning Systems	FL21E01	Washing Equipment of Texas, Inc.

Carolina Pride	FL21E03	Washing Equipment of Texas, Inc.
Champion Compressors	FL21E04	Liftnow Automotive Equipment Corp.
Landa Cleaning Systems	FL21E05	Washing Equipment of Texas, Inc.
Mattei Compressors	FL21E06	Liftnow Automotive Equipment Corp.
Saylor-Beall	FL21E07	MTF Equipment Sales, Inc.
Steel Eagle	FL21E08	Washing Equipment of Texas, Inc.
Water Maze	FL21E09	Washing Equipment of Texas, Inc.
F: Vehicle Wash (and Related) Systems		
Bitimec	FL21F01	Washing Equipment of Texas, Inc.
Istobal	FL21F05 - FL21F08	Washing Equipment of Texas, Inc.
MacNeil	FL21F10 - FL21F11	Washing Equipment of Texas, Inc.
NS Corporation	FL21F12 - FL21F17	N/S Corp.
PDQ	FL21F18 - FL21F20	Washing Equipment of Texas, Inc.
Whiting Systems	FL21F25 - FL21F30	Whiting Systems, Inc.
G: GPS Tracking and Other Monitoring Solutions		
FieldLogix	FL21G01	Veracity Wireless, Inc., dba FieldLogix
Geotab	FL21G02	Argos Connected Solutions, LLC
Routeware	FL21G04 - FL21G05	Routeware, Inc.
Rubicon Global	FL21G06	Rubicon Global, LLC
Track Star	FL21G07	Track Star International, Inc.

H-GAC PERSONNEL POLICY - AMENDMENT

Background

As the governing body of the Houston-Galveston Area Council, the H-GAC Board is responsible for the general policies and programs for the Houston-Galveston Area Council.

Current Situation

The communications department proposes revisions to the agency personnel policy. The changes being proposed at this time are in the Communications section of our policy and are aimed at updating the policies with more timely and accurate information. Changes include:

- Transferring communications oversight from the intergovernmental relations manager to the communications department
- Referencing the agency branding guidelines in the style guide and communications reference guide
- Determining what communications and outreach work can be produced in-house versus outsourcing to a consultant

Funding Source

N/A

Budgeted

N/A

Action Requested

Request approval of proposed revisions to H-GAC personnel policy. (Staff Contact: Meagan Coughlin)

ATTACHMENTS:

▫ Communications Policy Revisions

Cover Memo

3.08 COMMUNICATIONS

3.08.01 From time to time, an employee may be given work instructions from persons other than his or her immediate supervisor or the Executive Director. In such cases, it is the employee's responsibility to notify his or her immediate supervisor about the instruction, its purpose, and the relevant facts of the situation. Failure to do so in a timely manner may result in disciplinary action.

3.08.02 Matters that involve *H-GAC* policy, operations, and organization are brought before *H-GAC's* Board of Directors by the Executive Director or by a person designated to do so by the Executive Director.

3.08.03 An employee may request that a matter be considered by *H-GAC's* Board of Directors by submitting the item in writing to his or her supervisor.

3.08.04 Because much of *H-GAC's* work involves matters that are sensitive and highly judgmental in nature, general news media inquiries should be handled by the communications department. The communications director is the chief staff resource for news media relations, and should be advised of all such contacts. All media inquiries should be immediately referred to the communications department as soon as the request is received from any news organization or media outlet.

News releases on *H-GAC* matters of public interest are encouraged. All proposed news releases should be reviewed, approved, and distributed by the communications department.

3.08.05 The communications department maintains an agency style guide and communications reference guide to maintain agency branding guidelines and standard communication and outreach practices. The style guide outlines creative and editorial standards that staff should follow when developing outreach and promotional materials for internal and external audiences. The communications reference guide ensures that programs and departments communicate to our internal and external stakeholders in a consistent and complementary way. All parties involved in the development, delivery, and management of agency programs and initiatives should adhere to the communications reference guide and its components.

3.08.06 The official agency email signature should be used across all email communications sent from an h-gac.com email address. No substitutes, omissions, or additions allowed except for affiliate programs as outlined in the communications reference guide and style guide. Special provisions for agency outreach campaigns and initiatives may be approved by the Executive Director.

3.08.07 Prior to developing a request for proposal and a scope of work for external communications and outreach consultants, project managers should work with the communications department to determine what can be completed in-house and what can be outsourced to a consultant.

3.14 SOCIAL MEDIA (Added June 28, 2011)

3.14.01 Purpose

H-GAC recognizes electronic media including social media as valid communications tools in the workplace. H-GAC is committed to maintaining the reputation, consistency,

and professional integrity of the agency; therefore, all H-GAC social media presence should abide by the following policy.

3.14.02 Use of Social Media Defined

The use of social media using agency resources is for H-GAC business purposes only. Personal use of social media should be limited to personal time away from the office. Social media can include text, audio, video, images, etc., and includes media such as blogs, RSS, social news, social networking and bookmarking. Some examples include Instagram, Facebook, LinkedIn, Twitter, YouTube, and others.

