



**AGENDA
HUSTON-GALVESTON AREA
COUNCIL
FINANCE AND BUDGET COMMITTEE
MEETING**

**January 21, 2025 9:00 AM
3555 Timmons Ln., Houston, TX 77027
Houston, Texas 77027**

1. CALL TO ORDER
2. PUBLIC COMMENT
3. DECLARE CONFLICT OF INTEREST

ACTION

4. 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. REGIONAL TRANSPORTATION PLAN – OUTREACH

Request approval of funding for the public outreach strategy, including media buys; in an amount not to exceed \$500,000. (Staff Contact: Susan Jaworski).

- b. CLIMATE POLLUTION REDUCTION GRANT ENGAGEMENT PLAN

Request authorization to contract with firms in the order presented for a contract term of one year; in an amount not to exceed \$250,000. (Staff Contact: Andrew DeCandis)

- c. HGACBUY-AIRPORT RUNWAY SNOW REMOVAL EQUIPMENT AND RELATED SERVICES

Request authorization of contracts with the respondents listed in the Contract Award Recommendation Table for AR03-25 Airport Runway Snow Removal Equipment and Related Services. (Staff Contact: Ronnie Barnes)

- d. HGACBUY-REFUSE HANDLING EQUIPMENT

Request authorization for contracts with the respondents listed in the Contract Award Recommendation Table for Refuse Handling Equipment RH04-25. (Staff Contact: Ronnie Barnes)

- e. AGENCY CONTRACTING SOFTWARE

Request approval to negotiate with BFS Strategic Partners for Gatekeeper contracting software, \$231,084 for the first year, plus \$120,179 for implementation, for a total of \$351,262. Implementation will begin upon approval of the contract. (Staff Contact: Kristina Kollaja)

- f. AREA AGENCY ON AGING FY2025 CONTRACT RECOMMENDATION

Request authorization to contract with Houston Plumbing and Gas, LLC. in an amount not to exceed \$50,000. (Staff Contact: Curtis Cooper)

- g. INVESTMENT POLICY

Request approval of H-GAC's Investment policy. (Staff Contact: Christina Ordonez-Campos)

- h. QUARTERLY INVESTMENT REPORT - FOURTH QUARTER 2024
Request approval of the Quarterly Investment Report for the FY2024 fourth quarter ending December 31, 2024. (Staff Contact: Christina Ordonez-Campos)
- 5. FINANCE AND BUDGET COMMITTEE
 - a. MONTHLY FINANCIAL REPORT - DECEMBER 2024
Request approval of the monthly financial report ending December 31, 2024. (Staff Contact: Christina Ordonez-Campos)
- 6. TRANSPORTATION
 - a. REGIONAL INCIDENT MANAGEMENT FUNDING AGREEMENT
Request approval for the Houston-Galveston Area Council to enter into an Advance Funding Agreement with the Texas Department of Transportation for four years in an amount not to exceed \$53,200,000 to continue service of Tow and Go and Regional Incident Management Programs. (Staff Contact: Francis Rodriguez)
- 7. DATA SERVICES
 - a. WORKFORCE SOLUTIONS WIDE AREA NETWORK UPGRADE
Request authorization to contract with Logix Communications in the order presented for a contract term of 3 years; in an amount not to exceed \$506,628. (Staff Contact: Edgar Rotundo)
- 8. EXECUTIVE DIRECTOR'S REPORT
 - a. EXECUTIVE DIRECTOR'S REPORT
Report on current and upcoming H-GAC activities. (Staff Contact: Chuck Wemple)
- 9. EXECUTIVE SESSION
 - a. EXECUTIVE SESSION – CONSULTATION WITH ATTORNEY
The H-GAC Board may hold an executive session pursuant to Section 551.071 of the Texas Government Code to consult with its attorney regarding pending or contemplated litigation. (Staff contact: Chuck Wemple)
- 10. ADJOURNMENT

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

REGIONAL TRANSPORTATION PLAN – OUTREACH

Background

The 2050 Regional Transportation Plan is a comprehensive plan that identifies how the region wants the future transportation system to function. It targets federal, state, and local funding resources to use towards supporting the regional vision and must be updated every four years per federal statute. The current plan was last updated in 2023 and is set to expire on November 1, 2027. This document contains the latest framework of both existing and forecasted conditions for the eight-county metropolitan planning area, including regional goals and objectives that guide the prioritization of federally funded projects and programs. With guidance from the Federal Highway Administration, these desired projects and program will also adhere to including a fiscally constrained action plan for at least the next 20 years. The development of the document must be done in coordination with federally prescribed stakeholders and the general public.

Current Situation

H-GAC staff will be conducting the initial phase of public outreach from January 2025 until July 2025. At that point, a consultant will conduct remaining public outreach. Once a consultant is selected, H-GAC staff will shift from conducting direct public outreach to providing oversight of public outreach until the Regional Transportation Plan is approved by the Transportation Policy Council in October 2026.

The first phase of outreach will be establishing the plan's vision. This visioning phase will continue until the end of June 2025 and will utilize public facing websites and a variety of tools to share progress with and solicit feedback from transportation officials and the public. H-GAC staff will be scheduling multiple in-person events to encourage public input from each of the eight counties in the metropolitan planning area. A powerhouse of media buys is necessary to encourage and enhance the success of the 2050 Regional Transportation Plan. The significance of the 2050 Regional Transportation Plan to the region requires a robust public outreach, engagement, and education program. The priority is to maximize participation in surveys, public engagement activities, and public meetings so that all counties in the planning area are well-represented in the results.

Funding Source

Federal

Budgeted

Yes

Action Requested

Request approval of funding for the public outreach strategy, including media buys; in an amount not to exceed \$500,000. (Staff Contact: Susan Jaworski).

CLIMATE POLLUTION REDUCTION GRANT ENGAGEMENT PLAN

Background

H-GAC released a solicitation for a qualified marketing firm to develop an outreach and engagement plan focused on discussing climate change and ongoing Climate Pollution Reduction Grant planning efforts within the Houston-Galveston Area Council 13-county service area.

We were looking for innovative strategies to raise awareness, engage stakeholders, and encourage participation in the development of critical emission reduction strategies as required by the Climate Pollution Reduction Grant grant. The goal of this initiative is to reduce greenhouse gas emissions while supporting the creation of jobs, delivering cleaner air, and lowering energy costs for families.

Current Situation

H-GAC issued a competitive, sealed solicitation to solicit qualified contractor(s) for the goods or services requested under (Project ID: TRN24-08) on October 9, 2024 and which closed on November 21, 2024 . Four responsive submissions were received and thoroughly evaluated by a committee of representatives from H-GAC. Based on the committee's scoring and evaluation of the proposal responses, the recommendation and rankings are presented below:

1. Outreach Strategists, LLC
2. Carey Kirkpatric, dba CKP Communications Group, LLC
3. The Black Sheep Agency
4. Rose Group International, LLC

Funding Source

EPA Climate Pollution Reduction Grant Funds (UEPA.24.0102)

Budgeted

Yes

Action Requested

Request authorization to contract with firms in the order presented for a contract term of one year; in an amount not to exceed \$250,000. (Staff Contact: Andrew DeCandis)

HGACBUY-AIRPORT RUNWAY SNOW REMOVAL EQUIPMENT AND RELATED SERVICES

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 seven proposals for airport runway snow removal equipment and related services on December 12, 2024. The following companies submitted responses:

Airport Technologies, Inc.	Southport, Manitoba, Canada
Boschung America, LLC	New Castle, PA
Eagle Safe Surfaces Colorado Inc., dba Eagle & Myslik, Inc.	Englewood, CO
M-B Co, Inc., dba M-B Companies, Inc.	New Holstein, WI
Project Iceman Holdings, LLC, dba Fortbrand Services, LLC	Plainview, NY
Tenco, Inc.	St. Valerien, Quebec, Canada
Wausau Equipment Company, LLC	New Berlin, WI

Current Situation

This is a new contract in our portfolio, consisting of various types of equipment related to our members' airport needs for snow and ice management. All responses have been evaluated by H-GAC staff. Seven respondents are being recommended for an award. Request authorization for contracts representing the best value for products as summarized in the Contract Award Recommendation Table, and as may be applicable, to extend contract assignments to other authorized entities during the contract period.

Funding Source

Participating local government purchasers.

Budgeted

N/A

Action Requested

Request authorization of contracts with the respondents listed in the Contract Award Recommendation Table for AR03-25 Airport Runway Snow Removal Equipment and Related Services. (Staff Contact: Ronnie Barnes)

ATTACHMENTS:

	Description	Type
	AR03-25 AWARD RECOMMENDATION TABLE	Cover Memo

HGACBuy
Contract Award Recommendation Table
Airport Runway Snow Removal Equipment and Related Services (AR03-25)

Award Recommendations	Description
Airport Technologies, Inc.	Current airport snow and ice removal equipment catalog, and options
Boschung America, LLC	Current airport snow and ice removal equipment catalog, and options
Eagle Safe Surfaces Colorado Inc., dba Eagle & Myslik, Inc.	Current airport snow and ice removal equipment catalogs (<i>Eagle, Øveraasen, Smart-Tote, Raiko, Smart Mfg</i> , brands), and options
M-B Co, Inc., dba M-B Companies, Inc.	Current airport snow and ice removal equipment catalog, and options
Project Iceman Holdings, LLC, dba Fortbrand Services, LLC	<i>Vammas</i> and <i>Wille</i> airport snow and ice removal equipment, and options
Tenco, Inc.	Current airport snow and ice removal equipment catalog, and options
Wausau Equipment Company, LLC	Current airport snow and ice removal equipment catalog, and options

HGACBUY-REFUSE HANDLING 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 fifteen proposals for refuse handling equipment on November 21, 2024. The following companies submitted a response:

AC Disposal Services, Inc.	Belen, NM
Amrep Manufacturing Company, LLC	Charlotte, NC
GSP Marketing Inc.	Somerset, PA
H. Barber & Sons, Inc.	Naugatuck, CT
Hol-Mac Corporation	Bay Springs, MS
Kassbohrer All Terrain Vehicles, Inc.	Reno, NV
Loadmaster Corporation	Norway, MI
Pak-Mor Industrial, LLC, dba Pak-Mor, LTD	Sequin, TX
Petersen Industries, Inc.	Lake Wales, FL
Plum Creek Environmental Technologies, LLC	West Point, MS
Rolls-Offs of America, Inc, dba Roll-Offs USA	Durant, OK
Siddons Martin Emergency Group, LLC *	Houston, TX
Spartan Truck Manufacturing, Inc.	Sun Valley, CA
SwaploaderUSA	Apache Junction, AZ
Texan Waste Equipment, Inc., dba Heil of Texas	Houston, TX

* Joint response

Current Situation

This contract is an existing contract in our portfolio, consisting of various types of equipment related to our members' refuse management needs. All proposal responses have been evaluated by H-GAC staff. Thirteen proposals are being recommended for award. The response from Swaploader USA was non-responsive and the response from Pak-Mor Industrial did not meet the scoring threshold for award. Request authorization for contracts with each respondent listed in the Contract Award Recommendation Table, and as may be applicable, to extend contract assignments to other authorized entities during the contract period.

Funding Source

Participating local government purchasers.

Budgeted

N/A

Action Requested

Request authorization for contracts with the respondents listed in the Contract Award Recommendation Table for Refuse Handling Equipment RH04-25. (Staff Contact: Ronnie Barnes)

ATTACHMENTS:

	Description	Type
	RH04-25 AWARD RECOMMENDATION TABLE	PDF

HGACBuy
Contract Award Recommendation Table
Refuse Handling Equipment (RH04-25)

Award Recommendations	Description
AC Disposal Services, Inc	Current roll-off container catalog
Amrep Manufacturing Company, LLC	Current refuse body catalog, and options
GSP Marketing, Inc.	Current refuse body catalog
H. Barber & Sons, Inc.	Current beach cleaning equipment catalog, and options
Hol-Mac Corporation	Current <i>Pac-Mac</i> refuse bodies, bulk waste grapples, leaf vacuum, and roll-off hoists catalog, and options
Kassbohrer All Terrain Vehicles, Inc.	Current beach cleaning equipment catalog
Loadmaster Corporation	Current refuse body catalog, and options
Petersen Industries, Inc.	Current bulk waste grapples catalog, and options
Plum Creek Environmental Technologies, LLC	Current roll-off and front-load containers, compactors, cart dumpers catalog, and options
Rolls-Offs of America, Inc, dba Roll-Offs USA	Current roll-off and front-load containers, hoists, and compactors catalog, and options
Siddons Martin Emergency Group, LLC; Allegiance Trucks, LLC dba Allegiance Refuse Systems; Atlantic Emergency Solutions, Inc. dba Atlantic Heavy Duty; Firematic Supply Co., Inc.; Haacker Equipment Company; Hughes Fire Equipment, Inc. dba Hughes Heavy Equipment; MacQueen Equipment, LLC; McNeilus Truck & Manufacturing Inc.; Ten-8 Fire & Safety, LLC	Current <i>McNeilus</i> refuse body catalog, and options; plus select <i>Galfab</i> roll-off hoists
Spartan Truck Manufacturing, Inc.	Current refuse bodies and roll-off hoists catalog, and options
Texan Waste Equipment, Inc., dba Heil of Texas	Current <i>Heil</i> , <i>Currahee</i> and <i>Palfinger</i> refuse bodies catalogs, and options

AGENCY CONTRACTING SOFTWARE

Background

Historically, H-GAC has electronically processed all contracts through its existing software, Agiloft. The contract software is located on an on-premises server, and was not configured to serve as a full lifecycle contract management system and limits proper access to agency users. Many of the current processes required to manage agency contracts are not occurring inside the system, and still require a manual process to contract execution, or an additional database or software to completely manage agreements. H-GAC processes on average 1,800 contracts per year, and the current system is inadequate to manage current and anticipated agency contracting growth.

H-GAC's has grown to over half a billion dollars in the last few years and it is expected to continue to grow with more contracts being processed; as good stewards of our federal, state, and local funds, it is imperative that we implement a comprehensive, cloud-based system to track and properly manage the agreements.

Current Situation

H-GAC staff evaluated various contract management systems available on established cooperative contracts. After undergoing a thorough selection process, it was determined that the Gatekeeper software is the best software for the current and future needs of the agency. Software will be acquired through the Texas Department of Information Resources, contract DIR-CPO-5346 with BFS Strategic Partners.

Major factors considered during the evaluation of the softwares included, but was not limited to, integration with existing agency systems, security and data protection, full contract management cycle; risk assessment management, fully integrated e-signature platform; spend down management; internal and external communications and tracking; customizable clause library; unlimited licensing; robust reporting and data analytics.

Gatekeeper was the chosen software for possessing the following unique features, other systems evaluated did not possess all of the features in a single system.

- Spend Module will allow the import of contract invoice spend amounts, to accurately align with the H-GAC Spend Down Policy adopted by H-GAC Board August 20, 2024.
- Vendor Portal directly linked to IRS for verification and for companies/entities to have direct access to executed contracts.
- Balanced Scorecards Module to score/grade contract performance.
- Risk Module to automatically calculate an overall 'Risk Score' from 'Probability' and 'Impact' variables to drive an open and defensible risk strategy.
- Market IQ will allow integrated third-party risk surveillance from Creditsafe and SecurityScorecard.
- Fully integrated eSign for unlimited electronic signatures that is federally compliant with electronic signature standards.

Funding Source

Shared Services

Budgeted

Yes

Action Requested

Request approval to negotiate with BFS Strategic Partners for Gatekeeper contracting software, \$231,084 for the first year, plus \$120,179 for implementation, for a total of \$351,262. Implementation will begin upon approval of the contract. (Staff Contact: Kristina Kollaja)

AREA AGENCY ON AGING FY2025 CONTRACT RECOMMENDATION

Background

H-GAC is the Area Agency on Aging (AAA) for Austin, Brazoria, Chambers, Colorado, Fort Bend, Galveston, Liberty, Matagorda, Montgomery, Walker, Waller and Wharton counties. Each year we contract with organizations to provide services for individuals aged sixty and older, including nutrition (congregate and home-delivered meals); transportation; and direct services such as personal assistance and respite care, residential repair, health maintenance, emergency response, and health promotion. FY 2025 Aging programs begin October 1, 2024 and end September 30, 2025.

Current Situation

In an effort to increase our number of contractors, we issued requests for proposals for new qualified contractors to provide personal assistance, health maintenance services, emergency response and residential repair. We recommend offering a contract to Houston Plumbing and Gas, LLC, for residential repair in the amount of \$50,000.

The proposal review committee scored each proposal based on experience and capability, program plan, and fiscal responsibility. We recommend funding proposers scoring 75 or higher. We do not recommend funding proposers International Ladies of Purpose, Loving Arms, Outreach Health Community Care Services, LP and PartnerCare Health, LLC. Proposers scored a 74 or less.

H-GAC maintains a network of authorized providers for direct services. Eligible consumers select from the available organizations for the specific service they need.

The Aging and Disability Advisory Committee (ADAC) approved funding Houston Plumbing and Gas, LLC, at its December 19, 2024 meeting.

Funding Source

Texas Health and Human Services Commission

Budgeted

Yes

Action Requested

Request authorization to contract with Houston Plumbing and Gas, LLC. in an amount not to exceed \$50,000. (Staff Contact: Curtis Cooper)

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: Christina Ordonez-Campos)

ATTACHMENTS:

	Description	Type
	Investment Policy 2025	Cover Memo

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

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

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

III. AUTHORIZED INVESTMENTS

The following are authorized investments for H-GAC funds:

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

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 (about 9 months) or fewer, 2) Liquidated in full at maturity, 3) Eligible Federal Reserve Bank collateral, 4) U.S. Bank rated not less than A-1 or P-1.
11. Any combination of the foregoing.

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

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

IV. MATURITY OF INVESTMENTS

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

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

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 of 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.

V. 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 the 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 on 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 Chief Financial Officer and investment officer(s) shall attend at least one training session relating to their investment responsibilities within 12 months of assuming duties of which the initial training must contain at least ten hours of instruction relating to their respective responsibilities under the Public Funds Investment Act. *Gov't Code 2256.008(1)*.

The Chief Financial Officer and the investment officer(s) shall attend an investment training session not less than once in a two year period that begins on the first day of the agency's fiscal year and consists of the two consecutive fiscal years after that date, and receive not less than ten hours of instruction relating to investment responsibilities under the Public Funds Investment Act from an independent source approved by the board or by the Budget & Finance Committee advising the investment officer. *Gov't Code 2256.008(2)*.

X. ANNUAL REVIEW

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

XI. NOTIFICATION OF INVESTMENT CHANGES

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

QUARTERLY INVESTMENT REPORT - FOURTH QUARTER 2024

Background

N/A

Current Situation

N/A

Funding Source

N/A

Budgeted

N/A

Action Requested

Request approval of the Quarterly Investment Report for the FY2024 fourth quarter ending December 31, 2024. (Staff Contact: Christina Ordonez-Campos)

ATTACHMENTS:

Description		Type
	Quarterly Investment Report - Fourth Quarter 2024	Cover Memo

Houston Galveston Area Council
Investment Report
For Quarter Ending December 31st, 2024

	Opening Balance FY 24	Interest Earned FY 24	Deposits/ Withdrawal	Current Balance / Market Value	Percent of Portfolio
Certificate of Deposit Yield 4.73% Chase Bank	\$ 1,098,933	\$ 24,837	\$ (1,123,770)	\$ -	0.00%
TexPool Prime Account Yield 4.56% Book Value \$8,500,000	8,823,058	480,680	-	9,303,738	100.00%
Money Market Fund Yield 5.20% BOA	4,973	166	(5,138)	-	0.00%
Balance as of December 31, 2024	\$ 9,926,965	\$ 505,682	\$ (1,128,909)	\$ 9,303,738	100.00%

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

Shaun Downie
Shaun Downie
Investment Officer

Christina Ordóñez-Campos, CPA
Christina Ordóñez-Campos, CPA
Chief Financial Officer

Houston Galveston Area Council - Component Unit
Investment Report
For Quarter Ending December 31st, 2024

	Opening Balance FY 24	Interest Earned FY 24	Current Balance / Market Value	Percent of Portfolio
Local Development Corporation				
Certificate of Deposit (Maturity 1/1/2025) Yield 4.33% Chase Bank	\$ 325,437	\$ 10,818	\$ 336,255	5.54%
Corporation for Regional Excellence				
Certificate of Deposit (Maturity 1/3/2025) Yield 4.33% Chase Bank	500,000	16,092	516,092	8.50%
Gulf Coast 911 Regional District				
Certificate of Deposit (Maturity 1/8/2025) Yield 4.33% Chase Bank	5,052,000	165,458	5,217,458	85.96%
Balance as of December 31, 2024	\$ 5,877,437	\$ 192,369	\$ 6,069,806	100.00%

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

Shaun Downie
Shaun Downie
Investment Officer

Christina Ordóñez-Campos, CPA
Christina Ordóñez-Campos, CPA
Chief Financial Officer

MONTHLY FINANCIAL REPORT - DECEMBER 2024

Background

N/A

Current Situation

N/A

Funding Source

N/A

Budgeted

N/A

Action Requested

Request approval of the monthly financial report ending December 31, 2024. (Staff Contact: Christina Ordonez-Campos)

ATTACHMENTS:

	Description	Type
1	Monthly Financial Report - December 2024	Cover Memo



HOUSTON GALVESTON AREA COUNCIL (H-GAC)

FY24 Monthly Financial Report

For Month Ending December 31, 2024 - PRELIMINARY

Prepared on January 8th, 2025

Esteemed H-GAC Board of Directors and Executive Director Wemple, please find attached the financial report for last month. The information contained within is intended for managerial reporting purposes. All figures are unaudited and subject to change. Should you have any questions, please feel free to let me or a member of my staff know. Respectfully submitted, Christina Ordóñez-Campos, CPA - Chief Financial Officer.

SUMMARY OF KEY CHANGES

REVENUES

- > As of December 2024, we have successfully collected 97% of the membership fees. The remaining unpaid balances will be carried forward and added to the 2025 invoices for the respective members.
- > HGAC Energy Purchasing Corporation had a good year, exceeding the 2024 budget by 63%
- > The Cooperative Purchasing revenue experienced a significant increase compared to November, rising from \$467K to \$916K in monthly receipts. This growth has allowed us to surpass the budget by 4%. We anticipate additional revenue collections before the final close of 2024.

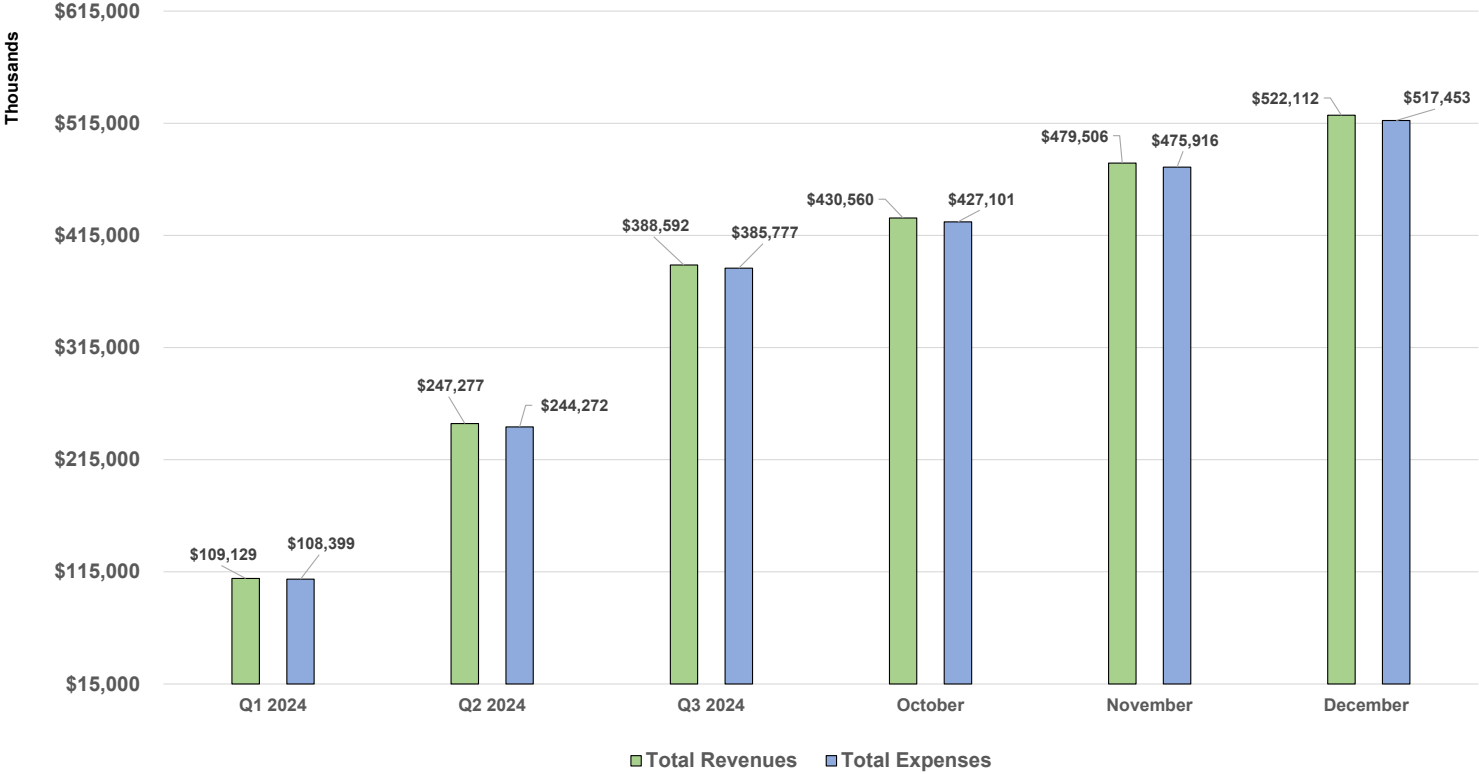
EXPENDITURES

- > Personnel expenditures continue to stay within budget as we fill vacant positions. To date, we have spent 93% of 100% of the year that has elapsed so far.
- > Pass-through expenses are at 97%. We expect to exceed the budget with the year-end closing and the accrual of 2024 expenses.
- > Consultant expenses remain significantly below the budgeted levels, at 66%. However, we anticipate closing the gap in the variance as we accrue the remaining expenses before the FY24 final closing.

*** Please note: the financial activity outlined above and in the report falls within the past trends observed in H-GAC's operations and is not out of the ordinary. ***

Monthly Trends Chart

FY24
Monthly Trends - as of December 31, 2024



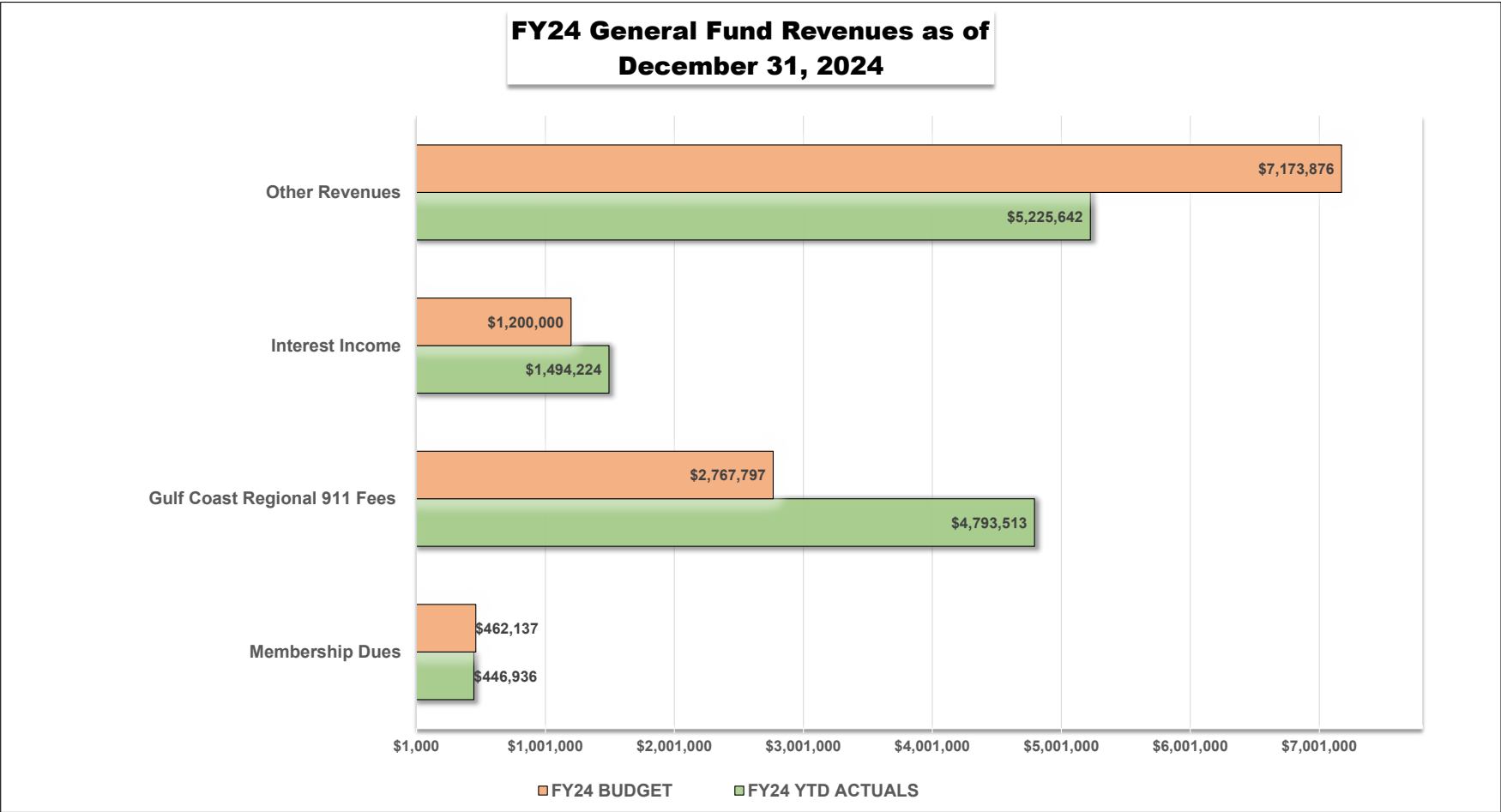
HOUSTON GALVESTON AREA COUNCIL (H-GAC)

FY24 Monthly Trends Report

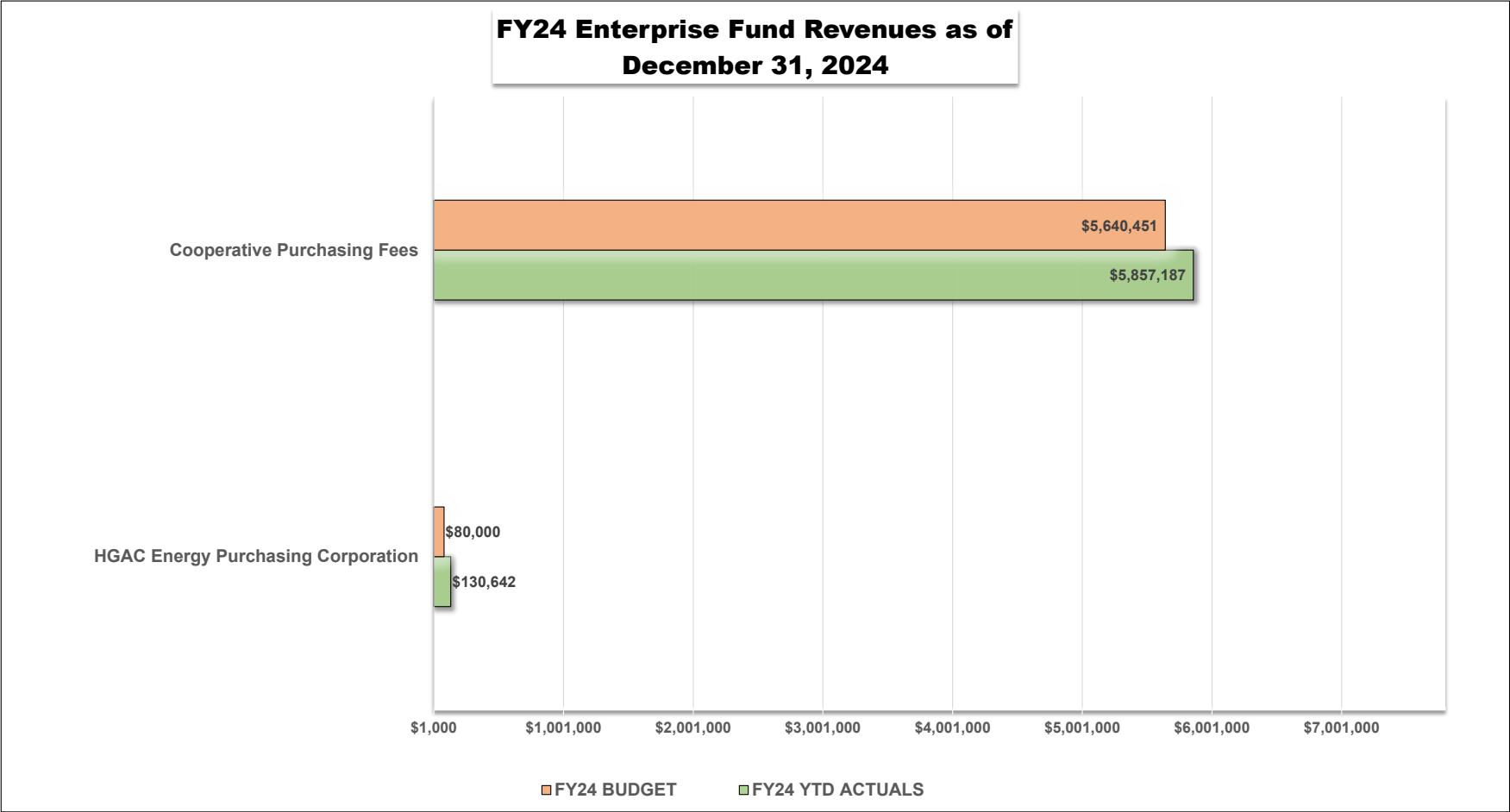
For Month Ending December 31, 2024 - PRELIMINARY

	Q1 2024	Q2 2024	Q3 2024	October 2024	November 2024	December 2024
Revenues						
General & Enterprise Fund Revenues						
Membership Dues	\$ 203,841	\$ 113,706	\$ 36,319	\$ 688	\$ 200	\$ 92,183
HGAC Energy Purchasing Corporation	\$ 32,165	\$ 32,753	\$ 36,374	6,230	\$ 10,974	12,147
Cooperative Purchasing Fees	\$ 807,288	\$ 1,387,569	\$ 1,474,186	804,572	\$ 466,986	916,587
Gulf Coast Regional 911 Fees	\$ 1,143,112	\$ 2,793,249	\$ (240,217)	332,707	\$ 392,562	372,101
Interest Income	\$ 349,248	\$ 410,052	\$ 417,500	110,853	\$ 100,605	105,967
Other Revenues	\$ 1,719,118	\$ 1,656,588	\$ 903,911	252,050	\$ 293,588	400,387
Total General & Enterprise Fund Revenues	\$ 4,254,771	\$ 6,393,916	\$ 2,628,073	\$ 1,507,100	\$ 1,264,914	\$ 1,899,372
Special Revenue Fund						
Federal Grants	\$ 142,682	\$ 66,929	\$ 74,737	\$ 33,069	\$ 41,317	\$ 11,378
State Grants	\$ 104,731,820	\$ 131,686,758	\$ 138,612,022	40,428,183	\$ 47,640,093	40,695,058
Total Special Revenue Fund Revenues	\$ 104,874,502	\$ 131,753,687	\$ 138,686,760	\$ 40,461,252	\$ 47,681,411	\$ 40,706,436
Total Revenues	\$ 109,129,274	\$ 138,147,603	\$ 141,314,832	\$ 41,968,352	\$ 48,946,325	\$ 42,605,808
Expenditures						
Personnel	\$ 9,091,062	\$ 9,145,756	\$ 9,259,650	\$ 3,469,228	\$ 2,674,419	\$ 2,794,845
Pass-through Funds - Grant	\$ 96,195,799	\$ 121,410,937	\$ 127,441,570	36,121,255	45,234,573	37,096,629
Consultant and Contract Services	\$ 1,496,779	\$ 3,209,582	\$ 2,737,275	1,002,766	390,930	854,855
Lease of Office Space	\$ 364,460	\$ 366,721	\$ 368,950	123,224	123,296	124,294
Equipment	\$ 261,452	\$ 173,304	\$ 84,011	12,519	21,772	45,248
Travel	\$ 67,388	\$ 121,979	\$ 127,042	85,352	28,724	55,028
Other Expenses	\$ 922,162	\$ 1,444,655	\$ 1,486,720	509,806	341,315	566,129
Total Expenditures	\$ 108,399,101	\$ 135,872,935	\$ 141,505,218	\$ 41,324,151	\$ 48,815,030	\$ 41,537,028
Excess of Revenues Over(Under) Expenditures	\$ 730,171	\$ 2,274,668	\$ (190,386)	\$ 644,201	\$ 131,295	\$ 1,068,780

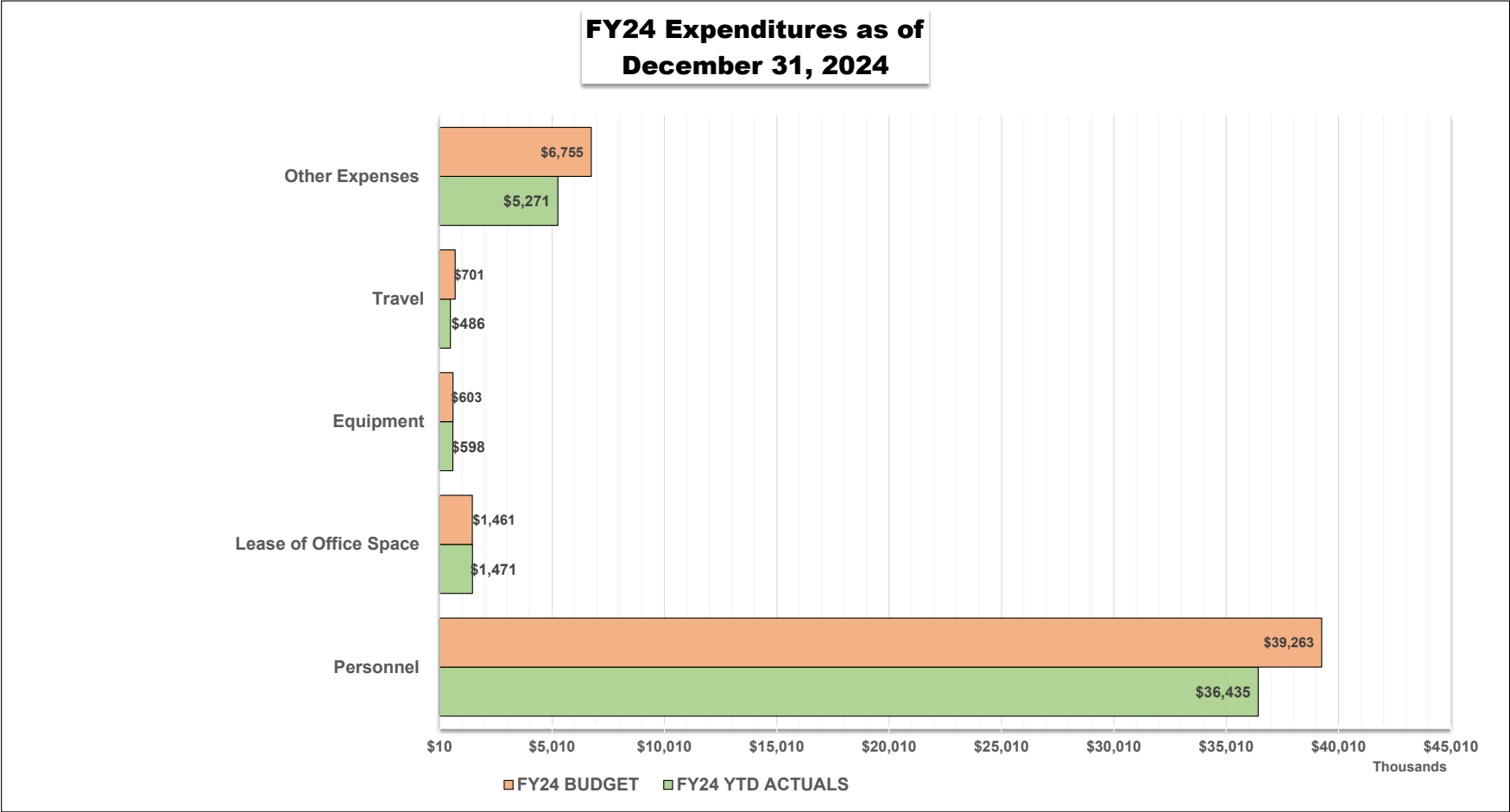
Budget to Actual Charts



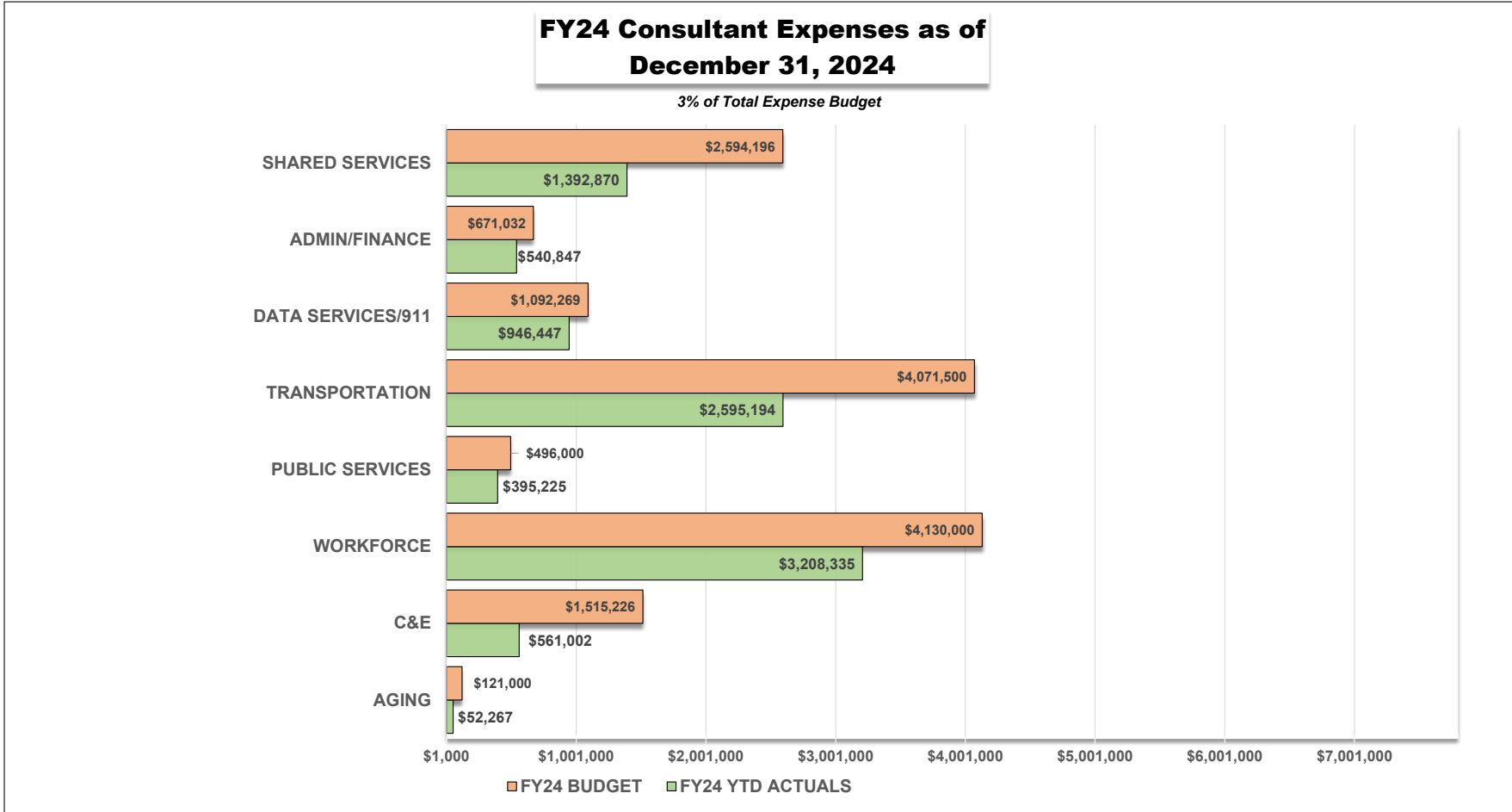
Budget to Actual Charts



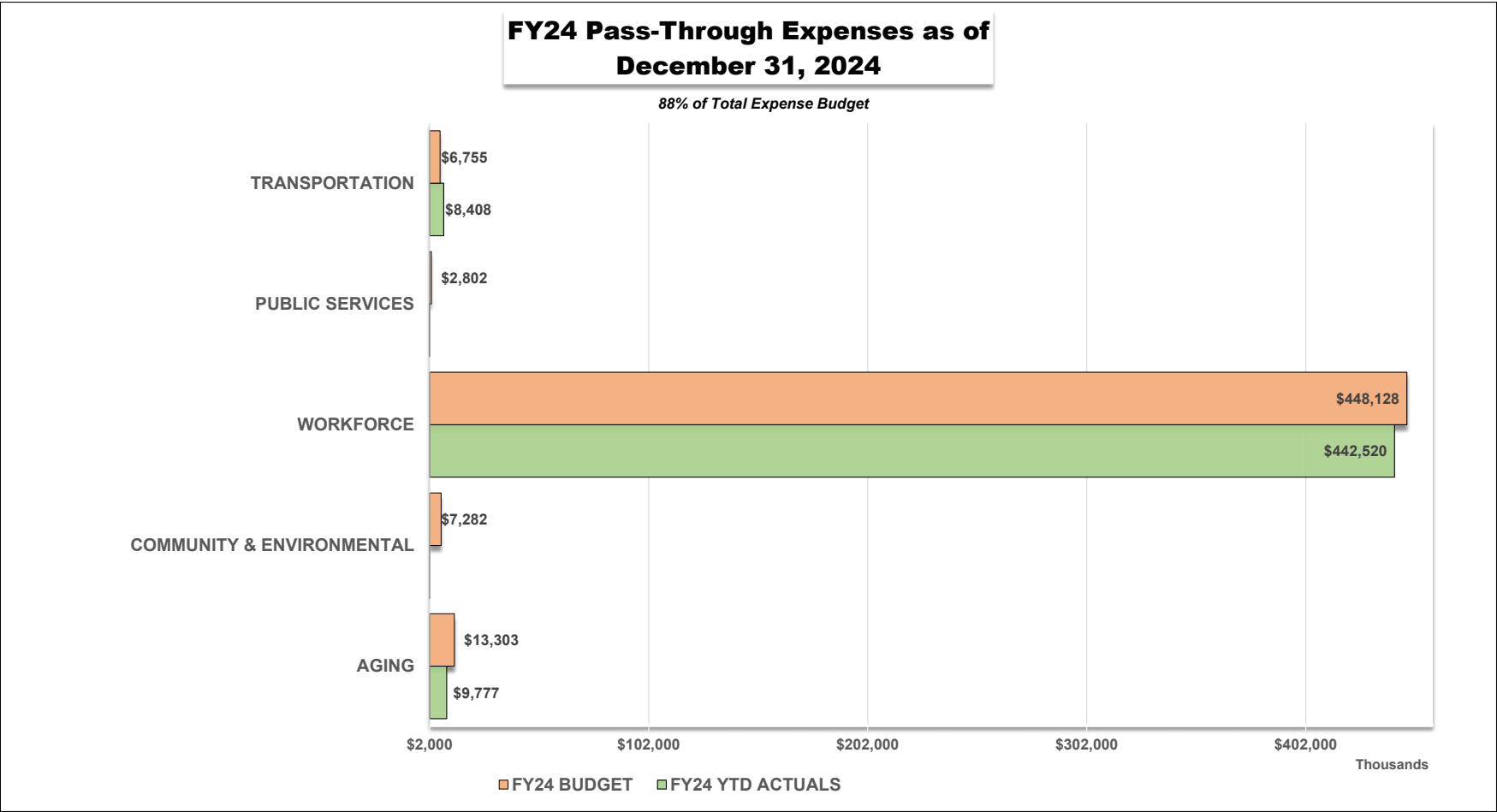
Budget to Actual Charts



Budget to Actual Charts



Budget to Actual Charts



HOUSTON GALVESTON AREA COUNCIL (H-GAC)

FY24 Budget to Actual Report - All Funds

For Month Ending December 31, 2024 - PRELIMINARY

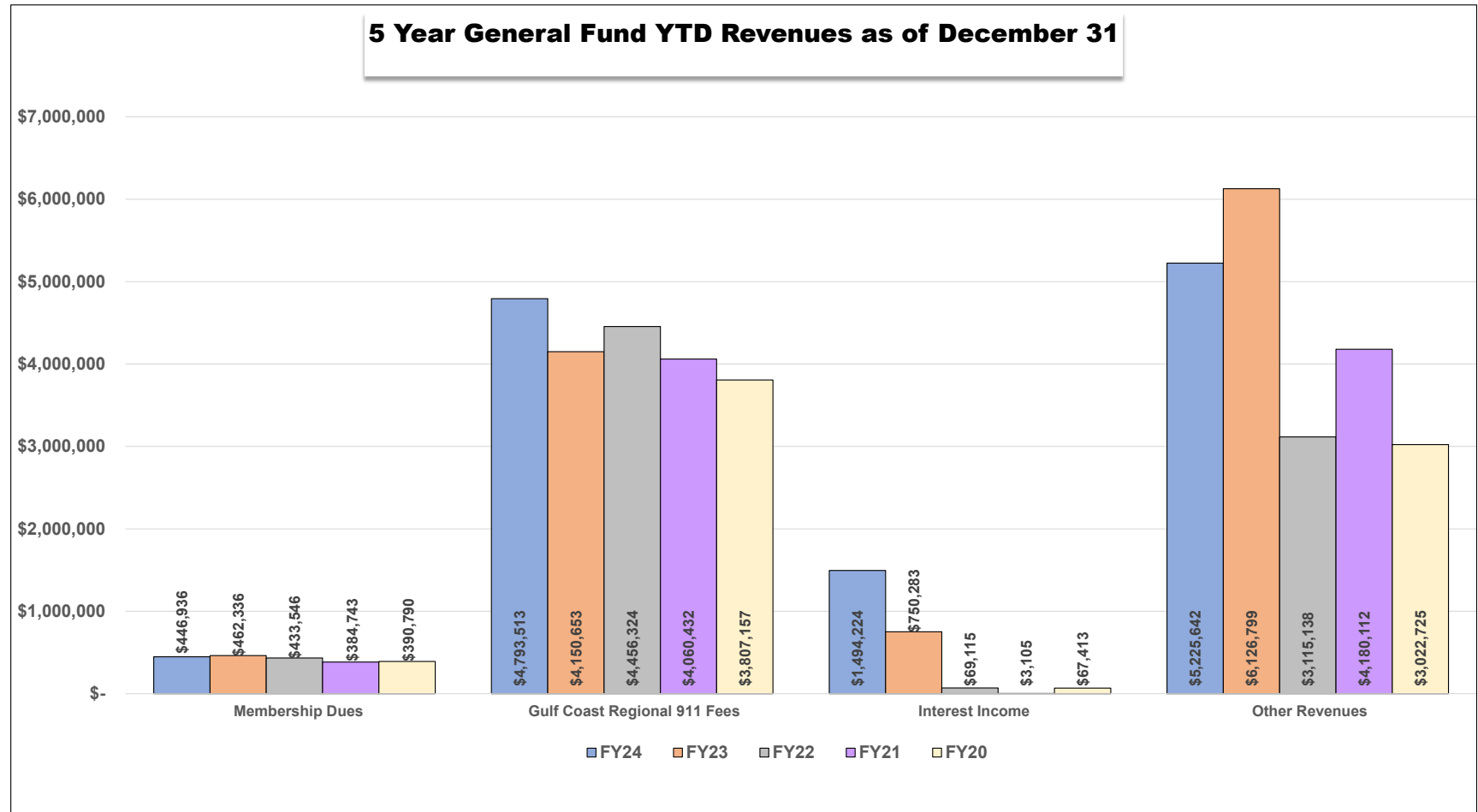
100% of Year
Elapsed

	FY24 Budget	FY24 Year-to-Date Actuals	FY24 % of Actuals to Budget	FY23 Budget	FY23 Year-to-Date Actuals	FY23 % of Actuals to Budget
Revenues						
General & Enterprise Fund Revenues						
Membership Dues	\$ 462,137	\$ 446,936	97%	\$ 462,136	\$ 462,336	100%
HGAC Energy Purchasing Corporation	80,000	130,642	163%	75,000	137,642	184%
Cooperative Purchasing Fees	5,640,451	5,857,187	104%	5,500,000	5,113,994	93%
Gulf Coast Regional 911 Fees	2,767,797	4,793,513	173%	2,605,121	4,150,653	159%
Interest Income	1,200,000	1,494,224	125%	200,000	750,283	375%
Other Revenues	7,173,876	5,225,642	73%	7,781,387	6,126,799	79%
Total General & Enterprise Fund Revenues	\$ 17,324,261	\$ 17,948,146	104%	\$ 16,623,644	\$ 16,741,707	101%
Special Revenue Fund						
Federal Grant	\$ 695,000	\$ 370,113	53%	\$ 200,000	\$ 167,371	84%
State Grants	523,305,764	503,793,935	96%	474,015,106	420,199,195	89%
Total Special Revenue Fund Revenues	\$ 524,000,764	\$ 504,164,047	96%	\$ 474,215,106	\$ 420,366,566	89%
Total Revenues	\$ 541,325,025	\$ 522,112,193	96%	\$ 490,838,750	\$ 437,108,273	89%
Expenditures						
Personnel	\$ 39,263,214	\$ 36,434,959	93%	\$ 34,141,958	\$ 32,310,616	95%
Pass-through Funds - Grant	478,270,303	463,500,763	97%	431,342,942	385,189,467	89%
Consultant and Contract Services	14,691,223	9,692,187	66%	15,392,991	7,695,869	50%
Lease of Office Space	1,461,237	1,470,945	101%	1,827,797	1,680,916	92%
Equipment	602,696	598,306	99%	4,943,200	4,293,195	87%
Travel	700,865	485,513	69%	687,449	436,655	64%
Other Expenses	6,754,873	5,270,787	78%	4,938,555	4,642,401	94%
Total Expenditures	\$ 541,744,411	\$ 517,453,461	96%	\$ 493,274,892	\$ 436,249,119	88%
Excess of Revenues Over(Under) Expenditures	\$ (419,386)	\$ 4,658,732		\$ (2,436,142)	\$ 859,154	
Beginning Fund Balance (all funds) - Jan. 1 (1)	\$ 43,468,636	\$ 43,468,636		\$ 40,013,176	\$ 40,013,176	
Ending Fund Balance (all funds) - December 31 (2)	\$ 43,049,250	\$ 48,127,368		\$ 37,577,034	\$ 40,872,330	

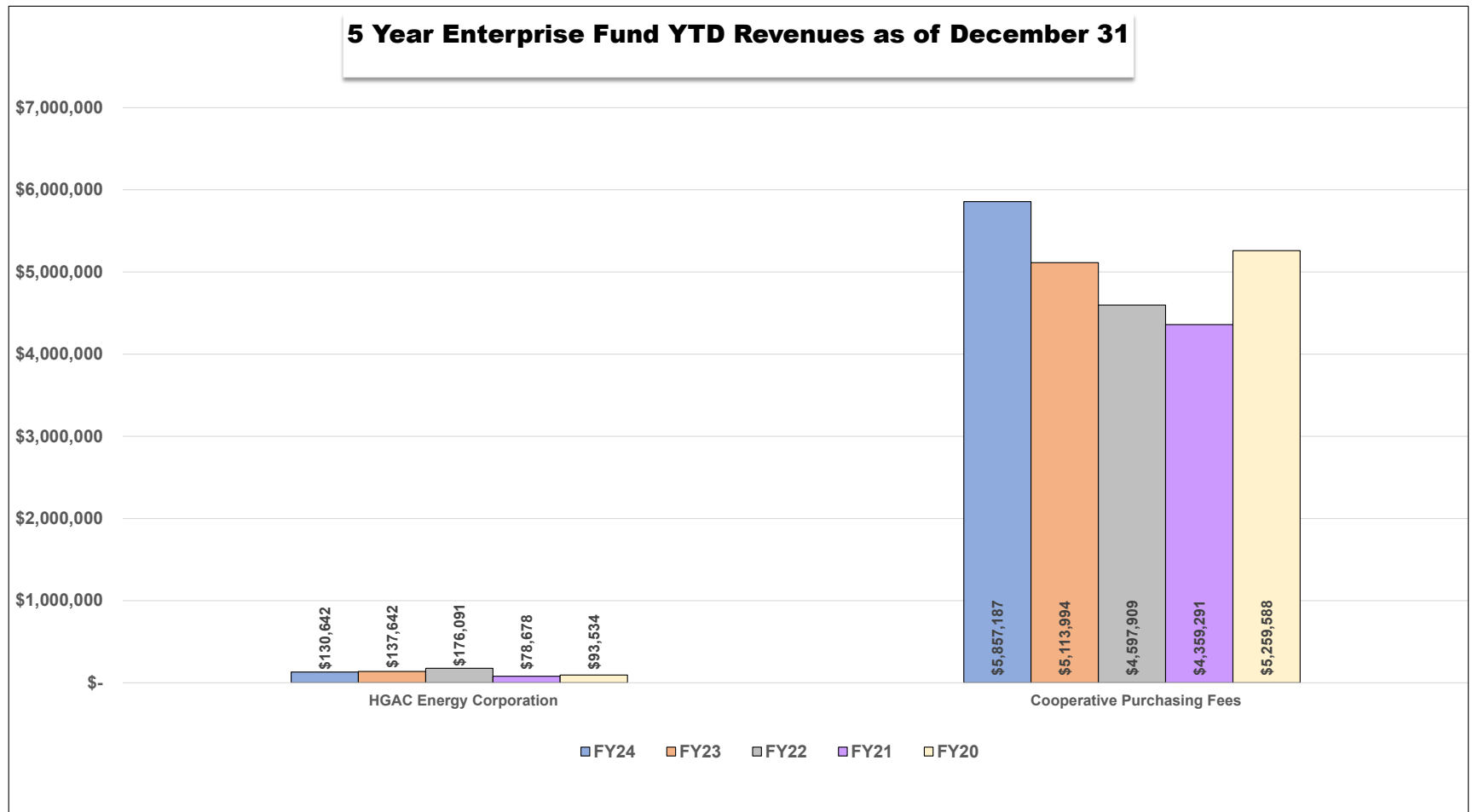
(1) Jan. 1, 2024 beginning fund balance is based on the 2023 ACFR which was presented during the May 2024 Board.

(2) All ending fund balances are as of December 31 for each year.

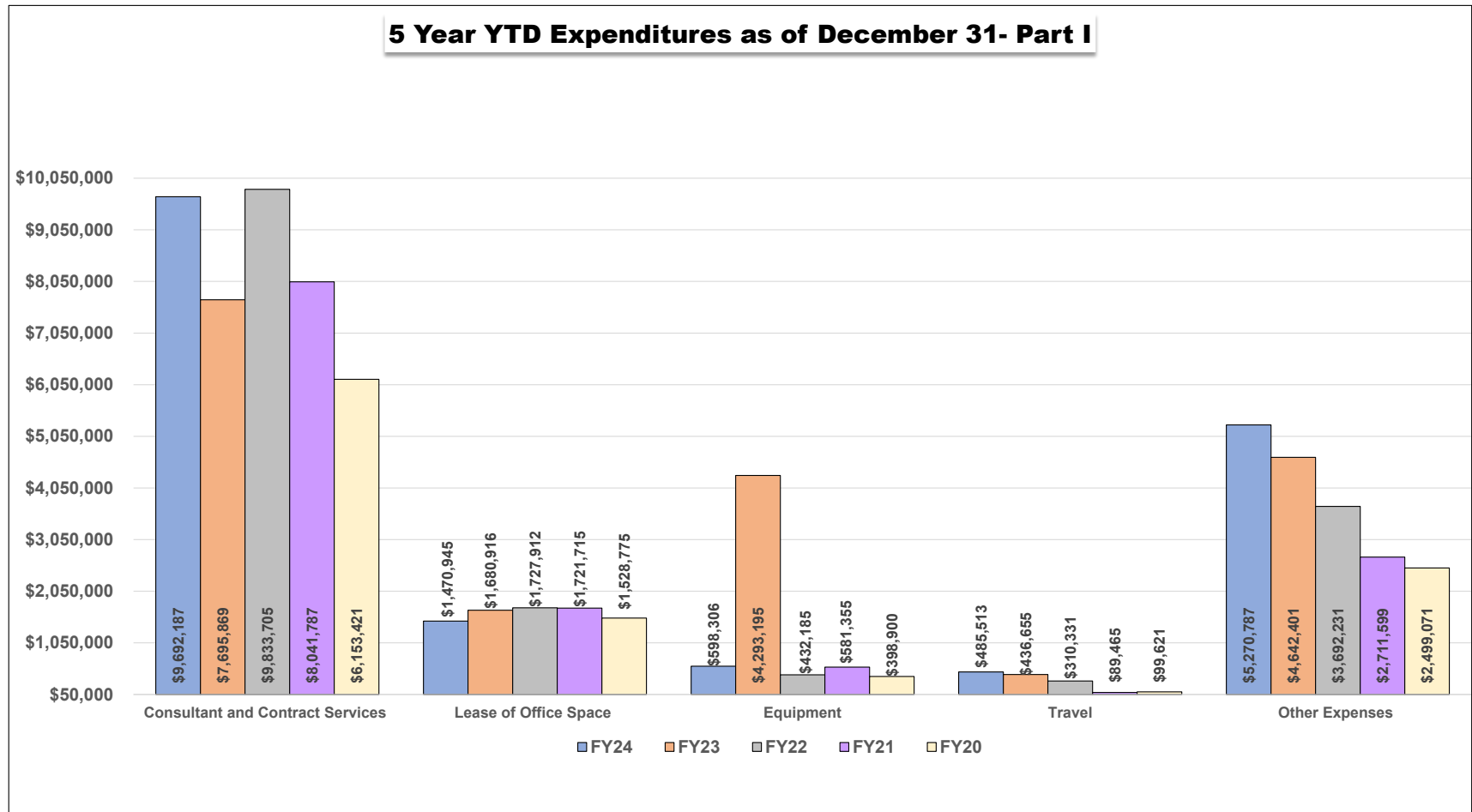
5 Year Trends Charts



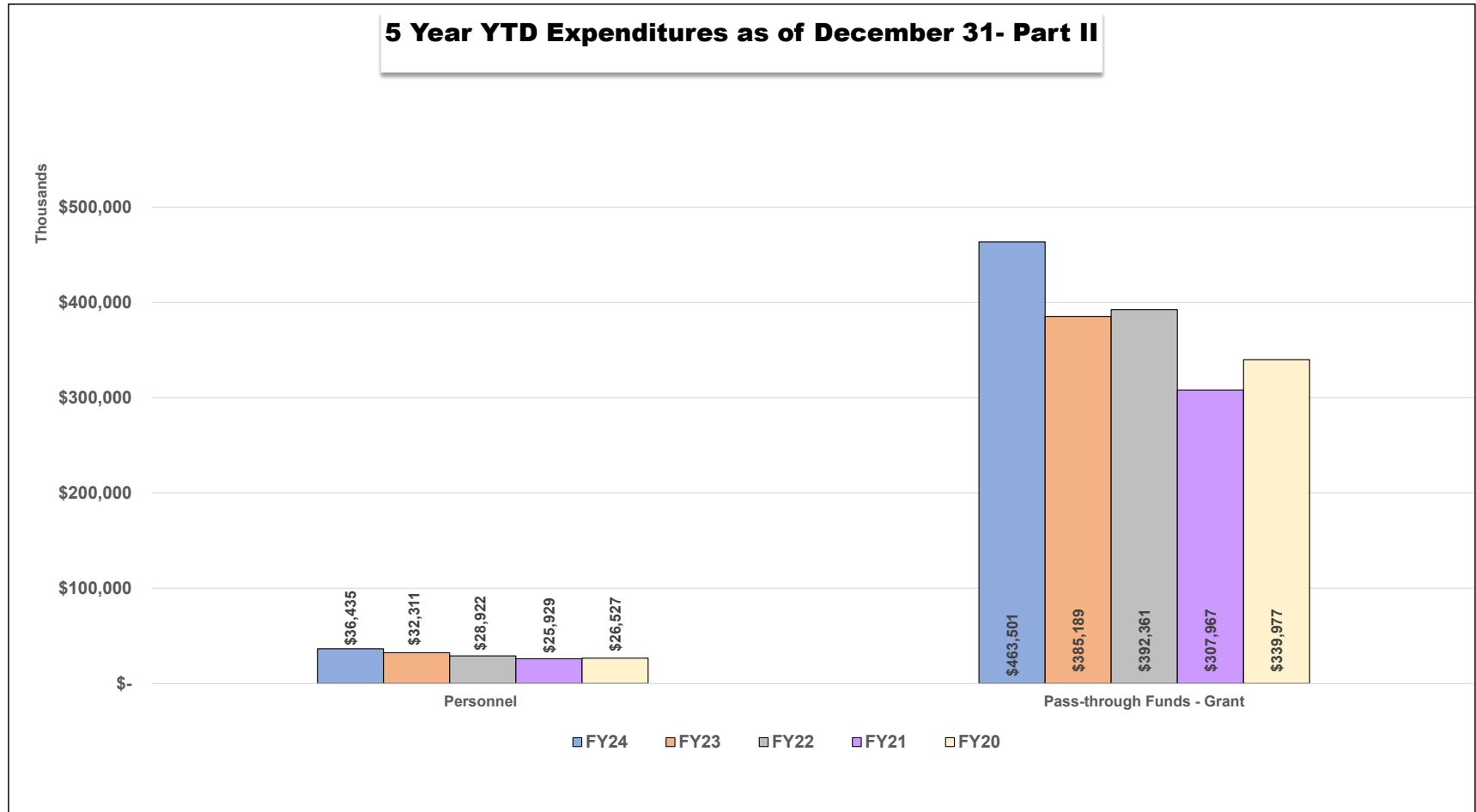
5 Year Trends Charts



5 Year Trends Charts



5 Year Trends Charts



HOUSTON GALVESTON AREA COUNCIL (H-GAC)

5 Year Trends Report

For Month Ending December 31, 2024 - PRELIMINARY

	FY24 Year-to-Date Actuals	FY23 Year-to-Date Actuals	FY22 Year-to-Date Actuals	FY21 Year-to-Date Actuals	FY20 Year-to-Date Actuals
Revenues					
General & Enterprise Fund Revenues					
Membership Dues	\$ 446,936	\$ 462,336	\$ 433,546	\$ 384,743	\$ 390,790
HGAC Energy Purchasing Corporation	130,642	137,642	176,091	78,678	93,534
Cooperative Purchasing Fees	5,857,187	5,113,994	4,597,909	4,359,291	5,259,588
Gulf Coast Regional 911 Fees	4,793,513	4,150,653	4,456,324	4,060,432	3,807,157
Interest Income	1,494,224	750,283	69,115	3,105	67,413
Other Revenues	5,225,642	6,126,799	3,115,138	4,180,112	3,022,725
Total General & Enterprise Fund Revenues	\$ 17,948,146	\$ 16,741,707	\$ 12,848,123	\$ 13,066,361	\$ 12,641,207
Special Revenue Fund					
Federal Grants	\$ 370,113	\$ 167,371	\$ 210,108	\$ 319,234	\$ 878,416
State Grants	503,793,935	420,199,195	426,492,156	335,638,820	366,363,576
Total Special Revenue Fund Revenues	\$ 504,164,047	\$ 420,366,566	\$ 426,702,264	\$ 335,958,054	\$ 367,241,992
Total Revenues	\$ 522,112,193	\$ 437,108,273	\$ 439,550,387	\$ 349,024,415	\$ 379,883,199
Expenditures					
Personnel	\$ 36,434,959	\$ 32,310,616	\$ 28,922,007	\$ 25,928,825	\$ 26,527,413
Pass-through Funds - Grant	463,500,763	385,189,467	392,361,142	307,966,670	339,976,833
Consultant and Contract Services	9,692,187	7,695,869	9,833,705	8,041,787	6,153,421
Lease of Office Space	1,470,945	1,680,916	1,727,912	1,721,715	1,528,775
Equipment	598,306	4,293,195	432,185	581,355	398,900
Travel	485,513	436,655	310,331	89,465	99,621
Other Expenses	5,270,787	4,642,401	3,692,231	2,711,599	2,499,071
Total Expenditures	\$ 517,453,461	\$ 436,249,119	\$ 437,279,513	\$ 347,041,416	\$ 377,184,034
Excess of Revenues Over(Under) Expenditures	\$ 4,658,732	\$ 859,154	\$ 2,270,874	\$ 1,982,999	\$ 2,699,165
Beginning Fund Balance (all funds) - Jan. 1 (1)	\$ 43,468,636	\$ 40,013,176	\$ 38,694,329	\$ 36,062,620	\$ 34,369,085
Ending Fund Balance (all funds) - December 31 (2)	\$ 48,127,368	\$ 40,872,330	\$ 40,965,203	\$ 38,045,619	\$ 37,068,250

(1) All beginning fund balances are as of January 1 for each year. Jan. 1, 2024 beginning fund balance is based on the 2023 ACFR which was presented during the May 2024 Board.

(2) All ending fund balances are as of December 31 for each year.

REGIONAL INCIDENT MANAGEMENT FUNDING AGREEMENT

Background

As a part of regional incident management, the Houston-Galveston Area Council works with local governments to implement the Tow and Go Program and the Harris County Sheriff's Office's Motorist Assistance Program. These activities operate out of Houston TranStar, the Regional Transportation Management Center. The central purpose of the Tow and Go Program is to save the lives of stranded motorists by quickly removing stalled vehicles from area freeways to a nearby safe location, at no cost to the motorist. Additionally, the quick removal of stalled vehicles reduces traffic congestion and reduces the possibility of secondary crashes. Since the program began on May 1, 2018, there have been over 300,000 tows provided at no cost to the driver. The average incident clearance time is less than 17 minutes.

The Tow and Go service and regional incident management activities currently operate within unincorporated Harris County, as well as the cities of Bellaire, Deer Park, Houston, Humble, Jersey Village, La Porte, Pasadena, and Webster. Services have been implemented in their respective jurisdictions by the City of Houston and Harris County, in partnership with H-GAC.

Current Situation

H-GAC staff is seeking Board of Directors approval to enter into an Advance Funding Agreement with the Texas Department of Transportation in the amount of \$53,200,000 to provide the four years of funding to continue services for the regional Tow and Go Program and the Motorist Assistant Program. These funds would also allow for potential expansion of the program. While in the past staff have utilized separate one agreements for each entity implementing the program, this new Advance Funding Agreement will provide one four-year funding agreement for all services across the region making operations more efficient.

Funding Source

Federal Highway Administration, Surface Transportation Block Grant.

Budgeted

Yes.

Action Requested

Request approval for the Houston-Galveston Area Council to enter into an Advance Funding Agreement with the Texas Department of Transportation for four years in an amount not to exceed \$53,200,000 to continue service of Tow and Go and Regional Incident Management Programs.
(Staff Contact: Francis Rodriguez)

WORKFORCE SOLUTIONS WIDE AREA NETWORK UPGRADE

Background

The Houston-Galveston Area Council seeks a qualified vendor to provide and implement Software-Defined Wide Area Network services to replace the current Multiprotocol Label Switching infrastructure utilized by the Workforce Solutions program.

Currently, the WAN functionality is hosted on an Multiprotocol Label Switching technology using copper-based service lines. The objective is to create a more centralized, resilient, and secure network for the career offices that rely on stable, high-speed connections to the Texas Workforce Commission's private network and among each other.

Current Situation

H-GAC issued a competitive solicitation to solicit qualified contractor(s) for the goods or services requested under IN-DS-WKFWAN-09-24 on October 2, 2024 and which closed on November 7, 2024. Two (2) responsive submissions were received and thoroughly evaluated by a committee of representatives from H-GAC. Based on the committee's scoring and evaluation of the proposal responses, the recommendation and rankings are presented below:

1. Logix Communications, LP
2. Charter Communications Holdings, LLC

Funding Source

Texas Workforce Commission

Budgeted

Yes

Action Requested

Request authorization to contract with Logix Communications in the order presented for a contract term of 3 years; in an amount not to exceed \$506,628. (Staff Contact: Edgar Rotundo)

EXECUTIVE DIRECTOR'S REPORT

Background

N/A

Current Situation

N/A

Funding Source

N/A

Budgeted

N/A

Action Requested

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

EXECUTIVE SESSION – CONSULTATION WITH ATTORNEY

Background

H-GAC Executive Director Chuck Wemple and legal counsel will provide an update in a duly called closed session.

Current Situation

H-GAC Executive Director Chuck Wemple and legal counsel will provide the status of any pending or contemplated legal action.

Funding Source

N/A

Budgeted

N/A

Action Requested

The H-GAC Board may hold an executive session pursuant to Section 551.071 of the Texas Government Code to consult with its attorney regarding pending or contemplated litigation. (Staff contact: Chuck Wemple)