

GOVERNMENT PERFORMANCE & FINANCIAL MANAGEMENT
DALLAS CITY COUNCIL COMMITTEE AGENDA

RECEIVED

2018 MAY 31 PM 3: 08

CITY SECRETARY
DALLAS, TEXAS

MONDAY, JUNE 4, 2018
CITY HALL
COUNCIL BRIEFING ROOM, 6ES
1500 MARILLA STREET
DALLAS, TEXAS 75201
2:00 P.M. – 3:30 P.M.

Chair, Councilmember Jennifer S. Gates
Vice-Chair, Councilmember Scott Griggs
Councilmember Sandy Greyson
Councilmember Lee M. Kleinman
Councilmember Philip T. Kingston
Councilmember Tennell Atkins
Councilmember Kevin Felder

Call to Order

1. Consideration of Minutes from the May 21, 2018 Government Performance & Financial Management Committee meeting
2. Consideration of Upcoming Agenda Items for June 13, 2018 City Council Meeting

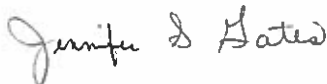
BRIEFINGS

3. Driver Safety Program
Zeronda Smith, Director
Office of Risk Management
4. Dallas Water Utilities
Upcoming Bond Sale
Corrine Steeger, Assistant Director
City Controller's Office

FYI

5. Southwest Transplant Alliance -
Bond Issuance TEFRA Approval

Adjourn



Jennifer S. Gates, Chair
Government Performance & Financial Management Committee

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

1. seeking the advice of its attorney about pending or contemplated litigation, settlement offers, or any matter in which the duty of the attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act. [Tex. Govt. Code §551.071]
2. deliberating the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.072]
3. deliberating a negotiated contract for a prospective gift or donation to the city if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.073]
4. deliberating the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee, or to hear a complaint or charge against an officer or employee unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing. [Tex. Govt. Code §551.074]
5. deliberating the deployment, or specific occasions for implementation, of security personnel or devices. [Tex. Govt. Code §551.076]
6. discussing or deliberating commercial or financial information that the city has received from a business prospect that the city seeks to have locate, stay or expand in or near the city and with which the city is conducting economic development negotiations; or deliberating the offer of a financial or other incentive to a business prospect. [Tex Govt. Code §551.087]
7. deliberating security assessments or deployments relating to information resources technology, network security information, or the deployment or specific occasions for implementations of security personnel, critical infrastructure, or security devices. [Tex. Govt. Code §551.089]

Handgun Prohibition Notice for Meetings of Governmental Entities

"Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun."

"De acuerdo con la sección 30.06 del código penal (ingreso sin autorización de un titular de una licencia con una pistola oculta), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola oculta."

"Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly."

"De acuerdo con la sección 30.07 del código penal (ingreso sin autorización de un titular de una licencia con una pistola a la vista), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola a la vista."

GOVERNMENT PERFORMANCE & FINANCIAL MANAGEMENT

Meeting Record

Meeting Date: May 21, 2018

Convened: 2:00 pm

Adjourned: 3:21 pm

Committee Members Present:

Jennifer S. Gates, Chair
Scott Griggs, Vice Chair
Sandy Greyson

Philip Kingston
Tennell Atkins
Lee Kleinman

Kevin Felder

Committee Members Absent:

Other Council Members Present:

Staff Present:

Elizabeth Reich
Akilah McLaughlin
Corrine Steeger
Jack Ireland
Mike Frosch
Rowena Zhang

Connie Tankersley
Barbara McAninch
Adelia Gonzalez
Zarin Gracey
Lance Sehorn
Jenifer West

David Noguera
Bill Finch
Mark Duebner
Avis Chaisson
Rory Galter
Thandee Kywe

La Toya Jackson
Beverly Davis
Lee Chiang
Robert Rubel
Errick Thompson
Kris Sweckard

Ausencio Vicente

Others Present:

AGENDA:

Call to Order

1. Consideration of the May 7, 2018 Minutes

Presenter(s): N/A

Information Only: _

Action Taken/Committee Recommendation(s): *Approved*

Motion was made to approve the May 7, 2018 minutes. Motion passed unanimously.

Motion made by: Philip Kingston

Motion seconded by: Lee Kleinman

2. Consideration of Upcoming Agenda Items for May 23, 2018 City Council Meeting

Presenter(s): N/A

Information Only: _

Action Taken/Committee Recommendation(s):

Motion was made to approve the May 23, 2018 items. Motion passed unanimously.

Motion made by: Lee Kleinman

Motion seconded by: Philip Kingston

GOVERNMENT PERFORMANCE & FINANCIAL MANAGEMENT

Meeting Record

Briefings

3. **Office of the City Auditor Preliminary FY 2018-19 Budget Proposal**

Presenter(s): Craig Kinton, *City Auditor*

Information Only:

Action Taken/Committee Recommendation(s): The committee moved to send this item forward to full council on June 13. Motion passed unanimously.

City Auditor Craig Kinton presented a briefing on his preliminary FY 2018-19 Budget Proposal for the Office of the City Auditor. There were no questions.

Motion made by: Lee Kleinman

Motion seconded by: Scott Griggs

4. **Office of Budget Quarterly Report**

Presenter(s): Jack Ireland, Director, Janette Weedon, Assistant Director, and LaToya Jackson, Assistant Director, Office of Budget

Information Only: X

Jack Ireland, Janette Weedon, and LaToya Jackson briefed the Office of Budget quarterly report for the second quarter of FY 2017-18. The report included the Financial Forecast Report, Dallas 365, and the Budget Initiative Tracker with data through March 31, 2018. The report was presented for the committee's information and no action was required of the committee.

Follow-up was requested by CM Atkins regarding the Initiative Tracker item #25, regional assessment of Fair Housing. Although the report is provided to the full City Council, CM Gates suggested that the chairs of the other City Council committees be provided with information specific to the strategic priorities that align to their committee. Questions were also asked about the High Impact Landlord initiative. Housing director David Noguera informed council the initiative is a temporary (24 month) housing assistance program.

Motion made by: N/A

Motion seconded by: N/A

5. **City Manager's Proposed FY 2018-19 HUD Consolidated Plan Budget**

Presenter(s): Chan Williams, Assistant Director, Office of Budget

Information Only: X

Action Taken/Committee Recommendation(s):

Briefing materials were provided to the GPFM committee with a summary provided by Elizabeth Reich and Chan Williams. The briefing was also provided to the Economic Development & Housing Committee and to the Human & Social Needs Committee earlier in the day to make the materials available to all 14 council members. On Wednesday, May 23, City Council will consider preliminary adoption of the FY 2018-19 Consolidated Plan Budget. Council will have opportunities during June to amend the budget before final adoption on June 27. A recommendation to forward the item to City Council was made during the Economic Development & Housing Committee. This committee did not take additional action on the briefing.

The committee discussed the new allocation of money in CDBG public services category. Staff clarified the Office of Community Care would engage with community partners to address and identify services/programming needed.

Motion made by: N/A

Motion seconded by: N/A

GOVERNMENT PERFORMANCE & FINANCIAL MANAGEMENT

Meeting Record

6. **Housing Finance Corporation**

Presenter(s): Avis Chaisson, Assistant Director, and David Noguera, Director, Housing & Neighborhood Revitalization

Information Only: X

Action Taken/Committee Recommendation(s):

Avis Chaisson presented a briefing on the Dallas Housing Finance Corporation. In response to concerns regarding the DHFC, staff is recommending amending the articles of incorporation and bylaws to provide staff administrative support and oversight, streamline functions, modify Board representation, and memorialize Chapter 12A and portions of Chapter 8 of the City Code.

Committee had questions on the HFC's financial records. Staff noted per current bylaws of the HFC, they were not allowed access to their records. There was concern that the changes proposed may lead to too much staff control of the HFC. There were questions over donations made by the board. One of which was to Catholic Charities and the other was to Metro Dallas Homeless Alliance. There was discussion regarding the proposed number of board members. Staff is recommending there be 15 members.

Motion made by: N/A

Motion seconded by: N/A

FYI

7. **FY 2017 Budget versus Actual End of Year Report**

Presenter(s):

Information Only: X

Motion made by: N/A

Motion seconded by: N/A

8. **Quarterly Investment Report**

Presenter(s):

Information Only: X

Motion made by: N/A

Motion seconded by: N/A

Adjourn

Jennifer S. Gates, Chair
Government Performance & Financial Management

AGENDA ITEM # 7

STRATEGIC PRIORITY: Government Performance and Financial Management

AGENDA DATE: June 13, 2018

COUNCIL DISTRICT(S): N/A

DEPARTMENT: City Controller's Office

CMO: Elizabeth Reich, 670-7804

MAPSCO: N/A

SUBJECT

Authorize the issuance of tax-exempt bonds by the Greater Texas Cultural Education Facilities Finance Corporation in an aggregate principal amount not to exceed \$25,000,000 for the benefit of Southwest Transplant Alliance, Inc. to build a new headquarters facility - Financing: No cost consideration to the City

BACKGROUND

Greater Texas Cultural Education Facilities Finance Corporation (the "Issuer") intends to issue tax-exempt bonds (the "Bonds") in an aggregate principal amount not to exceed \$25,000,000 whereby the Issuer would borrow money from bond holders and loan the proceeds to Southwest Transplant Alliance, Inc. (the "Borrower") to build a new headquarters facility in the City of Dallas. The Borrower will move from its current headquarters facility at 5489 Blair Road, Dallas, Texas 75231, less than one mile away, to a new headquarters facility at 8190 Midtown Boulevard, Dallas, Texas 75231. The Borrower is a Texas non-profit corporation that serves over 280 hospitals in the region. Its staff work in hospitals to guide grieving families through the organ donation process and to provide the clinical services needed to recover, prepare, and transport organs to those awaiting a life-saving transplant. As the Project is located within the City of Dallas, Section 147(f) of the Internal Revenue Code of 1986, and the Treasury regulations promulgated thereunder, require that in order for interest paid on the Bonds to be exempt from United States federal income taxation, an "applicable elected representative" of the City of Dallas must approve the issuance of the bonds after a public hearing following reasonable notice.

The City of Dallas is not being asked to make a loan to the Borrower, to guarantee the credit of the Borrower, or to provide funds or credit support for the financing in any manner. The bonds will not be a debt or liability of the City, and the City's name will not appear on the bonds. This request is being made solely to meet the requirements for tax-exempt bonds imposed by the Internal Revenue Code.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

The Government Performance and Financial Management Committee will be briefed on June 4, 2018.

FISCAL INFORMATION

No cost consideration to the City.

AGENDA ITEM # 8

STRATEGIC PRIORITY:	Government Performance and Financial Management
AGENDA DATE:	June 13, 2018
COUNCIL DISTRICT(S):	All
DEPARTMENT:	Department of Communication and Information Services
CMO:	Jody Puckett, 670-3390
MAPSCO:	N/A

SUBJECT

Authorize a twelve-month service contract for the continuous use of software and support of the Socrata Open Data Portal - Carahsoft Technology Corp, through the General Services Administration cooperative agreement - Not to exceed \$199,797 - Financing: Communication and Information Services Current Funds

BACKGROUND

This action does not encumber funds; the purpose of a service contract is to establish firm pricing for services, for a specific term, which are ordered on an as needed basis.

This service contract will provide continued use and support of the Socrata Open Data Portal, which is utilized by various City departments. This solution is related to data transparency initiatives which allows for publishing City data to the web. The software empowers end users with tools for sharing of information and delivery of a fully branded data portal that allows users to:

- Perform robust searches for City data and information based on categories, tags, popularity and other common browsing methods
- Generate reports, dash boards and published data
- Offer citizens better access to City data, which creates opportunities for greater transparency

This service contract will also include annual software upgrades, 24/7 professional support, access to annual technology conference, access to demonstrations and workshops on new software releases.

BACKGROUND (continued)

The General Services Administration is authorized by Chapter 791 of the Texas Government Code and Subchapter F, Chapter 271, Texas Local Government Code. Section 271.102 of the Texas Local Government Code authorizes a local government to participate in a Cooperative Purchasing Program with another local government or a local cooperative organization.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

The Quality of Life and Environment Committee was briefed by memorandum on March 23, 2015.

On March 25, 2015, City Council authorized a twelve-month renewal service agreement for software use and support of the Socrata Open Data Portal with Alamo City Engineering Services, Inc. through the U.S. General Services Administration by Resolution No. 15-0483.

Information about this item was provided to the Budget, Finance, and Audit Committee on March 21, 2016.

On March 23, 2016, City Council authorized a twelve-month service agreement for renewal of software use and support of the Socrata Open Data Portal with Carahsoft Technology Corp, through the U.S. General Services Administration procurement price list by Resolution No. 16-0428.

City Council was briefed by memorandum regarding this matter on June 16, 2017.

On June 28, 2017, City Council authorized a twelve-month service agreement for renewal of software use and support of the Socrata Open Data Portal with Carahsoft Technology Corp, through the U.S. General Services Administration procurement price list by Resolution No. 17-1047.

The Government Performance & Financial Management Committee will receive this item for consideration on June 4, 2018.

FISCAL INFORMATION

Communication and Information Services Current Funds - \$199,796.64

M/WBE INFORMATION

<u>Contract Amount</u>	<u>Category</u>	<u>M/WBE Goal</u>	<u>M/WBE %</u>	<u>M/WBE \$</u>
\$199,796.64	CO-OP	N/A	N/A	N/A

- The Business Inclusion and Development Plan does not apply to Cooperative Purchasing Agreements (CO-OPs)

OWNER

Carahsoft Technology Corp

Craig P. Abod, President
Robert Moore, Vice President

**STRATEGIC
PRIORITY:**

Government Performance and Financial Management

AGENDA DATE:

June 13, 2018

COUNCIL DISTRICT(S):

All

DEPARTMENT:

Office of Procurement Services
Department of Equipment and Building Services

CMO:

Elizabeth Reich, 670-7804
Jody Puckett, 670-3390

MAPSCO:

N/A

SUBJECT

Authorize a one-year service contract for the rental of vehicles and equipment – CLS Sewer Equipment Co., Inc. in the amount of \$1,742,750, Herc Rentals, Inc. in the amount of \$476,603, Holt Texas, LTD in the amount of \$465,515, Accent/Johnston Limousine, Inc. dba AJL International in the amount of \$302,813, Kirby-Smith Machinery, Inc. in the amount of \$262,630, Enterprise Rent-A-Car dba EAN Holdings, LLC in the amount of \$75,780, Crafc0, Inc. in the amount of \$32,667, and Bane Machinery, Inc. in the amount of \$21,050, lowest responsible bidders of nine – Total not to exceed \$3,379,808 – Financing: Equipment Services Current Funds (subject to annual appropriations)

BACKGROUND

This action does not encumber funds; the purpose of a service contract is to establish firm pricing for services, for a specific term, which are ordered on an as needed basis.

This service contract will enable City departments to rent various types of vehicles and equipment on an as needed basis to perform day-to-day construction, operational, and emergency services citywide. This service contract is advantageous to the City because it provides immediate access to a variety of equipment without the purchase, inventory, depreciation, and maintenance cost associated with ownership of the equipment.

The types of equipment include, but are not limited to:

- Heavy duty trucks
- Buses
- Telescoping boom van
- Sewer inspection trucks
- Excavators

BACKGROUND (continued)

- Wheel loaders
- Sewer vacuum trucks
- Refuse trucks
- Patcher trucks
- Bulldozers

The vendors are responsible for the maintenance, repair, or replacement of all wear items such as brakes and clutches, relieving the City of these routine repairs.

As part of the solicitation process and in an effort to increase competition, the Office of Procurement Services used its procurement system to send out 13,598 email bid notifications to vendors registered under respective commodities. To further increase competition, the Office of Procurement Services uses historical solicitation information, the internet, and vendor contact information obtained from user departments to contact additional vendors by phone. Additionally, in an effort to secure more bids, the Office of Business Diversity sent notifications to 25 chambers of commerce and advocacy groups to ensure maximum vendor outreach.

On November 10, 2015, City Council authorized the wage floor rate of \$10.94, by Resolution No. 15-2141; the selected vendors meet this requirement.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On September 24, 2014, City Council authorize a two-year service contract for the rental of vehicles and equipment with Hertz Equipment Rental Corporation, EAN Holdings, LLC aka Enterprise Rent-A-Car, Landmark Equipment, Inc., Holt Texas, LTD, Bane Machinery, Inc., Four Seasons Equipment, Inc., R.B. Everett & Company, United Rentals (North America), Inc., Metro Golf Cars, Berry Companies, Inc. dba Bobcat of Dallas and Kirby-Smith Machinery, Inc. by Resolution No. 14-1627.

On September 28, 2016, City Council authorized Supplemental Agreement No. 1 to increase the service contract for the rental of vehicles and equipment with Hertz Equipment Rental Corporation, EAN Holdings, LLC aka Enterprise Rent-A-Car, Landmark Equipment, Inc., Holt Texas, LTD, Bane Machinery, Inc., Four Seasons Equipment, Inc., R.B. Everett & Company, United Rentals (Northwest), Inc., Metro Golf Cars, Berry Companies, Inc. dba Bobcat of Dallas and Kirby-Smith Machinery, Inc. and to extend the contract term through March 23, 2017 by Resolution No. 16-1556.

On March 22, 2017 City Council authorized a two-year service contract for the rental of vehicles and equipment with Herc Rentals, Inc., Enterprise Rent-A Car dba EAN Holdings, LLC, Four Seasons Equipment, Inc., Landmark Equipment, Inc., Holt Texas, LTD, Kirby-Smith Machinery, Inc., Sunbelt Rentals, United Rentals (North America), Inc., and Metro Golf Cars by Resolution No. 17-0477.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS) (continued)

The Government Performance & Financial Management Committee will receive this item for consideration on June 4, 2018.

FISCAL INFORMATION

Equipment Services Current Funds - \$3,379,807.50 (subject to annual appropriations)

M/WBE INFORMATION

In accordance with the City's Business Inclusion and Development Plan adopted on October 22, 2008, by Resolution No. 08-2826, as amended, the M/WBE participation on this contract is as follows:

<u>Contract Amount</u>	<u>Category</u>	<u>M/WBE Goal</u>	<u>M/WBE%</u>	<u>M/WBE \$</u>
\$3,379,807.50	Other Services	N/A	N/A	N/A

- M/WBE goal waived due to no M/WBE availability

BID INFORMATION

The Office of Procurement Services received the following bids from solicitation number BN1802. We opened them on December 7, 2017. We recommend the City Council award this master agreement to the lowest responsive and responsible bidders by line. Information related to this solicitation is available upon request.

*Denotes successful bidders

<u>Bidders</u>	<u>Address</u>	<u>Amount</u>
*CLS Sewer Equipment Co., Inc.	726 S. Sherman St. Richardson, TX 75081	Multiple lines
*Herc Rentals, Inc.	10966 Harry Hines Blvd. Dallas, TX 75220	Multiple lines
*Holt Texas, LTD	6556 Southeast Loop 410 San Antonio, TX 78222	Multiple lines
*Accent/Johnston Limousine, Inc. dba AJL International	1930 W. Airfield Dr. Bldg. D #500 DFW Airport, TX 75261	Multiple lines

BID INFORMATION (continued)

<u>Bidders</u>	<u>Address</u>	<u>Amount</u>
*Kirby-Smith Machinery, Inc.	8505 S. Central Expwy. Dallas, TX 75241	Multiple lines
*Enterprise Rent-A-Car dba EAN Holdings, LLC	8200 John Carpenter Frwy. Dallas, TX 75247	Multiple lines
*Crafco, Inc.	6165 W. Detroit St. Chandler, AZ 85226	Multiple lines
*Bane Machinery, Inc.	2449 Manana Dr. Dallas, TX 75220	Multiple lines
Echo Tours and Charters	9314 W. Jefferson Blvd. #295 Dallas, TX 75211	Multiple lines

OWNERS

CLS Sewer Equipment Co., Inc.

Jerry Sonnier, President
Jennifer Sonnier, Secretary

Herc Rentals, Inc.

Lawrence H. Silber, President

Holt Texas, LTD

Peter M. Holt, Chief Executive Officer
Charles C. Strickland, Executive Vice President
Paul C. Hensley, Chief Financial Officer

Accent/Johnston Limousine, Inc. dba AJL International

Matt Johnson, President

Kirby-Smith Machinery, Inc.

Ed Kirby, President
Jeff Weller, Vice President
Celise Blewitt, Secretary
J.D. Young, Treasurer

OWNERS (continued)

Enterprise Rent-A-Car dba EAN Holdings, LLC

Brent Russell, Group General Manager
Todd Burkman, Regional Vice President
Thomas Berutti, Treasurer

Crafco, Inc.

Donald M. Brooks, President
N. Thomas Kelly, Vice President
Gail Gautier, Secretary
Kathryn Stone, Treasurer

Bane Machinery, Inc.

Scott Bane, President

AGENDA ITEM # 38

STRATEGIC PRIORITY: Government Performance and Financial Management

AGENDA DATE: June 13, 2018

COUNCIL DISTRICT(S): All

DEPARTMENT: Office of Procurement Services
Park & Recreation Department

CMO: Elizabeth Reich, 670-7804
Willis Winters, 670-4071

MAPSCO: N/A

SUBJECT

Authorize a three-year master agreement for the purchase of steel drum trash receptacles, lids, and bases for the Park & Recreation Department - Tamra Group, Inc. dba Engage Industrial Solutions, lowest responsible bidder of four - Not to exceed \$405,889 - Financing: General Funds

BACKGROUND

This action does not encumber funds; the purpose of a master agreement is to establish firm pricing for goods, for a specific term, which are ordered on an as needed basis.

This master agreement will allow for the purchase of steel drum trash receptacles, lids, and bases for the Park & Recreation Department. These trash receptacles are custom made to allow the lid and base to snap tight to the barrel. Additionally, the receptacles are powder coated and made of a higher gauge of steel than traditional trash barrels ensuring that the receptacles have a longer life span.

Traditional trash barrels are made of lighter gage material and are not powder coated inside and out. Additionally, traditional barrels have rounded lids with a slightly angled opening. This opening allows rain water inside the barrel, which contributes to the rusting of the barrel. The new custom designed barrels feature a box shaped lid with a vertical opening which lessens the amount of rain water to enter the barrel.

Existing receptacles will be replaced throughout the 393 parks, totaling over 20,871 acres of developed and undeveloped park land, including over 158 miles of developed trails, six golf courses, four driving ranges, one skate park, over 268 adult and youth athletic fields as well as service centers and other facilities throughout the city. Additional receptacles will be added when necessary; damaged or rusted-through receptacles will be replaced as needed throughout the term of the master agreement.

BACKGROUND (continued)

As part of the solicitation process and in an effort to increase competition, the Office of Procurement Services used its procurement system to send out 676 email bid notifications to vendors registered under respective commodities. To further increase competition, the Office of Procurement Services uses historical solicitation information, the internet, and vendor contact information obtained from user departments to contact additional vendors by phone. Additionally, in an effort to secure more bids, the Office of Business Diversity sent notifications to 25 chambers of commerce and advocacy groups to ensure maximum vendor outreach.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On May 17, 2018, the Park and Recreation Board authorized a three-year master agreement with Tamra Group, Inc. dba Engage Industrial Solutions.

The Government Performance & Financial Management Committee will receive this item for consideration on June 4, 2018.

FISCAL INFORMATION

General Funds - \$405,888.75

M/WBE INFORMATION

In accordance with the City's Business Inclusion and Development Plan adopted on October 22, 2008, by Resolution No. 08-2826, as amended, the M/WBE participation on this contract is as follows:

<u>Contract Amount</u>	<u>Category</u>	<u>M/WBE Goal</u>	<u>M/WBE%</u>	<u>M/WBE \$</u>
\$405,888.75	Goods	18.00%	0.00%	\$0.00

- M/WBE goal waived due to no M/WBE availability

BID INFORMATION

The Office of Procurement Services received the following bids from solicitation number BW1802. We opened them on March 3, 2018. We recommend the City Council award this master agreement in its entirety to the lowest responsive and responsible bidder.

*Denotes successful bidder

BID INFORMATION (continued)

<u>Bidders</u>	<u>Address</u>	<u>Amount</u>
*Tamra Group, Inc. dba Engage Industrial Solutions	1052 S. 2nd Ave. Suite #200 Mansfield, TX 76063	\$405,888.75
Luttrell Welding Services, LLC	372 County Rd. 4576 Boyd, TX 76023	\$466,125.00
Surpass, Inc. dba A Plus Industrial Installation	2440 N. I-35 E. Lancaster, TX 75134	\$554,995.50
Busch Systems International, Inc.	81 Rawson Ave. Barrie, Ontario, Canada	Non-responsive**

**Busch Systems International, Inc. was deemed non-responsive due to not meeting bid specifications.

OWNER

Tamra Group, Inc. dba Engage Industrial Solutions

Tamra Skalley, President
Carl Skalley, Vice President

AGENDA ITEM # 39

**STRATEGIC
PRIORITY:**

Government Performance and Financial Management

AGENDA DATE:

June 13, 2018

COUNCIL DISTRICT(S):

All

DEPARTMENT:

Office of Procurement Services
Department of Convention and Event Services
Park & Recreation Department
Water Utilities Department
Department of Aviation
Department of Sanitation Services
Department of Trinity Watershed Management

CMO:

Elizabeth Reich, 670-7804
Joey Zapata, 670-3009
Majed Al-Ghafry, 670-3302
Jody Puckett, 670-3390
Willis Winters, 670-4071

MAPSCO:

N/A

SUBJECT

Authorize a three-year master agreement for printed goods - AC Printing in the amount of \$1,973,870, Janus Signs dba FastSigns Skillman in the amount of \$454,347, and Visual Communications in the amount of \$322,551, most advantageous proposers of four - Total not to exceed \$2,750,768 - Financing: General Funds (\$2,261,138), Water Utilities Current Funds (\$171,255), Sanitation Current Funds (\$120,500), Convention and Event Services Current Funds (\$74,975), Stormwater Drainage Management Current Funds (\$69,450), and Aviation Current Funds (\$53,450)

BACKGROUND

This action does not encumber funds; the purpose of a master agreement is to establish firm pricing for goods, for a specific term, which are ordered on an as needed basis.

This master agreement will enable all departments to procure printed goods. Printed goods are a business necessity due to the various communication requirements needed to conduct outreach efforts and business transactions.

BACKGROUND (continued)

Communication efforts are conducted in many ways and this master agreement makes available an array of printed media such as, brochures, signs, posters, promotional, and specialty items. Communication printed media will be used by the City when specific information is required to reach large numbers of people throughout the City.

Additionally, this agreement allows departments to purchase printed paper goods to complete day-to-day business transactions. Many departments depend on paper goods such as, but not limited to, business forms, letterhead, envelopes, and business cards in order to conduct City business.

A six member committee from the following departments reviewed and evaluated the qualifications:

- Water Utilities Department (1)
- Park & Recreation Department (2)
- Express Business Center (1)
- Office of Business Diversity (1)*
- Office of Procurement Services (1)*

*The Office of Procurement Services only evaluated cost and the Office of Business Diversity only evaluated the Business Inclusion and Development Plan.

The committee selected the successful respondent on the basis of demonstrated competence and qualifications under the following criteria:

- Experience and capabilities 35 points
- Cost 30 points
- Quality of samples 20 points
- Business Inclusion and Development Plan 15 points

As part of the solicitation process and in an effort to increase competition, the Office of Procurement Services used its procurement system to send out 944 email bid notifications to vendors registered under respective commodities. To further increase competition, the Office of Procurement Services uses historical solicitation information, the internet, and vendor contact information obtained from user departments to contact additional vendors by phone. Additionally, in an effort to secure more bids, the Office of Business Diversity sent notifications to 25 chambers of commerce and advocacy groups to ensure maximum vendor outreach.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On June 22, 2011, City Council authorized a three-year master agreement for printed goods with Visual Communications, AC Printing, Janus Signs dba Fast Signs, and Delphi Legal Technologies, Inc. by Resolution No. 11-1656

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS) (continued)

The Government Performance & Financial Management Committee will receive this item for consideration on June 4, 2018.

FISCAL INFORMATION

General Funds - \$2,261,138.00
Water Utilities Department - \$171,255.00
Sanitation Current Funds - \$120,500.00
Convention and Event Services Current Funds - \$74,975.00
Stormwater Drainage Management Current Funds - \$69,450.00
Aviation Current Funds - \$53,450.00

M/WBE INFORMATION

In accordance with the City's Business Inclusion and Development Plan adopted on October 22, 2008, by Resolution No. 08-2826, as amended, the M/WBE participation on this contract is as follows:

<u>Contract Amount</u>	<u>Category</u>	<u>M/WBE Goal</u>	<u>M/WBE %</u>	<u>M/WBE \$</u>
\$2,750,768	Goods	18.00%	100.00%	\$2,750,768

- This contract exceeds the M/WBE goal of 18.00%

PROPOSAL INFORMATION

The Office of Procurement Services received the following proposals from solicitation number BXZ1701. We opened it on October 27, 2017. We recommend the City Council award this master agreement to the most advantageous proposers by group. Information related to this solicitation is available upon request.

*Denotes successful proposers

<u>Proposers</u>	<u>Address</u>	<u>Amount</u>
*AC Printing	2911 Turtle Creek Blvd. Suite #300 Dallas, TX 75219	Multiple Groups

PROPOSAL INFORMATION (continued)

<u>Proposers</u>	<u>Address</u>	<u>Amount</u>
*Janus Signs dba FastSigns Skillman	9203 Skillman St. Suite #120 Dallas, TX 75243	Multiple Groups
*Visual Communications	12640 E. Northwest Hwy. Suite #415 Dallas, TX 75228	Multiple Groups
Print Headquarters Services, Inc.	3104 Staton Oak Dr. Flower Mound, TX 75029	Multiple Groups

OWNERS

AC Printing

Shirazali Kanji, President
Razia Kanji, Vice President
Riyaz Samnani, Secretary

Janus Signs dba FastSigns Skillman

Sarosh Nayar, President
Karin Nayar, Vice President

Visual Communications

Michelle Simpson, Co-Owner
Wendy Donckers, Co-Owner

**STRATEGIC
PRIORITY:**

Government Performance and Financial Management

AGENDA DATE:

June 13, 2018

COUNCIL DISTRICT(S):

N/A

DEPARTMENT:

Office of Budget

CMO:

Elizabeth Reich, 670-7804

MAPSCO:

N/A

SUBJECT

A public hearing to receive comments on **(1)** the Proposed FY 2018-19 HUD Consolidated Plan Budget for U.S. Department of Housing and Urban Development Grant Funds; **(2)** the Proposed FY 2017-18 Reprogramming Budget; and **(3)** an amendment to the five-year Consolidated Plan to extend the covered period by one year, from September 30, 2018 to September 30, 2019 - Financing: No cost consideration to the City

BACKGROUND

Federal regulations require a public hearing on the City's Proposed Consolidated Plan Budget for U. S. Department of Housing and Urban Development (HUD) grant funds. This includes the following grants: Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA). Federal regulations also require a public hearing on the City's Proposed Reprogramming Budget and the amendment to the five-year Consolidated Plan.

A public comment period of not less than 30 days and a public hearing to receive comments is also required by federal regulations and the City's Citizen Participation Plan.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On May 23, 2018, City Council authorized preliminary adoption of the Proposed FY 2018-19 Consolidated Plan Budget, the Proposed FY 2017-18 Reprogramming Budget, an amendment to the five-year Consolidated Plan, and authorized a public hearing on June 13, 2018 to receive comments by Resolution 18-0772.

FISCAL INFORMATION

No cost consideration to the City.

Memorandum



CITY OF DALLAS

DATE June 1, 2018

Honorable Members of the Government Performance & Financial Management
TO Committee: Jennifer S. Gates (Chair), Scott Griggs (Vice Chair), Sandy Greyson,
Lee M. Kleinman, Philip T. Kingston, Tennell Atkins, Kevin Felder

SUBJECT **Driver Safety Program**

On Monday, June 4, 2018, the Office of Risk Management will brief the Government Performance & Financial Management Committee on the Driver Safety Program. I have attached the briefing for your review.

Please let me know if you need additional information.


M. Elizabeth Reich
Chief Financial Officer

Attachment

c: Honorable Members of the City Council
T.C. Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Billerae Johnson, City Secretary
Daniel F. Solis, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager

Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
Jo M. (Jody) Puckett, Assistant City Manager (Interim)
Nadia Chandler Hardy, Chief of Community Services
Raquel Favela, Chief of Economic Development & Neighborhood Services
Theresa O'Donnell, Chief of Resilience
Directors and Assistant Directors

Driver Safety Program

Government Performance
& Financial Management

June 4, 2018

Elizabeth Reich, CFO
Zeronda Smith, Director,
Office of Risk Management



City of Dallas

Presentation Overview

- Background
- Purpose
- Progress Update
- Options Under Review

Background

- June 2017 - Office of Risk Management (ORM) briefed BF&A committee on the City's auto incident activity
- Discussed administrative directives, personnel, technology and incentive options to help reduce the City's auto incident and claim activity

Purpose

- Provide Updates
 - Administrative Directives
 - Personnel Needs
 - Technology Solutions
 - Incentive & Awards Program
- Provide Updated Claim Activity Stats

AD 3-3 Driver Safety

Section	Effective FY 2010 (OLD)	Effective FY 2018 (NEW)
Definitions	Used terms “collision” and “incidents”	All vehicle or equipment events are now referred to as “incidents”
The Police Department	Respond to all service requests regarding collisions or incidents involving City equipment	<p>Respond to all service requests regarding incidents involving City equipment in which someone involved in the incident has claimed to have suffered an injury as a result of the incident or calls from citizens in accordance with the Police Department’s rules and procedures</p> <p>Dispatch Incident Investigator to the scene of every incident involving City equipment to conduct an incident investigation and complete an incident reporting packet</p>

AD 3-3 Driver Safety

Section	Effective FY 2010 (OLD)	Effective FY 2018 (NEW)
Classifying Preventability and Assigning Points	<p>Collision Classification Point Table – Point could be assessed up to 4 points per collision</p> <p>6 types of classifications</p>	<p>Now it is the “Incident Classification” – Points can be assessed up to 3 points per incident</p> <p>4 types of classifications</p>
Disciplinary Action	<p>Disciplinary Action Table – is recommended and departments “may” follow it</p> <p># of collisions was not a factor in the disciplinary action table</p> <p>Employees who have accumulated seven or more points should be removed from driving status</p>	<p>Now referred to as “Minimum Disciplinary Action Table”</p> <p>Mandatory minimum disciplinary actions</p> <p># of incidents is now factored into the disciplinary action</p> <p>4 points or greater, employee will also be removed from driving status for a minimum of six months, and cannot begin driving again until the employee has received remedial training and been cleared to resume driving</p>

AD 3-49 Drug and Alcohol Testing of Applicants and Employees

Section	Effective FY 2010 (OLD)	Effective FY 2018 (NEW)
Sections 5, 6, 7 & *	Addresses 2 classification of employees and procedures group by sections	Clearly divides AD into 3 classification of employees and with specific procedures to follow: <ol style="list-style-type: none"> 1) Non-Safety Sensitive, 2) Non-DOT Safety Sensitive 3) DOT-Safety Sensitive
Section 9	Employees may be discharged for reporting for work or remaining on duty while having an alcohol concentration of 0.04 or greater	Lowered the alcohol concentration to 0.02 or greater to reflect DOT regulation
New Section	n/a	Added a new Self-Reporting section for employees and supervisors

Personnel

- New Unit – Incident Investigations
- Lessen the burden on DPD investigating City equipment-related incidents
- Centralized DPD and DFR City equipment incident reviews (independent reviews)
- Staffing
 - 1 Incident Investigation Manager
 - 3 Incident Investigators
 - 6 Safety Specialists to DPD and DFR incident review committee
 - Salaries - \$592,500

Technology Solutions and Incentive/Awards Program

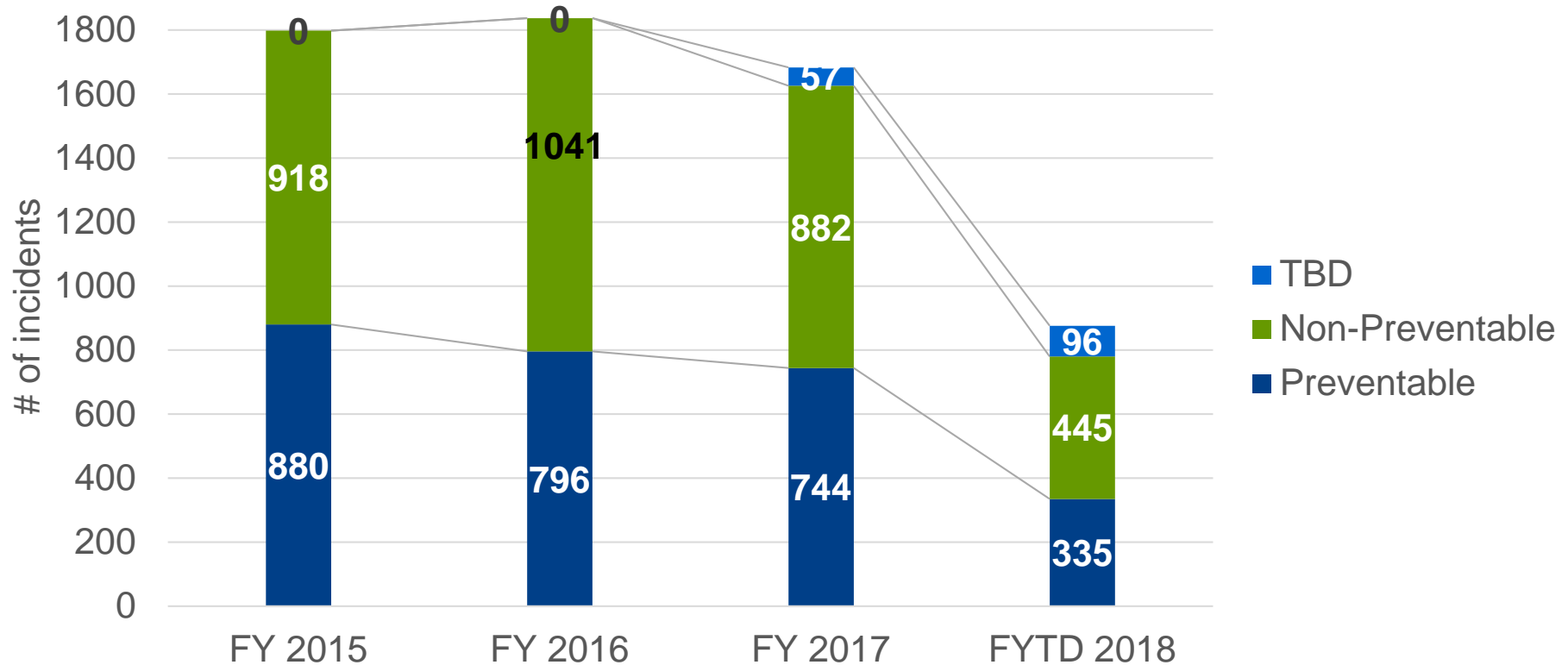
Solution/Program	Annual Cost	Recommended Procurement Method	# of Responses
Intersection Emitters (Signal Pre-Emption)	\$4,324,723	Houston-Galveston Area Council (HGAC) contract	1
Onboard Monitoring System for 3,442 vehicles	\$3,090,916	U.S. General Services Administration (GSA) contract or formal RFP process	1
Simulator Training	\$239,500	Formal RFP process	2
Incentive/Awards	TBD	Formal RFP Process	n/a
TOTAL	\$7,655,139		

City Equipment Incidents Cost

Type	FY17	FY18 YTD
Commercial Shop Repairs	\$2,162,180	\$319,098
3 rd Party Auto Claims	\$1,043,767	\$566,271
Workers' Comp Claims	\$1,014,282	\$163,170
Totaled Out Vehicles	\$5,735,209	\$138,046
In-house Parts	\$253,270	\$20,673
In-house Labor	\$155,442	\$4,432
Appraisals	\$136,492	\$11,973
Towing	\$3,869	\$13,003
Rental	Not available	Not available
TOTAL	\$7,270,305	\$1,236,666
*Replacement Cost	\$5,735,209	\$384,300

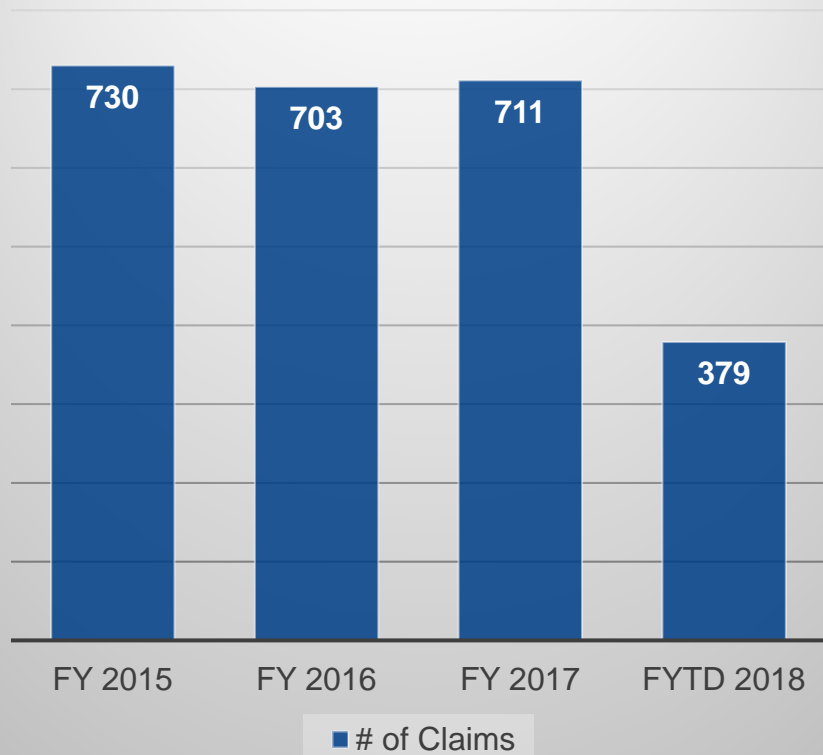
Preventable and Non-Preventable

Incidents as of 04/30/18

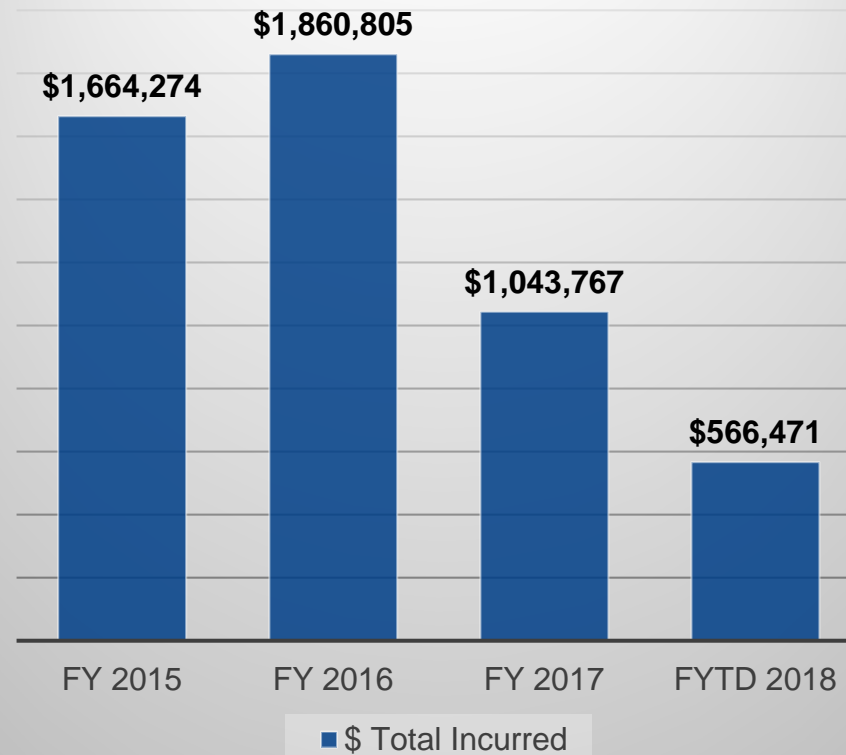


Liability Claims – Valued as 04/30/18

of Claims

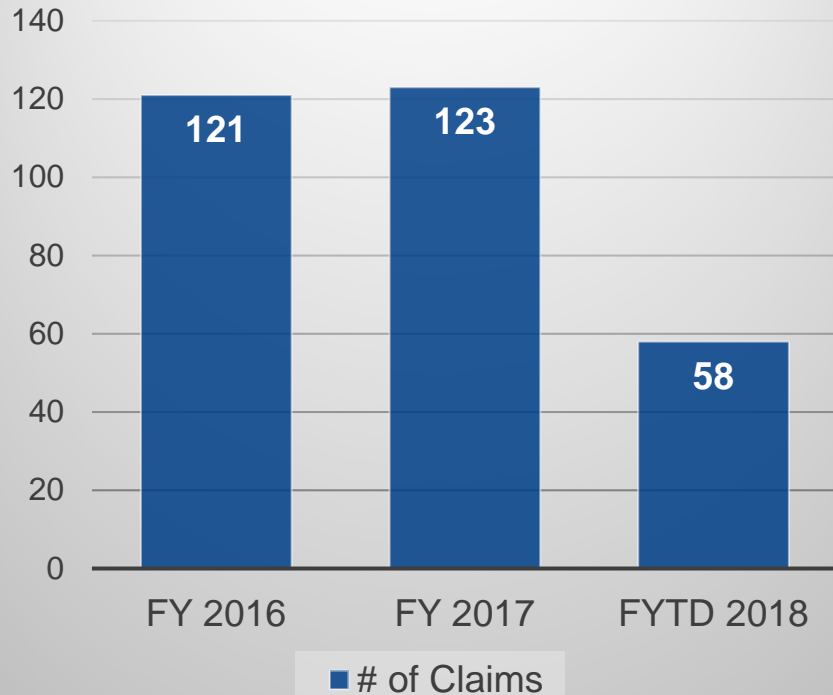


\$ Total Incurred

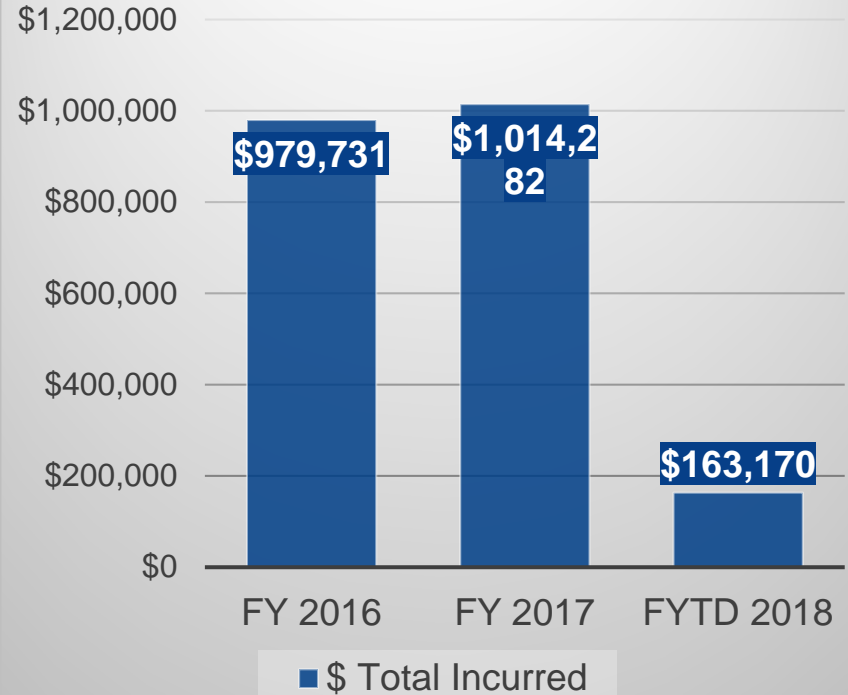


Work Comp Claims from City Equipment Incidents-Valued as of 4/30/2018

of Claims



\$ Total Incurred



Driver Safety Program

Government Performance
& Financial Management

June 4, 2018

Elizabeth Reich, CFO
Zeronda Smith, Director,
Office of Risk Management



City of Dallas

Memorandum



CITY OF DALLAS

DATE June 1, 2018

Honorable Members of the Government Performance & Financial Management
Committee: Jennifer S. Gates (Chair), Scott Griggs (Vice Chair), Sandy Greyson,
TO Lee M. Kleinman, Philip T. Kingston, Tennell Atkins, Kevin Felder

SUBJECT **Dallas Water Utilities Upcoming Bond Sale**

On Monday, June 4, 2018, the City Controller's Office will brief the Government Performance & Financial Management Committee on the Dallas Water Utilities Upcoming Bond Sale. I have attached the briefing for your review.

Please let me know if you need additional information.

A handwritten signature in blue ink that reads "M. Elizabeth Reich".

M. Elizabeth Reich
Chief Financial Officer

Attachment

c: Honorable Mayor and Members of City Council
T.C. Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Billierae Johnson, City Secretary
Daniel F. Solis, Administrative Judge
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Nadia Chandler Hardy, Chief of Community Services
Raquel Favela, Chief of Economic Development & Neighborhood Services
Theresa O'Donnell, Chief of Resilience
Directors and Assistant Directors

Dallas Water Utilities Upcoming Bond Sale

**Government Performance and
Financial Management
Committee Briefing
June 4, 2018**

**Corrine Steeger, Assistant Director
City Controller's Office
City of Dallas**



Purpose

- Provide an overview of the bond sale
- Seek recommendation on the June 27th resolution authorizing staff to prepare for the sale of the Waterworks and Sewer System Revenue Refunding Bonds, Series 2018C
- Seek recommendation on the August 8th ordinance authorizing the sale of up to \$165 million Waterworks and Sewer System Revenue Refunding Bonds, Series 2018C

Bond Sale Overview

- Set estimated size of bond sale at \$165 million
- Produce proceeds sufficient to retire commercial paper outstanding at the time of the sale
- Pay estimated issuance costs of \$512,360 from Dallas Water Utilities (DWU) operating funds
- Sell 30-year bonds with a 10-year call by competitive bid
- Co-Financial Advisors recommend a competitive sale based on favorable market conditions and DWU's stable credit profile



Commercial Paper Program

- Provides short-term financing for DWU's capital improvement program
- Funds contract awards and payments
 - Current program size of \$600 million
 - Outstanding balance of \$99 million as of 5/30/18 with \$315 million of commitment (contract awards)
 - Average interest rate 1.5595% for 70 days

4



Bond Sale Timeline

- June 4 Government Performance & Financial Management Committee
- June 27 Council authorization to proceed with sale
- August 8 Council approval of parameters ordinance authorizing bond issuance
- August 29 Pricing of the bonds
- September 26 Receive proceeds



Recommendation

- Council Action
 - Authorize staff to proceed with preparations for the sale of up to \$165 million Waterworks and Sewer System Revenue Refunding Bonds, Series 2018C, on the June 27th Council Agenda
 - Recommend approval of parameters ordinance authorizing the sale of up to \$165 million Waterworks and Sewer System Revenue Refunding Bonds, Series 2018C, on the August 8th Council Agenda

Appendix

- Issuance Costs Schedule Page 8
- Bond Summary Statistics Page 10
- Sources and Uses Page 11
- Debt Service Schedule Page 12



Issuance Costs Schedule

Estimated Issuance Costs

Co-Bond Counsel	\$126,250
Disclosure Counsel	50,000
Co-Financial Advisors	102,610
Debt Analysis/Structuring	20,000
Official Statement Printing	10,000
Rating Agencies	180,000
Auditor – Grant Thornton	14,000
Attorney General Filing Fee	9,500
Total	<u>\$512,360</u>

Dallas Water Utilities Upcoming Bond Sale

**Government Performance and
Financial Management
Committee Briefing
June 4, 2018**

**Corrine Steeger, Assistant Director
City Controller's Office
City of Dallas**



BOND SUMMARY STATISTICS

City of Dallas, Texas
Water and Sewer System Revenue Refunding Bonds, Series 2018C
\$164.2 Million Commercial Paper Refunding
Assumes AAA/AA+ Uninsured Rates as of May 14, 2018 Plus 50bps
****** Preliminary - For Discussion Purposes Only ******

Dated Date	09/26/2018
Delivery Date	09/26/2018
First Coupon	04/01/2019
Last Maturity	10/01/2047
Arbitrage Yield	3.822720%
True Interest Cost (TIC)	3.881230%
Net Interest Cost (NIC)	3.946595%
All-In TIC	3.881230%
Average Coupon	4.151917%
Average Life (years)	18.009
Weighted Average Maturity (years)	17.681
Duration of Issue (years)	12.256
Par Amount	158,345,000.00
Bond Proceeds	164,998,891.30
Total Interest	118,396,651.39
Net Interest	112,541,651.39
Bond Years from Dated Date	2,851,614,236.11
Bond Years from Delivery Date	2,851,614,236.11
Total Debt Service	276,741,651.39
Maximum Annual Debt Service	9,424,100.00
Average Annual Debt Service	9,538,247.44
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	5.045258
Total Underwriter's Discount	5.045258
Bid Price	103.697622

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date
Serial Bonds	87,135,000.00	107.603	4.412%	12.067	10/20/2030
Term Bond	36,385,000.00	100.245	4.000%	23.094	10/30/2041
Term Bond	34,825,000.00	99.828	4.000%	27.564	04/19/2046
	158,345,000.00			18.009	

	TIC	All-In TIC	Arbitrage Yield
Par Value	158,345,000.00	158,345,000.00	158,345,000.00
+ Accrued Interest			
+ Premium (Discount)	6,653,891.30	6,653,891.30	6,653,891.30
- Underwriter's Discount	-798,891.30	-798,891.30	
- Cost of Issuance Expense			
- Other Amounts			
Target Value	164,200,000.00	164,200,000.00	164,998,891.30
Target Date	09/26/2018	09/26/2018	09/26/2018
Yield	3.881230%	3.881230%	3.822720%

SOURCES AND USES OF FUNDS

City of Dallas, Texas
Water and Sewer System Revenue Refunding Bonds, Series 2018C
\$164.2 Million Commercial Paper Refunding
Assumes AAA/AA+ Uninsured Rates as of May 14, 2018 Plus 50bps
****** Preliminary - For Discussion Purposes Only ******

Dated Date 09/26/2018
Delivery Date 09/26/2018

Sources:

Bond Proceeds:

Par Amount	158,345,000.00
Net Premium	6,653,891.30

164,998,891.30

Uses:

Project Fund Deposits:

Commercial Paper Refunding	164,200,000.00
----------------------------	----------------

Delivery Date Expenses:

Underwriter's Discount	798,891.30
------------------------	------------

164,998,891.30

BOND DEBT SERVICE

City of Dallas, Texas
Water and Sewer System Revenue Refunding Bonds, Series 2018C
\$164.2 Million Commercial Paper Refunding
Assumes AAA/AA+ Uninsured Rates as of May 14, 2018 Plus 50bps
**** Preliminary - For Discussion Purposes Only ****

Period Ending	Principal	Coupon	Interest	Debt Service
09/30/2019			3,522,451.39	3,522,451.39
09/30/2020	2,635,000	5.000%	6,788,625.00	9,423,625.00
09/30/2021	2,770,000	5.000%	6,653,500.00	9,423,500.00
09/30/2022	2,910,000	5.000%	6,511,500.00	9,421,500.00
09/30/2023	3,060,000	5.000%	6,362,250.00	9,422,250.00
09/30/2024	3,215,000	5.000%	6,205,375.00	9,420,375.00
09/30/2025	3,380,000	5.000%	6,040,500.00	9,420,500.00
09/30/2026	3,555,000	5.000%	5,867,125.00	9,422,125.00
09/30/2027	3,735,000	5.000%	5,684,875.00	9,419,875.00
09/30/2028	3,930,000	5.000%	5,493,250.00	9,423,250.00
09/30/2029	4,130,000	5.000%	5,291,750.00	9,421,750.00
09/30/2030	4,340,000	5.000%	5,080,000.00	9,420,000.00
09/30/2031	4,565,000	5.000%	4,857,375.00	9,422,375.00
09/30/2032	4,800,000	5.000%	4,623,250.00	9,423,250.00
09/30/2033	5,045,000	5.000%	4,377,125.00	9,422,125.00
09/30/2034	5,275,000	4.000%	4,145,500.00	9,420,500.00
09/30/2035	5,490,000	4.000%	3,930,200.00	9,420,200.00
09/30/2036	5,715,000	4.000%	3,706,100.00	9,421,100.00
09/30/2037	5,950,000	4.000%	3,472,800.00	9,422,800.00
09/30/2038	6,190,000	4.000%	3,230,000.00	9,420,000.00
09/30/2039	6,445,000	4.000%	2,977,300.00	9,422,300.00
09/30/2040	6,705,000	4.000%	2,714,300.00	9,419,300.00
09/30/2041	6,980,000	4.000%	2,440,600.00	9,420,600.00
09/30/2042	7,265,000	4.000%	2,155,700.00	9,420,700.00
09/30/2043	7,565,000	4.000%	1,859,100.00	9,424,100.00
09/30/2044	7,870,000	4.000%	1,550,400.00	9,420,400.00
09/30/2045	8,190,000	4.000%	1,229,200.00	9,419,200.00
09/30/2046	8,525,000	4.000%	894,900.00	9,419,900.00
09/30/2047	8,875,000	4.000%	546,900.00	9,421,900.00
09/30/2048	9,235,000	4.000%	184,700.00	9,419,700.00
	158,345,000		118,396,651.39	276,741,651.39

Memorandum



CITY OF DALLAS

DATE June 1, 2018

Honorable Members of the Government Performance and Financial Management
TO Committee: Jennifer S. Gates (Chair), Scott Griggs (Vice Chair), Sandy Greyson,
Lee M. Kleinman, Philip T. Kingston, Tennell Atkins, Kevin Felder

SUBJECT **Southwest Transplant Alliance-Bond Issuance - TEFRA Approval**

On Monday, June 4, 2018, the Government Performance & Financial Management Committee will receive detailed background information regarding Southwest Transplant Alliance - Bond Issuance TEFRA Approval. Southwest Transplant Alliance plans to build an expanded headquarters facility in Dallas and they are requesting City approval so that their bonds can qualify as tax-exempt. Representatives from the Southwest Transplant Alliance and their bond counsel, Locke Lord LLP, will be present at the Committee to address any questions. I have attached the background and the Agenda Item for your review.

Please let me know if you need additional information.

A handwritten signature in blue ink that reads "M. Elizabeth Reich".

M. Elizabeth Reich
Chief Financial Officer

Attachments

c: Honorable Members of the City Council
T.C. Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
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Theresa O'Donnell, Chief of Resilience
Directors and Assistant Directors

TAX-EXEMPT BONDS TO CONSTRUCT NEW HEADQUARTERS FOR SOUTHWEST TRANSPLANT ALLIANCE, INC. IN NORTH DALLAS

SUBJECT

- Issuance of tax-exempt bonds in an amount not to exceed \$25,000,000 by the Greater Texas Cultural Education Facilities Finance Corporation (the “Issuer”) for Southwest Transplant Alliance, Inc. (the “Borrower”) to build a new headquarters facility in North Dallas.
- The Borrower will move from its current headquarters facility at 5489 Blair Rd., Dallas, TX 75231 less than 1 mile away to a new headquarters facility at 8190 Midtown Blvd., Dallas, TX 75231.

BACKGROUND

- The Borrower is a Texas non-profit corporation that saves lives through organs and tissue donation and, in that work, serves over 280 hospitals in the region. Its staff work in hospitals to guide grieving families through the organ donation process and to provide the clinical services needed to recover, prepare, and transport organs to those awaiting a life-saving transplant.
- The Borrower will use the loan proceeds to build a new, expanded headquarters facility. Non-profits such as the Borrower can qualify for tax-exempt financing through issuers such as the Issuer.
- The Issuer is being created this month by the City of Arlington in accordance with Chapter 337 of the Texas Local Government Code and Chapter 22 of the Texas Business Organizations Code for the purpose of financing education, cultural, public health, medical, and other facilities.
- Under the Internal Revenue Code, the Borrower requests the approval of the City of Dallas, the city in which the new facility will be located, solely for the purpose that its bonds can qualify as tax-exempt.
- The City of Dallas is not being asked to make a loan to the Borrower, to guarantee the credit of the Borrower, or to provide funds or credit support for the financing in any manner. The bonds will not be a debt or liability of the City, and the City's name will not appear on the bonds. This request is being made solely to meet the requirements for tax-exempt bonds imposed by the Internal Revenue Code.

AGENDA ITEM # 7

STRATEGIC PRIORITY: Government Performance and Financial Management

AGENDA DATE: June 13, 2018

COUNCIL DISTRICT(S): N/A

DEPARTMENT: City Controller's Office

CMO: Elizabeth Reich, 670-7804

MAPSCO: N/A

SUBJECT

Authorize the issuance of tax-exempt bonds by the Greater Texas Cultural Education Facilities Finance Corporation in an aggregate principal amount not to exceed \$25,000,000 for the benefit of Southwest Transplant Alliance, Inc. to build a new headquarters facility - Financing: No cost consideration to the City

BACKGROUND

Greater Texas Cultural Education Facilities Finance Corporation (the "Issuer") intends to issue tax-exempt bonds (the "Bonds") in an aggregate principal amount not to exceed \$25,000,000 whereby the Issuer would borrow money from bond holders and loan the proceeds to Southwest Transplant Alliance, Inc. (the "Borrower") to build a new headquarters facility in the City of Dallas. The Borrower will move from its current headquarters facility at 5489 Blair Road, Dallas, Texas 75231, less than one mile away, to a new headquarters facility at 8190 Midtown Boulevard, Dallas, Texas 75231. The Borrower is a Texas non-profit corporation that serves over 280 hospitals in the region. Its staff work in hospitals to guide grieving families through the organ donation process and to provide the clinical services needed to recover, prepare, and transport organs to those awaiting a life-saving transplant. As the Project is located within the City of Dallas, Section 147(f) of the Internal Revenue Code of 1986, and the Treasury regulations promulgated thereunder, require that in order for interest paid on the Bonds to be exempt from United States federal income taxation, an "applicable elected representative" of the City of Dallas must approve the issuance of the bonds after a public hearing following reasonable notice.

The City of Dallas is not being asked to make a loan to the Borrower, to guarantee the credit of the Borrower, or to provide funds or credit support for the financing in any manner. The bonds will not be a debt or liability of the City, and the City's name will not appear on the bonds. This request is being made solely to meet the requirements for tax-exempt bonds imposed by the Internal Revenue Code.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

The Government Performance and Financial Management Committee will be briefed on June 4, 2018.

FISCAL INFORMATION

No cost consideration to the City.

June 13, 2018

WHEREAS, the Greater Texas Cultural Education Facilities Finance Corporation (the "Issuer") was created pursuant to and in accordance with Chapter 337 of the Texas Local Government Code and Chapter 22 of the Texas Business Organizations Code for the purpose of acquiring, constructing, providing, improving, and financing education, cultural, public health, medical, and other facilities; and

WHEREAS, Southwest Transplant Alliance, Inc., a Texas non-profit corporation (the "Borrower"), is undertaking the following project (the "Project"):

(a) the acquisition of approximately 3.265 acres of land located at 8190 Midtown Blvd., Dallas, Texas 75231; and

(b) the construction, acquisition, equipping, and furnishing on the land described in (a) above of a building and other facilities containing approximately 60,000 square feet (but not expected to exceed 80,000 square feet), to be used for medical transplant services and related purposes; and

WHEREAS, the Borrower has requested that the Issuer issue bonds to finance the Project in an aggregate principal amount not to exceed \$25,000,000 (the "Bonds"); and

WHEREAS, pursuant to section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), the Issuer has caused to be published a notice of public hearing with respect to the issuance of the Bonds for the Project, and held such a hearing after reasonable notice, at 9:30 a.m. on May 29, 2018, at 4381 W. Green Oaks Blvd., Suite 200, Arlington, Texas 76016 (the "TEFRA Hearing"); and

WHEREAS, pursuant to the provisions of section 147(f)(2)(A)(ii) of the Code, the City Council of the City of Dallas, Texas (the "City") after the TEFRA Hearing, following reasonable notice, must approve issuance of the Bonds by the Issuer to enable the Bonds to qualify as tax-exempt obligations under the Code.

Now, Therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

Section 1. The City Council, solely for the purposes of section 147(f)(2)(A)(ii) of the Code, hereby approves the proposed issuance of the Bonds by the Issuer for the benefit of the Borrower, in an amount not to exceed \$25,000,000.

Section 2. That the foregoing approval is given in accordance with the provisions of section 147(f)(2)(A)(ii) of the Code and for no other purposes and is not to be construed as an undertaking by the City. The Bonds shall not constitute a liability, indebtedness, or an obligation of the City nor shall any of the assets, revenues, or taxing power of the City be pledged to the payment of the Bonds.

June 13, 2018

Section 3. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City, and it is accordingly so resolved.