Social media may be used by H-GAC:

- as a communication tool to engage the public,
- to promote programs or services, and
- to receive public comments about H-GAC's programs and services.

Information published on H-GAC's social media pages by H-GAC staff and its representatives should comply with agency policies.

The communications department provides oversight of social media accounts for the agency and a limited amount of agency staff should be designated to manage social media accounts. New social media accounts should be considered on a case-by-case basis. The communications department should have access to all social media accounts, usernames, and passwords and should regularly evaluate social stagnant accounts to determine if they should be closed based on factors such as purpose, function, engagement, and analytics.

3.14.03 Business Use of Social Media

H-GAC expects that all employees should exercise good professional judgment in any use of social media. Only authorized staff as delegated and approved by the communications department should be allowed to create a social media presence for H-GAC. These social media accounts belong to H-GAC and not to the authorized staff person. All requests for an H-GAC presence on any social media space should have prior approval of the department director and the communications department.

All content should be monitored by the communications department. Public relations professionals or other consultants may be hired to assist authorized staff in the creation of content for social media presence; however, all content delivered from non-H-GAC personnel should be approved by the communications department prior to publishing online.

H-GAC staff should request access to social media via an email to the appropriate department director and the communications department; the communications department should notify data services via IssueTrak that access should be given. Consultants who are hired to provide content on social media platforms need to sign the *Consultant Access Request Form* to be submitted by the program manager responsible for the consultant contract. Always allow at least one full business day for each step of the approval process.

Use of personal email accounts or H-GAC's email account to create any type of business account or presence on a social media network on behalf of H-GAC is strictly prohibited. When necessary, data services should set up specific email accounts for use with social

media outlets upon approval of both the department director and the communications department.

Use of H-GAC's email account for personal social media outlets is prohibited.

3.14.04 Personal Use of Social Media

In personal use of social media outside H-GAC's network and work hours, staff should understand that they cannot make disparaging remarks about H-GAC, its staff, or its programs. Care should be taken to prevent release of confidential, private, or personal information via a social media outlet, regarding either H-GAC or coworkers. When participating in online discussions concerning H-GAC or any of its personnel or programs, staff should identify him/herself as an employee. Staff may not show nonsupport of H-GAC policies or programs in any social media setting. Staff should not respond to public comments about H-GAC plans or policies to disagree or attempt to change the opinion of the public. Staff may respond to correct erroneous information.

3.14.05 Responsibilities

Department directors and program managers should be responsible for monitoring their staff members' activity with regard to personal use of social media during work hours. The communications department should monitor social media sites for compliance with H-GAC policy. Violators of this policy are subject to disciplinary action, up to and including termination.

AGING SERVICES CONTRACTS

Background

H-GAC is the Area Agency on Aging for 12 of the 13 counties in our region. As part of our service to help older individuals live healthy and independent lives, we contract with providers to deliver health education and health promotion instruction for those individuals and their caregivers.

Current Situation

We recently solicited bids from providers to deliver evidence-based instruction on strategies for managing and living with chronic illness. This includes classes on managing medications; living with diabetes and other chronic illnesses; maintaining mobility and balance; and other topics.

We received three proposals: Texas Southern University - Center on the Family; GDIT2 Medical Coding & Billing Service; and Nguyen and Associates Counseling Center.

On December 17, 2020 the Aging and Disability Advisory Committee recommended funding Texas Southern University, the highest scoring bidder, for health education and promotion for a term that extends from February 1, 2021 to September 30, 2021.

Funding Source

Texas Health and Human Services Commission

Budgeted

Yes

Action Requested

Request authorization to contract with Texas Southern University for evidence-based health education and promotion instruction services for older adults; amount not to exceed \$70,000 (Staff Contact: Mike Temple)

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 for 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: Nancy Haussler)

ATTACHMENTS:

▫ 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 Controller, the Executive Director, and the Investment Officer. 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 requires similar approval.

An investment officer must be designated and approved by the Budget and Finance Committee and the Board of Directors. The investment officer 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.

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 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)

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

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

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 investment officer must attend at least one training session relating to the officer's responsibilities within 12 months of assuming duties

X NOTIFICATION OF INVESTMENT CHANGES

It shall be the duty of the investment officer 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 2020

ATTACHMENTS:

- Monthly Financial Report - December 2020 PDF

**HOUSTON-GALVESTON AREA COUNCIL
FINANCIAL STATUS REPORT
For the Twelve Months Ended December 2020**

	Budget Year to date	Actual Year to date	Variance Dollar	%
Combined Revenues and Expenditures				
Revenues	\$ 373,971,674	\$ 379,883,199	\$ 5,911,525	2%
Expenditures	(373,745,945)	(377,184,034)	(3,438,089)	1%
Change in Combined Fund Balance	\$ 225,729	\$ 2,699,165	\$ 2,473,436	

Change in Fund Balance by Fund Type				
Change in fund balance - General Fund	\$ 80,485	\$ 80,775	\$ 290	
Change in fund balance - Gulf Coast Regional 911	895,509	1,531,248	635,739	
Change in fund balance - Enterprise Fund	245,244	1,087,142	841,898	
Total Change in Fund Balances	\$ 1,221,238	\$ 2,699,165	\$ 1,477,927	

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 contributed \$1,088,106 an increase toward the Enterprise fund balance YTD, and the Energy Purchasing Corporation is reflecting a (\$964.00) decrease in the Enterprise fund balance.

**HOUSTON-GALVESTON AREA COUNCIL
FINANCIAL STATUS REPORT
For the Twelve Months Ended December 2020**

	Annual Budget	Budget Year to Date	Actual Year to Date	Variance Dollar	%
Revenues					
General and Enterprise Fund					
Membership dues	\$ 395,538	\$ 395,538	\$ 390,790	\$ (4,748)	-1%
HGAC Energy Purchasing Corporation	130,000	130,000	93,534	(36,466)	-28%
Cooperative Purchasing fees (a)	5,200,000	5,200,000	5,259,588	59,588	1%
Gulf Coast Regional 911 fees	2,574,698	2,574,698	3,807,157	1,232,459	48%
Interest Income	100,000	100,000	67,413	(32,587)	-33%
Other (b)	4,145,750	4,145,750	3,022,725	(1,123,025)	-27%
Total General and Enterprise Fund revenues	\$ 12,545,986	\$ 12,545,986	\$ 12,641,206	\$ 95,220	1%
Special Revenue Fund					
Federal Grant	\$ 3,556,065	\$ 3,556,065	\$ 878,416	\$ (2,677,649)	-75%
State Grants (c)	357,869,623	357,869,623	366,363,576	8,493,953	2%
Total Special Revenue Fund revenues	\$ 361,425,688	\$ 361,425,688	\$ 367,241,993	\$ 5,816,305	2%
Total Revenues	\$ 373,971,674	\$ 373,971,674	\$ 379,883,199	\$ 5,911,525	2%
Expenditures					
Personnel	\$ 26,432,820	\$ 26,432,820	\$ 26,527,413	\$ 94,593	0%
Pass-through funds - grant	333,717,011	333,717,011	339,976,833	6,259,822	2%
Consultant and contract services (d)	6,408,180	6,408,180	6,153,421	(254,759)	-4%
Lease of office space	1,947,854	1,947,854	1,528,775	(419,079)	-22%
Equipment (b)	2,014,457	2,014,457	398,900	(1,615,557)	-80%
Travel (e)	240,252	240,252	99,621	(140,631)	-59%
Other expense (f)	2,985,371	2,985,371	2,499,071	(486,300)	-16%
Total Expenditures	\$ 373,745,945	\$ 373,745,945	\$ 377,184,034	\$ 3,438,089	1%
Excess of Revenues over(under) Expenditures	\$ 225,729	\$ 225,729	\$ 2,699,165	\$ 2,473,436	

Variiances:

- a) The Cooperative Purchasing program did meet its revenue projections for the year. Deliveries on some items has been impacted due to Covid-19.
- b) The renovations that were originally scheduled to occur in 2020 have been postponed, in large part, to 2021.
- c) State grant revenue and the corresponding Pass-thru expense are both higher than anticipated. This is largely due to the childcare program within Workforce Solutions. These programs continue to be in high-demand due to the fluctuations of Covid. Additional funding has been received to support the level of expenditures in this program.
- d) Consultant and contract services have been reduced during the office shut-down but should resume when the office reopens. We anticipate that consultant billings will come closer to our projection as the firms close their books and remit invoices to us over the next 30 days.
- e) Travel expenses, like everything else, was severely curtailed due to COVID. Most of these funds will still be available in 2021.
- f) Other expenses are largely related to operational/office expenses which were all decreased due to remote working since March 2020.

CLEAN VEHICLES PROGRAM - CONGESTION MITIGATION AND AIR QUALITY FUNDING AGREEMENT

Background

The Clean Vehicles program is designed to offset the cost of replacing or retrofitting older, high emission diesel and gasoline engines with cleaner, low-emission engines and support the deployment of alternative fuels and advanced vehicle technologies. The primary goal of the program is to reduce nitrogen oxides, a critical component in the formation of ground-level ozone.

Award amounts are based upon the projected emissions that are expected to be reduced by the project, factoring in usage patterns, engine specifications, and the fuel/technology types. The program has funded over 3,300 replacements/retrofits and reduced approximately 3,700 tons of nitrogen oxides since its inception in 2003.

Current Situation

H-GAC has received a Local Project Advance Funding Agreement (CSJ 912-00-643) from the Texas Department of Transportation to provide \$8,000,000 in Congestion Mitigation and Air Quality funds to implement the Clean Vehicles program.

Funding Source

Texas Department of Transportation – Federal Funds

Budgeted

Yes

Action Requested

Request authorization to enter into a Local Project Advance Funding Agreement with Texas Department of Transportation for the receipt of Congestion Management and Air Quality funding for the Clean Vehicles Program; amount not to exceed \$8,000,000. (Staff Contact: Patrick Mandapaka)

ATTACHMENTS: