



LONE STAR PARK

*Sports Facilities and
Development Corporation*

**Monday, November 4, 2019
6:00 pm
City Hall
Executive Conference Room
317 College Street
Grand Prairie, Texas**

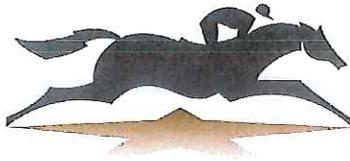
AGENDA

Call to Order

Citizen Comments

Agenda items:

1. Consider Minutes of August 5, 2019
2. Monthly Financial and Investment Reports for July, August, and September 2019
3. Contract Negotiations Committee Report
4. Construction Committee Report
5. Finance Committee Report
6. Reimbursement to the City for July 1, 2019 through September 30, 2019
7. Sports Corporation Board Meeting Schedule FY 2020
8. Resolution Authorizing the Expenditure and the Agreement for the Sports Corporation to Pay for Half of the Master Site Development at Lone Star Park
9. Resolution Approving Capital Expenditure Funds for Improvements at Lone Star Park
10. Grand Prairie Sports Facilities Financial Management Policies: Reserve Requirement
11. Lone Star Park Report



LONE STAR PARK

Sports Facilities and Development Corporation

Executive Session

The Sports Facilities Development Corporation may conduct a closed session pursuant to Chapter 551, Subchapter D of the Government Code, V.T.C.A. to discuss the following:

1. Section 551.071 "Consultation with Attorney"

Bajro Rizvic v. Grand Prairie Sports Facilities Development Corporation, et al, Cause No. DC-19-06000, 193rd District Court, Dallas County, Texas

2. Section 551.072 "Deliberation Regarding Real Property"

3. Section 551.074 "Personnel Matters"

4. Section 551.087 "Deliberations Regarding Economic Development Negotiations"

Adjournment

Certification

In accordance with Chapter 551, Subchapter C of the Government Code, V.T.C.A. the Sports Facility Development Corporation agenda was prepared and posted November 1, 2019.

Lee Harriss, Treasurer

City Hall is wheelchair accessible. If you plan to attend this public meeting and you have a disability that requires special arrangements, please call Lee Harriss at 972 237-8091 at least 24 hours in advance. Reasonable accommodations will be made to assist your needs.



City of Grand Prairie

City Hall
317 College Street
Grand Prairie, Texas

Text File

File Number: 19-9451

Agenda Date: 11/4/2019

Version: 1

Status: ATS Review

In Control: Sports Facilities Development Corporation

File Type: Agenda Item

From

Paula L. Elliott, Executive Assistant- Finance

Title

Minutes of August 5, 2019

Presenter

Ms. Jorja Clemson, Secretary

Recommended Action

Approve

Grand Prairie Sports Facilities Development Corporation
Regular Meeting
August 5, 2019
City of Grand Prairie, City Hall
Executive Conference Room
317 College Street
Grand Prairie, Texas

Minutes

A regular meeting of the Grand Prairie Sports Facilities Development Corporation was called to order by Mayor Jensen at 6:00 p.m.

Members Present

Ron Jensen, President
Jorja Clemson
R.J. Garcia
Greg Giessner
Michael Skinner
Jim Swafford

Staff Present

Megan Mahan, City Attorney
Lee Harriss, Treasurer
Becky Brooks, Asst. Chief Financial Officer
Paula Elliott, Recording Secretary
Bill Crolley, Deputy City Manager

Members Absent

Eddie Freeman

Citizen Comments

There were no citizens who wished to speak.

1. Consider Minutes of May 6, 2019

Ms. Clemson moved to approve the minutes of the May 6, 2019 meeting.

Mr. Swafford seconded the motion. The motion carried with the following vote:

Ayes: Jensen, Clemson, Garcia, Giessner, Skinner, and Swafford

Nays: None

2. Monthly Financial and Investment Reports for April, May, and June 2019

Ms. Harriss reviewed the Monthly Financials and Investment Reports for April, May, and June 2019.

For April, base rent was \$146,610, and additional rent totaled \$9,879. Interest earnings for the month were \$15,278 for total receipts of \$171,767. Disbursements for the month were \$253,551. The net decrease in cash and investments was \$(81,784).

The Sports Corporation had total cash & investments of \$12,132,615.

For May, Base rent was \$146,610, and additional rent totaled \$21,299. Interest earnings for the month were \$5,324 and ground rent for the stadium was \$50,000 for total receipts of \$223,233. Disbursements for the month were \$3,111,165. The net decrease in cash and investments was \$(2,887,932).

The Sports Corporation had total cash & investments of \$9,244,684.

For June, base rent was \$146,610 and additional rent totaled \$34,095. Interest earnings for the month were \$29,023 for total receipts of \$209,728. Disbursements for the month were \$6,667. The net increase in cash and investments was \$203,061.

The Sports Corporation had total cash & investments of \$9,447,745.

Investment Recap:

The Investment Recap summarizes the activity by month in the Sports Corp's investment portfolio. The schedule shows a year-to-date increase of \$1,762,261. The book value and market value of each type of investment is also shown on the report. At June 30, 2019, the Sports Corp had an unrealized loss of \$14,572 on its securities. This has occurred as the bond market slowed.

Portfolio by Type of Investment:

Approximately 20% of the portfolio is invested in Texpool (Public Fund Investment Pool) and the remainder is invested in US Agency investments. In August at the last board meeting, the Board changed the maximum percentage allowed in each agency from 25% to 40%, as more investments get placed for longer terms. The portfolio complies with that new provision.

Portfolio by Maturity:

Approximately 20% of total investments mature within 31 days and none presently exceed 2 years. Policy allows up to 5 years max maturity. The portfolio is in compliance with this limit.

Weighted Average Maturity:

As of June 30, 2019, the WAM was 155 days. Policy is a maximum WAM of 2 years. This portfolio is in compliance.

Interest Earnings:

The primary difference in this amount is due to the timing of when interest is received and reported. Interest received is on a cash basis, as is the budgeted amount. Interest earnings and accrued interest are on an accrual basis.

Yield Compared to U.S. Treasury Bill and Texpool:

A metric more indicative of the portfolio performance is the overall expected yield-to-maturity. This metric is benchmarked against monthly yield of the one year U.S. Treasury Bill and the average monthly yield on Texpool. Since the strategy at the Corporation is a buy and hold to maturity, the yield-to-maturity rate represents the final expected results.

Investment Policy and Strategy:

The portfolio continues to operate under a buy and hold strategy. The next holding matures in July 2019 at which time the market conditions will drive any purchase decisions.

Mr. Swafford asked why the legal fees were backed up. Mayor Jensen said the contract was being evaluated and was an educational experience. Mr. Swafford moved to approve the Monthly Financial and Investment Reports for April, May, and June 2019. Mr. Garcia seconded the motion.

The motion carried with the following vote:

Ayes: Jensen, Clemson, Garcia, Giessner, Skinner, and Swafford

Nays: None

3. Contract Negotiations Committee Report

Mr. Skinner indicated there are no additional comments.

4. Construction Committee Report

Mr. Giessner stated there are no updates.

5. Finance Committee Report

Mr. Swafford indicated the finance report would be discussed with the budget report.

6. Reimbursement to the City for April 1, 2019 through June 30, 2019

Mr. Swafford advised the total amount of the reimbursement was \$1,682.

Mr. Swafford moved to approve the motion. Mr. Giessner seconded.

The motion carried with the following vote:

Ayes: Jensen, Clemson, Garcia, Giessner, Skinner, Swafford

Nays: None

7. Election of Officers and Committee Assignments

Mayor Jensen recommended keeping the same officers and that City Council has already elected his office. The committee agreed.

Mr. Giessner moved to approve the motion for vice president through assistant secretary.

Mr. Skinner seconded. The motion carried with the following vote:

Ayes: Jensen, Clemson, Garcia, Giessner, Skinner, Swafford

Nays: None

Ms. Harriss pointed out that there is one vacancy on the Construction committee.

Ms. Clemson moved to add Mike Skinner to the construction committee and approved the motion.

Mr. Garcia seconded. The motion carried with the following vote:

Ayes: Jensen, Clemson, Garcia, Giessner, Skinner, Swafford

Nays: None

8. Resolution approving payment of the Grand Prairie Municipal Reclamation District PILOT

Mr. Bill Crolley reminded the committee that back in 2012, GPMURD had approached the city about the utility district in that area. However, City Council wanted a separation with a payment-in-lieu-of-tax. The FY2019 budget for PILOT is \$165,000, in other words city paid. The City is requesting that the Sports Corporation take over those payments. Mayor Jensen added with the new cap coming, this is the time to do it and thinks it is a great idea. Mayor Jensen inquired when the next payment is due. Ms. Brooks replied the city paid 2019 so that would be a reimbursement, but 2020 would be a direct payment to the GPMURD upon approval.

Ms. Clemson moved to reimburse the city and pay direct in 2020 and approve the motion. Mr. Swafford seconded. The motion carried with the following vote:

Ayes: Jensen, Clemson, Garcia, Giessner, Skinner, Swafford
Nays: None

9. Resolution approving the proposed budget for FY 2019-2020 and amending the FY 2018-2019 budget

Mr. Swafford advised for the current budget the increase interest income was \$80,000. The decrease maintenance for the bronze statues was \$625. The increase to the Grand Prairie Metropolitan Utility Reclamation District PILOT (GPMURD) was \$165,000. For next year's budget the increase maintenance for bronze statues \$625. Lone Star Capital expenditures of \$500,000 are included in the budget. The increase required operating reserve is \$12,663. The reserve for commitment to LSP is \$1,057,515. The \$1,250,000 for required additional operating reserve goes so far back in the books, it needs further research. Ms. Brooks said that she and Ms. Harriss would work on a policy change for review by the next meeting. Mr. Swafford agreed if there is no debt, then there is no need for a reserve.

Mr. Swafford moved to adopt the resolution and approve. Mr. Giessner seconded. Mayor Jensen thanked Mr. Swafford for his time as well as the Finance committee. The motion carried with the following vote:

Ayes: Jensen, Clemson, Garcia, Giessner, Skinner, Swafford
Nays: None

10. Report from Lone Star Park

Ms. Shelley Wimberly and Mr. Kent Slabotsky informed that the thoroughbred season wrapped up on July 21st. There were some cancellations due to bad weather and that hurt business. New legislation will double the purses and keep the money in the purse and not with the city. Mayor Jensen mentioned that he is going to invite Corey Johnson and Mike Renfro to speak about the dynamics of the purse increase to horse owners at possibly the next meeting. Ms. Clemson inquired which non-racing event brings in the most people. Mr. Slabotsky replied group sales and extreme racing. Ms. Clemson mentioned at one of the races she attended there was an accident and one of the horses had to be put down. What is the average in a season? Mr. Slabotsky said he has been tracking that all year and traditionally Lone Star Park strives to stay below 2%. Even though this season's numbers have not been finalized, LSP is above 2.6%. Maybe the bigger story is that some tracks do not report their numbers. Mayor Jensen instructed Mr. Giessner to get with Mr. Hart and do a walk through before the Spring Season. Mr. Slabotsky said they will be sure to be available whenever needed. Mr. Giessner added this

process is also part of the construction committee report. Ms. Brooks questioned what the timing of their budget is. Mr. Slabotsky answered the first review will come out at the end of this month (August) and the final approval by the board is due mid-October. Mr. Skinner asked when the new purse tax money will go into the higher purses. Mr. Slabotsky said they will start collecting on September 1st which is the commission's start of the new fiscal year. Mr. Garcia inquired if LSP will stay below Oklahoma and Louisiana on the purses. Mr. Slabotsky replied below Oklahoma yes, but not sure on Louisiana. Mayor Jensen said Corey would know and we can ask him. Mr. Giessner asked if all 9 of the license holders are all operational. Mr. Slabotsky said we run the most days, the most races and have the most skin the game.

Mr. Garcia moved to approve the Lone Star Report. Mr. Swafford seconded the motion. The motion carried with the following vote:

Ayes: Jensen, Clemson, Garcia, Giessner, Skinner, and Swafford

Nays: None

Executive Session

Mayor Jensen convened a closed session at 6:13 p.m. pursuant to Chapter 551, Subchapter D of the Government Code, V.T.C.A., Section 551.072 "Deliberation Regarding Real Property" and Section 551.087 "Deliberations Regarding Economic Development Negotiations". Mayor Jensen adjourned the closed session at 6:21 p.m.

Adjournment

There being no further business, Mayor Jensen adjourned the meeting at 6:41 pm.

Respectfully submitted,

Jorja Clemson, Secretary



City of Grand Prairie

City Hall
317 College Street
Grand Prairie, Texas

Text File

File Number: 19-9463

Agenda Date: 11/4/2019

Version: 1

Status: Draft

In Control: Sports Facilities Development Corporation

File Type: Agenda Item

From

Lee Harriss

Title

Monthly Financial and Investment Reports for July, August, and September 2019.

Presenter

Lee Harriss

Recommended Action

Approve

Analysis

The monthly financial and investment reports for July, August, and September 2019 are attached.

Grand Prairie Sports Facilities Development Corporation

To: Sports Corporation Board of Directors
From: Lee Harriss, Treasurer
Date: October 23, 2019
Subject: Monthly Financial and Investment Reports July 31, 2019

The Sports Corporation Monthly Financial Report for July 31, 2019 is attached.

Base rent was \$146,610, and additional rent totaled \$29,648. Interest earnings for the month were \$37,109 for total receipts of \$213,367. Disbursements for the month were \$1,720. The net increase in cash and investments was \$211,647.

The Sports Corporation had total cash & investments of \$9,659,250 as shown below. The attached investment report provides a more in depth discussion of the Sports Corp investments.

Cash in Bank	122,825.00
Texpool	4,055,885.00
Investments	5,480,540.00
Total Cash and Investments	9,659,250.00

Grand Prairie Sports Facilities Development Corporation, Inc.
Monthly Financial Report
For the Month Ended July 31, 2019

	Current Month	Fiscal YTD	Current Year Projected Budget	% Actual/ Current Year Budget
Beginning Resources	\$ 9,447,602.52	\$11,540,390.79	\$ 10,491,761	
Receipts:				
Base Rent	146,610.00	1,466,100.00	1,759,320	83.33%
Additional Rent	29,648.26	164,779.64	205,000	80.38%
Interest Income	37,109.10	192,985.66	100,000	192.99%
Ground Rent BB Stadium	-	50,000.00	50,000	100.00%
Total Receipts	\$ 213,367.36	\$ 1,873,865.30	\$ 2,114,320	88.63%
Disbursements:				
Legal Fees	\$ -	\$ 18,780.75	\$ 50,000	37.56%
Profit Share LSP BB Stadium Ground Rent	-	25,000.00	25,000	100.00%
Audit Fees	-	-	7,500	0.00%
Travel	-	-	5,000	0.00%
Food Service	-	889.92	1,800	49.44%
Maintenance for bronze statues	-	1,575.00	2,200	71.59%
Contract Services/Staffing	1,560.00	7,200.00	11,000	65.45%
Reimbursement to City	-	474.69	20,000	2.37%
Miscellaneous	160.00	1,132.85	10,000	11.33%
Flowers at LSP	-	9,284.50	11,000	84.40%
Lone Star Charitable Foundation	-	1,925.00	6,000	32.08%
Contingency	-	-	4,000	0.00%
Total Disbursements	\$ 1,720.00	\$ 66,262.71	\$ 153,500	43.17%
Capital Expenditures				
Capital Expenditure Commitment to Lone Star	-	888,743.50	\$ 1,446,259	61.45%
Capital Expenditure Commitment to City	-	2,800,000.00	-	0.00%
Total Capital Expenditures	\$ -	\$ 3,688,743.50	\$ 1,446,259	255.05%
Ending Resources	\$ 9,659,249.88	\$ 9,659,249.88	\$ 11,006,322	
Reserves				
Operating Reserves	\$ 27,150.00	\$ 27,150.00	\$ 27,150	
Additional Operating Reserves	1,250,000.00	1,250,000.00	1,250,000	
Reserves for Capital Improvements	557,515.45	557,515.45	1,446,259	
Uncommitted Funds	7,824,584.43	7,824,584.43	8,282,913	
Total Reserves	\$ 9,659,249.88	\$ 9,659,249.88	\$ 11,006,322	

RECEIPT LISTING	Date	Amount	Classification
Lone Star Park at Grand Prairie	07/03/19	146,610.00	Base Rent
FNMA	07/12/19	10,500.00	Interest
Lone Star Park at Grand Prairie	07/16/19	29,648.26	Additional Rent
Investment Interest	07/22/19	12,187.50	Interest
Investment Interest	07/29/19	8,200.00	Interest
Texpool	07/31/19	6,221.60	Interest
Total Receipts		<u>213,367.36</u>	

DISBURSEMENT LISTING	Date	Check No.	Amount	Classification
J P MORGAN CHASE	07/02/19	4832	150.00	Racing license renewa
TAYLOR, AMANDA MARIE (SCC)	07/11/19	4833	360.00	Contract Services/Staffin
BOYCE, J-ME (SCC)	07/11/19	4834	360.00	Contract Services/Staffin
WELLS FARGO	07/15/19	debit	10.00	Bank service chg.
TAYLOR, AMANDA MARIE (SCC)	07/25/19	4835	360.00	Contract Services/Staffin
BOYCE, J-ME (SCC)	07/25/19	4836	480.00	Contract Services/Staffin
Total Disbursements			<u>1,720.00</u>	
Net Change in Cash			<u>211,647.36</u>	

Capital Reserves - City	Approved	Paid	Balance
Total Capital Reserves for the City			<u>\$ -</u>

Capital Reserves - Lone Star Park	Budget	Payments	Balance
FY 2016 Budget	500,000	(500,000.00)	0.00
FY 2017 Budget	500,000	(500,000.00)	0.00
FY 2018 Budget	500,000	(442,484.55)	57,515.45
FY 2019 Budget	500,000	0.00	500,000.00
Total FY 2019 Budget	<u>2,000,000</u>	<u>(1,442,484.55)</u>	<u>557,515.45</u>
Grand Total Capital Reserves			<u>557,515.45</u>

Grand Prairie Sports Facilities Development Corporation

To: Sports Corporation Board of Directors
From: Lee Harriss, Treasurer
Date: October 23, 2019
Subject: Monthly Financial and Investment Reports August 31, 2019

The Sports Corporation Monthly Financial Report for August 31, 2019 is attached.

Base rent was \$146,610, and additional rent totaled \$25,018. Interest earnings for the month were \$14,020 for total receipts of \$185,648. Disbursements for the month were \$79,968. The net increase in cash and investments was \$105,680.

The Sports Corporation had total cash & investments of \$9,764,930 as shown below. The attached investment report provides a more in depth discussion of the Sports Corp investments.

Cash in Bank	\$120,735
Texpool	\$4,163,655
Investments	\$5,480,540
Total Cash and Investments	\$9,764,930

Grand Prairie Sports Facilities Development Corporation, Inc.
Monthly Financial Report
For the Month Ended August 31, 2019

	Current Month	Fiscal YTD	Current Year Projected Budget	% Actual/ Current Year Budget
Beginning Resources	\$ 9,659,249.88	\$11,540,390.79	\$ 10,491,761	
Receipts:				
Base Rent	146,610.00	1,612,710.00	1,759,320	91.67%
Additional Rent	25,017.62	189,797.26	205,000	92.58%
Interest Income	14,019.98	207,005.64	100,000	207.01%
Ground Rent BB Stadium	-	50,000.00	50,000	100.00%
Total Receipts	\$ 185,647.60	\$ 2,059,512.90	\$ 2,114,320	97.41%
Disbursements:				
Legal Fees	\$ -	\$ 18,780.75	\$ 50,000	37.56%
Profit Share LSP BB Stadium Ground Rent	-	25,000.00	25,000	100.00%
Audit Fees	-	-	7,500	0.00%
Travel	-	-	5,000	0.00%
Food Service	-	889.92	1,800	49.44%
Maintenance for bronze statues	-	1,575.00	2,200	71.59%
Contract Services/Staffing	-	7,200.00	11,000	65.45%
Reimbursement to City	1,682.00	2,156.69	20,000	10.78%
Miscellaneous	153.51	1,286.36	10,000	12.86%
Flowers at LSP	3,069.90	12,354.40	11,000	112.31%
Lone Star Charitable Foundation	-	1,925.00	6,000	32.08%
Contingency	-	-	4,000	0.00%
Total Disbursements	\$ 4,905.41	\$ 71,168.12	\$ 153,500	46.36%
Capital Expenditures				
Capital Expenditure Commitment to Lone Star	75,062.26	963,805.76	\$ 1,446,259	66.64%
Capital Expenditure Commitment to City	-	2,800,000.00	-	0.00%
Total Capital Expenditures	\$ 75,062.26	\$ 3,763,805.76	\$ 1,446,259	260.24%
Ending Resources	\$ 9,764,929.81	\$ 9,764,929.81	\$ 11,006,322	
Reserves				
Operating Reserves	\$ 27,150.00	\$ 27,150.00	\$ 27,150	
Additional Operating Reserves	1,250,000.00	1,250,000.00	1,250,000	
Reserves for Capital Improvements	482,453.19	482,453.19	1,446,259	
Uncommitted Funds	8,005,326.62	8,005,326.62	8,282,913	
Total Reserves	\$ 9,764,929.81	\$ 9,764,929.81	\$ 11,006,322	

RECEIPT LISTING	Date	Amount	Classification
Investment Interest	08/06/19	6,250.00	Interest
Lone Star Park at Grand Prairie	08/16/19	146,610.00	Base Rent
Lone Star Park at Grand Prairie	08/16/19	25,017.62	Additional Rent
Texpool	08/31/19	7,769.98	Interest
Total Receipts		<u>185,647.60</u>	

DISBURSEMENT LISTING	Date	Check No.	Amount	Classification
CITY OF GRAND PRAIRIE (SCC)	08/08/19	4837	1,682.00	Reimb/City Staff Time
HUTCHINGS, MERLE (SCC)	08/08/19	4838	3,069.90	Flowers
J P MORGAN CHASE	08/08/19	4839	150.00	Racing license renewals
WELLS FARGO	08/09/19	debit	3.51	Bank service chg.
GLOBAL GAMING	08/29/19	wire	75,062.26	CAPEX
Total Disbursements			<u>79,967.67</u>	
Net Change in Cash			<u>105,679.93</u>	

Capital Reserves - City	Approved	Paid	Balance
Total Capital Reserves for the City			<u>\$ -</u>

Capital Reserves - Lone Star Park	Budget	Payments	Balance
FY 2016 Budget	500,000	(500,000.00)	0.00
FY 2017 Budget	500,000	(500,000.00)	0.00
FY 2018 Budget	500,000	(500,000.00)	0.00
FY 2019 Budget	500,000	(17,546.81)	482,453.19
Total FY 2019 Budget	<u>2,000,000</u>	<u>(1,517,546.81)</u>	<u>482,453.19</u>
Grand Total Capital Reserves			<u>482,453.19</u>

Grand Prairie Sports Facilities Development Corporation

To: Sports Corporation Board of Directors
From: Lee Harriss, Treasurer
Date: October 29, 2019
Subject: **Monthly Financial and Investment Reports September 30, 2019**

The Sports Corporation Monthly Financial Report for September 30, 2019 is attached.

Base rent was \$146,610, and additional rent totaled \$10,120. Interest earnings of \$7,527 were received during the month, and total receipts were \$164,258. Disbursements for the month were \$38,194. The net increase in cash and investments was \$126,064.

The Sports Corporation had total cash & investments of \$9,890,994 as shown below. The attached investment report provides a more in depth discussion of the Sports Corp investments.

Cash in Bank	\$72,271
Texpool	\$4,338,183
Investments	\$5,480,540
Total Cash and Investments	\$9,890,994

Grand Prairie Sports Facilities Development Corporation, Inc.
Monthly Financial Report
For the Month Ended September 30, 2019

	Current Month	Fiscal YTD	Current Year Projected Budget	% Actual/ Current Year Budget
Beginning Resources	\$ 9,764,929.81	\$11,540,390.79	\$ 10,491,761	
Receipts:				
Base Rent	146,610.00	1,759,320.00	1,759,320	100.00%
Additional Rent	10,120.48	199,917.74	205,000	97.52%
Interest Income	7,527.29	214,532.93	100,000	214.53%
Ground Rent BB Stadium	-	50,000.00	50,000	100.00%
Total Receipts	\$ 164,257.77	\$ 2,223,770.67	\$ 2,114,320	105.18%
Disbursements:				
Legal Fees	\$ -	\$ 18,780.75	\$ 50,000	37.56%
Profit Share LSP BB Stadium Ground Rent	-	25,000.00	25,000	100.00%
Audit Fees	-	-	7,500	0.00%
Travel	-	-	5,000	0.00%
Food Service	-	889.92	1,800	49.44%
Maintenance for bronze statues	-	1,575.00	2,200	71.59%
Contract Services/Staffing	480.00	7,680.00	11,000	69.82%
Reimbursement to City	-	2,156.69	20,000	10.78%
Miscellaneous	2.78	1,289.14	10,000	12.89%
Flowers at LSP	-	12,354.40	11,000	112.31%
Lone Star Charitable Foundation	-	1,925.00	6,000	32.08%
Contingency	-	-	4,000	0.00%
Total Disbursements	\$ 482.78	\$ 71,650.90	\$ 153,500	46.68%
Capital Expenditures				
Capital Expenditure Commitment to Lone Star	37,711.28	1,001,517.04	\$ 1,446,259	69.25%
Capital Expenditure Commitment to City	-	2,800,000.00	-	0.00%
Total Capital Expenditures	\$ 37,711.28	\$ 3,801,517.04	\$ 1,446,259	262.85%
Ending Resources	\$ 9,890,993.52	\$ 9,890,993.52	\$ 11,006,322	
Reserves				
Operating Reserves	\$ 27,150.00	\$ 27,150.00	\$ 27,150	
Additional Operating Reserves	1,250,000.00	1,250,000.00	1,250,000	
Reserves for Capital Improvements	444,741.91	444,741.91	1,446,259	
Uncommitted Funds	8,169,101.61	8,169,101.61	8,282,913	
Total Reserves	\$ 9,890,993.52	\$ 9,890,993.52	\$ 11,006,322	

RECEIPT LISTING	Date	Amount	Classification
Lone Star Park at Grand Prairie	09/18/19	146,610.00	Base Rent
Lone Star Park at Grand Prairie	09/18/19	10,120.48	Additional Rent
Texpool	09/30/19	7,527.29	Interest
Total Receipts		<u>164,257.77</u>	

DISBURSEMENT LISTING	Date	Check No.	Amount	Classification
WELLS FARGO	09/16/19	debit	2.78	Bank service chg.
GLOBAL GAMING	09/26/19	wire	37,711.28	CAPEX
TAYLOR, AMANDA MARIE (SCC)	10/03/19	4840	240.00	Contract Services/Staffin
BOYCE, J-ME (SCC)	10/03/19	4841	240.00	Contract Services/Staffin
Total Disbursements			<u>38,194.06</u>	
Net Change in Cash			<u>126,063.71</u>	

Capital Reserves - City	Approved	Paid	Balance
Total Capital Reserves for the City			<u>\$ -</u>

Capital Reserves - Lone Star Park	Budget	Payments	Balance
FY 2016 Budget	500,000	(500,000.00)	0.00
FY 2017 Budget	500,000	(500,000.00)	0.00
FY 2018 Budget	500,000	(500,000.00)	0.00
FY 2019 Budget	500,000	(55,258.09)	444,741.91
Total FY 2019 Budget	<u>2,000,000</u>	<u>(1,555,258.09)</u>	<u>444,741.91</u>
Grand Total Capital Reserves			<u>444,741.91</u>

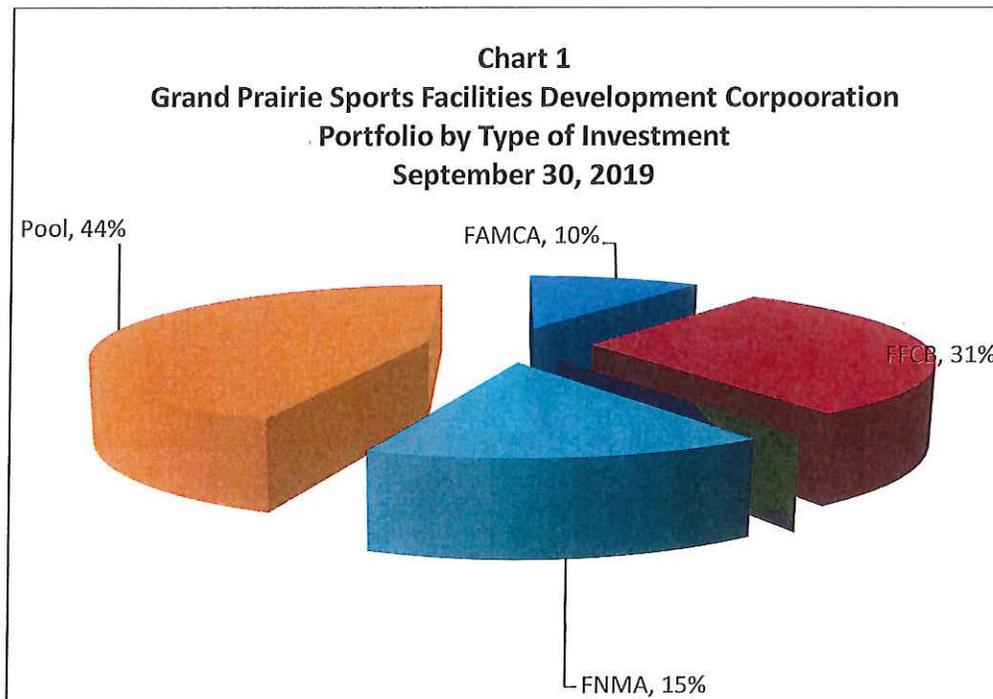
Grand Prairie Sports Facilities Development Corporation Investment Report For the Quarter ended September 30, 2019

Investment Recap

The attached Investment Recap summarizes the activity by month in the Sports Corp's investment portfolio. The schedule shows a year-to-date decrease of \$1,323,742. The book value and market value of each type of investment is also shown on the report. At September 30, 2019, the Sports Corp had an unrealized gain of \$24,961 on its securities. This has occurred as the bond market slowed.

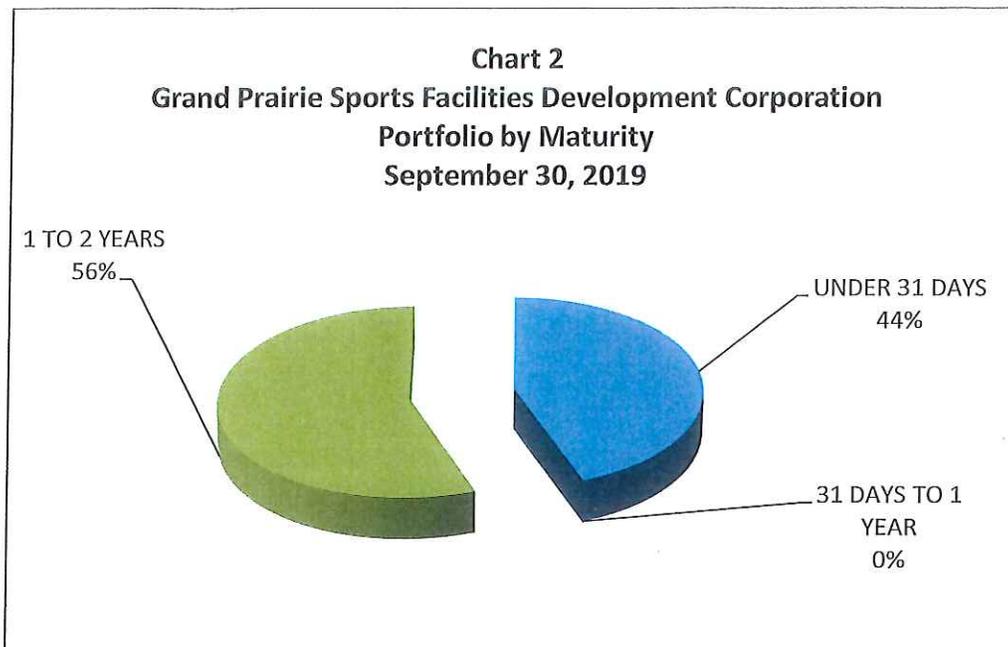
Portfolio by Type of Investment

Chart 1 presents the portfolio by type of investment. Approximately 44% of the portfolio is invested in Texpool, a Public Fund Investment Pool and the remainder is invested in US Agency investments as shown below. In August, the Board changed the maximum percentage allowed in each agency from 25% to 40%, as more investments get placed for longer terms. The portfolio complies with that new provision.



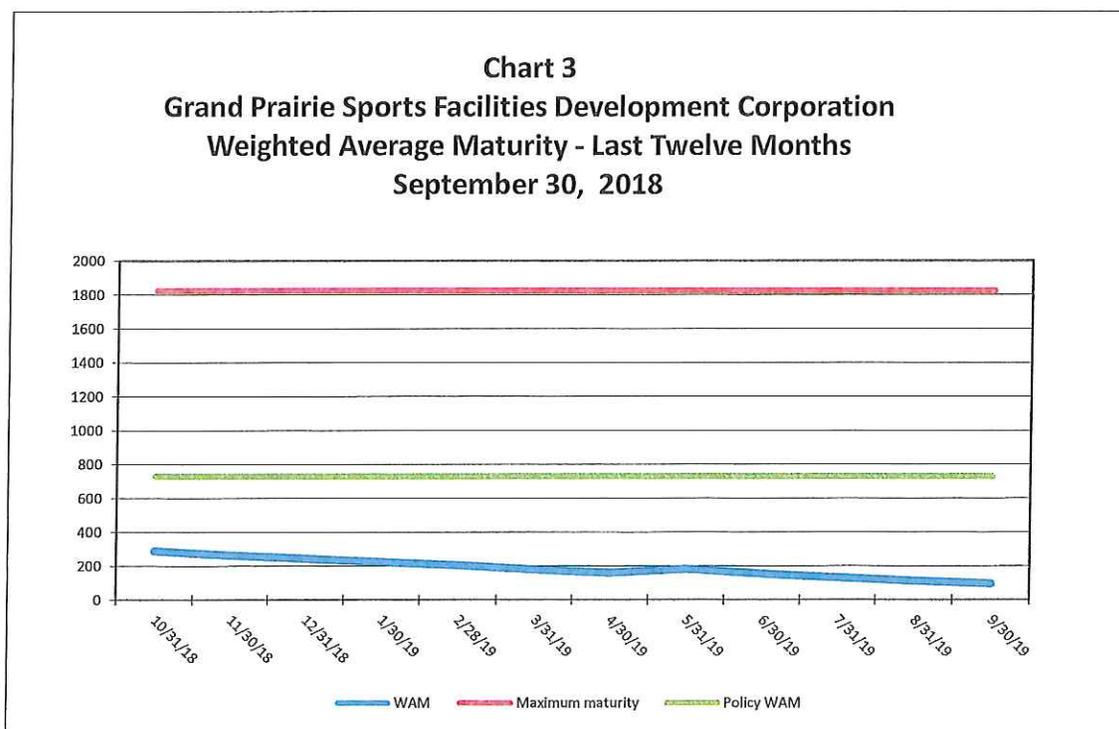
Portfolio by Maturity

Chart 2 presents the portfolio by maturity. Approximately 44% of total investments mature within 31 days and none presently exceed two years. Policy allows up to five years maximum maturity. The portfolio is in compliance with this limit.



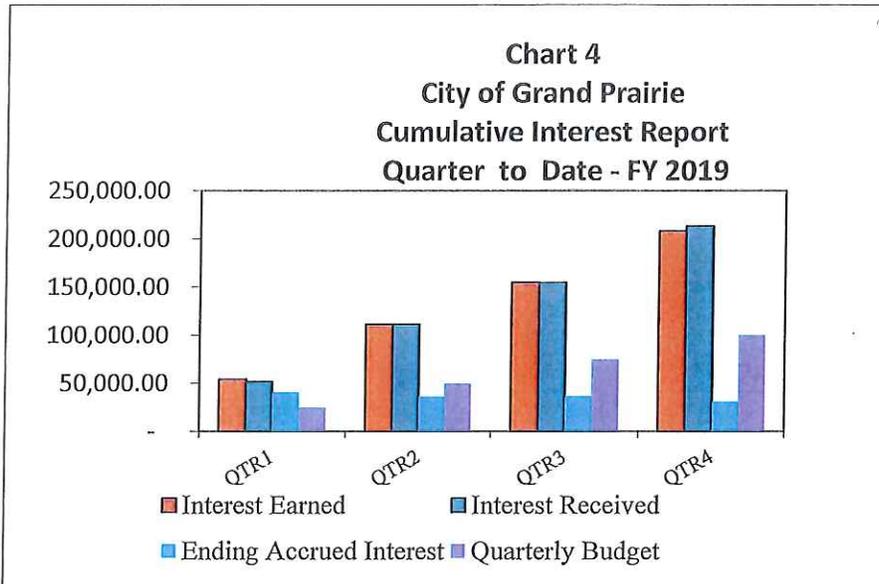
Weighted Average Maturity

Chart 3 shows the weighted average maturity (WAM) for the last twelve months. As of September 30, 2019 the WAM was 95 days. Policy is a maximum WAM of 2 years, so the portfolio is in compliance.



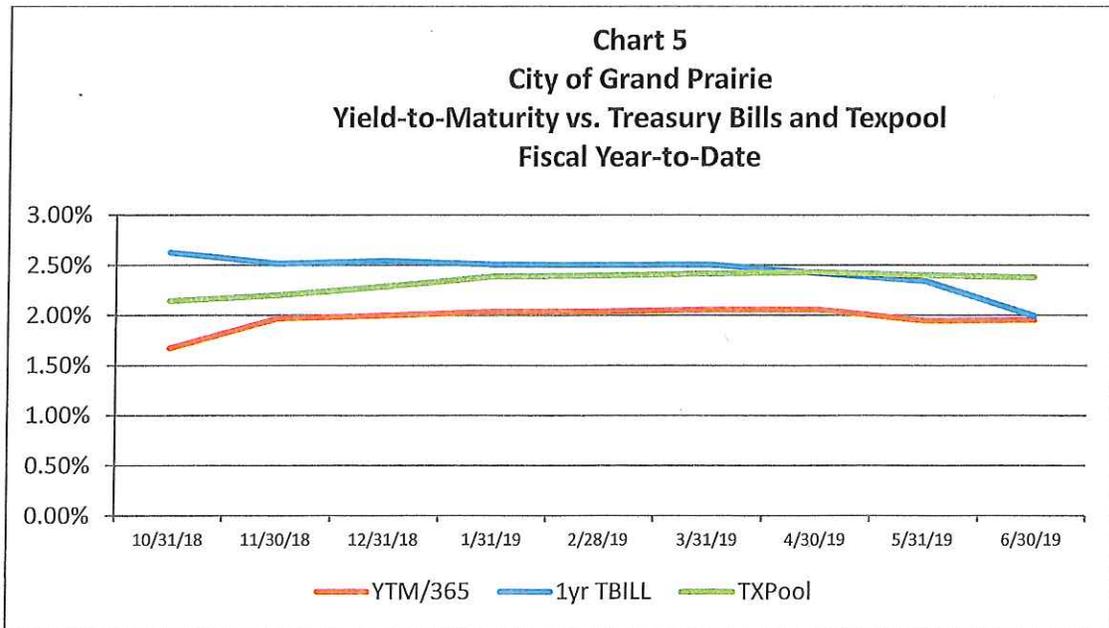
Interest Earnings

Chart 4 compares the interest income budget, interest received, and ending accrued interest. The primary difference in this amount is due to the timing of when interest is received and reported. Interest received is on a cash basis, as is the budgeted amount. Interest earnings and accrued interest are on an accrual basis.



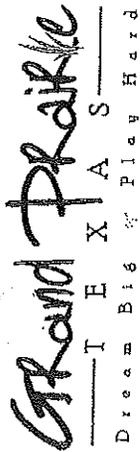
Yield Compared to U.S. Treasury Bill and Texpool

A metric more indicative of the portfolio performance is the overall expected yield-to-maturity, as shown in Chart 5. This metric is benchmarked against monthly yield of the one year U.S. Treasury Bill and the average monthly yield on Texpool. Since the strategy at the Corporation is a buy and hold to maturity, the yield-to-maturity rate represents the final expected results.



INVESTMENT POLICY AND STRATEGY

The portfolio continues to operate under a buy and hold strategy. In the coming months, the investment team will make an effort to lengthen the WAM, although a relatively flat yield curve complicates the decision.



**Sports Corporation
Portfolio Management
Portfolio Summary
September 30, 2019**

City of Grand Prairie
326 W Main
Grand Prairie, Grand Prairie
(972)237-8089

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 350 Equiv.	YTM 365 Equiv.
Managed Pool Accounts	4,338,182.89	4,338,182.89	4,338,182.89	44.18	1	1	2.355	2.388
Federal Agency Coupon Securities	5,500,000.00	5,505,501.00	5,480,540.00	55.82	853	169	2.103	2.132
Investments	9,838,182.89	9,843,683.89	9,818,722.89	100.00%	476	95	2.214	2.245
Total Earnings	September 30	Month Ending	Fiscal Year To Date	Fiscal Year Ending				
Current Year	16,991.96		207,938.82	207,938.82				
Average Daily Balance	9,711,246.51							
Effective Rate of Return	2.13%							

Jacqueline Hathorn, Treasury Analyst

Becky Brooks, Asst. CFO

Reporting period 09/01/2019-09/30/2019

Run Date: 10/18/2019 - 10:14

Portfolio SPOR
CP
PM (PRF_PM1) 7.5.0
Report Ver. 7.3.6.1

GRAND PRAIRIE SPORTS FACILITIES DEVELOPMENT CORPORATION
INVESTMENT RECAP FOR QUARTER ENDED
September 30, 2019

YEAR TO DATE	Beg. Balance 10/1/2018	Additions	Retirements	Book Value 9/30/2019	Market Value 9/30/2019	Unrealized Gains/Losses
Treasuries	\$ -			\$ -		
FAMCA	1,002,290			\$ 1,002,290	998,815	(3,475)
FFCB	2,998,200			\$ 2,998,200	3,007,997	9,797
FHLB	2,000,000		(2,000,000)	\$ -	-	-
FHLMC	-			\$ -	-	-
FNMA	3,480,050		(2,000,000)	\$ 1,480,050	1,498,689	18,639
Pool	1,661,925	5,851,258	(3,175,000)	\$ 4,338,183	4,338,183	
TOTAL	\$ 11,142,465	\$ 5,851,258	\$ (7,175,000)	\$ 9,818,723	\$ 9,843,684	\$ 24,961

YEAR TO DATE NET CHANGE IN INVESTMENTS (1,323,742)

CURRENT QUARTER	Beg. Balance 6/30/2019	Additions	Retirements	Total Cost 9/30/2019	Asset Mix Allowed	Actual Asset Mix
Treasuries	\$ -			\$ -	100%	0%
FAMCA	1,002,290			\$ 1,002,290	40%	10.2%
FFCB	2,998,200			\$ 2,998,200	40%	30.5%
FHLB	-			\$ -	40%	0.0%
FHLMC	-			\$ -	40%	0.0%
FNMA	3,480,050		(2,000,000)	\$ 1,480,050	40%	15.1%
Pool	1,899,664	2,538,519	-100,000	\$ 4,338,183	50%	44.3%
	\$ 9,380,204	\$ 2,538,519	\$ (2,100,000)	\$ 9,818,723		100.00%

CURRENT PERIOD NET CHANGE IN INVESTMENTS 438,519

MATURITY SCHEDULE	Balance 09/30/19	% of Portfolio
UNDER 31 DAYS	\$ 4,338,183	44.2%
31 DAYS TO 1 YEAR	-	0.0%
1 TO 2 YEARS	5,480,540	55.8%
2 TO 3 YEARS	-	0%
TOTAL	\$ 9,818,723	100%

**Sports Corporation
Portfolio Management
Portfolio Details - Investments
September 30, 2019**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 365	Days to Maturity	Maturity Date
Managed Pool Accounts												
7926900001	10002	Texpool			4,338,182.89	4,338,182.89	4,338,182.89	2.388		2.388	1	
		Subtotal and Average	4,230,706.51		4,338,182.89	4,338,182.89	4,338,182.89	2.388		2.388	1	
Federal Agency Coupon Securities												
3132XONT4	10039	Federal Agricultural Mortgage		01/27/2017	1,000,000.00	998,815.00	1,002,290.00	1.640		1.562	118	01/27/2020
3133EGQR9	10037	Federal Farm Credit Bank		08/10/2016	1,000,000.00	997,865.00	1,000,000.00	1.250		1.250	132	02/10/2020
3133EJRL5	10042	Federal Farm Credit Bank		06/21/2018	2,000,000.00	2,010,032.00	1,988,200.00	2.650		2.597	254	06/11/2020
3135GQAT8	10041	Federal National Mtg Assn		06/21/2018	1,500,000.00	1,498,689.00	1,480,050.00	1.625		2.486	112	01/21/2020
		Subtotal and Average	5,480,540.00		5,505,501.00	5,480,540.00	5,480,540.00	1.625		2.132	169	
		Total and Average	9,711,246.51		9,838,182.89	9,843,683.89	9,818,722.89	2.245		2.245	95	



City of Grand Prairie

City Hall
317 College Street
Grand Prairie, Texas

Text File

File Number: 19-9464

Agenda Date: 11/4/2019

Version: 1

Status: Draft

In Control: Sports Facilities Development Corporation

File Type: Agenda Item

Title

Contract Negotiations Committee Report

Presenter

Mike Skinner



City of Grand Prairie

City Hall
317 College Street
Grand Prairie, Texas

Text File

File Number: 19-9465

Agenda Date: 11/4/2019

Version: 1

Status: Draft

In Control: Sports Facilities Development Corporation

File Type: Agenda Item

Title

Construction Committee Report

Presenter

Greg Giessner



City of Grand Prairie

City Hall
317 College Street
Grand Prairie, Texas

Text File

File Number: 19-9466

Agenda Date: 11/4/2019

Version: 1

Status: Draft

In Control: Sports Facilities Development Corporation

File Type: Agenda Item

Title

Finance Committee Report

Presenter

Jim Swafford



City of Grand Prairie

City Hall
317 College Street
Grand Prairie, Texas

Text File

File Number: 19-9467

Agenda Date: 11/4/2019

Version: 1

Status: Draft

In Control: Sports Facilities Development Corporation

File Type: Agenda Item

From

Lee Harriss

Title

Reimbursement to the City for July 1, 2019 through September 30, 2019

Presenter

Lee Harriss, Treasurer

Recommended Action

Approve

Analysis

Consider the reimbursement to the City for staff time and out-of-pocket expenses for the period July 1, 2019 through September 30, 2019.

Financial Consideration

Attached is the billing from the City. The total amount of the reimbursement is \$9,702.75.

Grand Prairie

— T E X A S —

Invoice Date 9/30/2019
Invoice No. LSP43738

Reimbursible Costs Incurred on Behalf of the Sports Corp.:

9/11/19	Wells Fargo	Bank Analysis Fees	\$ 119.15
9/30/19	Weaver & Tidwell	FY 2019 Audit Fees	\$ 8,043.60
9/30/19	Staff Time	July - September 2019	\$ 1,540.00
Total Due			<u>\$ 9,702.75</u>



City of Grand Prairie

City Hall
317 College Street
Grand Prairie, Texas

Text File

File Number: 19-9468

Agenda Date: 11/4/2019

Version: 1

Status: Draft

In Control: Sports Facilities Development Corporation

File Type: Agenda Item

From

Lee Harriss, Treasurer

Title

Sports Corporation Board Meeting Schedule FY 2020

Presenter

Lee Harriss, Treasurer

Recommended Action

Approve

Analysis

The Sports Corporation normally meets the first Monday in February, May, August, and November. The proposed schedule for FY 2020 is below:

February 3, 2020

May 4, 2020

August 3, 2020

November 2, 2020

Financial Consideration

None

GRAND PRAIRIE SPORTS FACILITIES DEVELOPMENT CORPORATION
PROPOSED 2020 BOARD MEETING SCHEDULE

Quarterly Format

February 3, 2020

May 4, 2020

August 3, 2020

November 2, 2020

2020 COUNCIL MEETING SCHEDULE

January 7 and 21

February 4 and 18

March 3 and 17

April 7 and 21

May 5 and 19

June 2 and 16

July 14

August 4 and 18

September 1 and 15 (Labor Day is September 7)

October 13

November 3 and 17

December 15

Adopted at the 9/3/19 Council Meeting.



City of Grand Prairie

City Hall
317 College Street
Grand Prairie, Texas

Text File

File Number: 19-9531

Agenda Date: 11/4/2019

Version: 1

Status: Draft

In Control: Sports Facilities Development Corporation

File Type: Resolution

From
Lee Harriss

Title
Resolution Authorizing the Expenditure and the Agreement for the Sports Corporation to Pay for Half of the Master Site Development at Lone Star Park

Presenter
Greg Giessner
Kent Slabotsky, Vice President of Operations

Recommended Action
Approve

Analysis
This project request is to authorize the Agreement and expenditure for the Sports Corporation to pay for half of the Master Site Development at Lone Star Park. The estimated cost is between \$400,000 and \$500,000, and Lone Star has requested one half of that amount, up to \$250,000, for the Master Site Development to be paid by the Sports Corporation.

The Sports Corporation has approved \$500,000 per year for capital improvements at Lone Star Park. The funds were approved as part of the fiscal year budgets, which have the following remaining amounts:

FY17	\$500,000 approved, \$500,000 spent, \$0 remaining
FY18	\$500,000 approved, \$500,000 spent, \$0 remaining
FY19	\$500,000 approved, \$55,258.09 spent, \$444,741.91 remaining
FY20	\$500,000 approved, \$0 spent, \$500,000 remaining

Attached is the project list submitted by Lone Star, which includes the Master Site Development for the board to consider for the joint CAP EX program.

Financial Consideration
The FY 2020 approved Capital Commitment Budget for Lone Star Park is \$1,057,515. Of that amount, Lone Star has a balance of \$944,741.91. Of that amount, Lone Star has requested \$200,000 for the Master Site Development, leaving a balance of \$744,741.91.

..Body

**A RESOLUTION OF THE GRAND PRAIRIE SPORTS FACILITIES
DEVELOPMENT CORPORATION, INC. APPROVING THE MASTER SITE
DEVELOPMENT AS PART OF THE FY20 CAPITAL EXPENDITURE
IMPROVEMENTS AT LONE STAR PARK**

WHEREAS, the Grand Prairie Sports Facilities Development Corporation, Inc. (the "Corporation") has determined that Lone Star Park is proposing the Master Site Development and has requested that this be a part of the previously approved FY20 CAP EX spending;

**NOW THEREFORE, BE IT RESOLVED, by the GRAND PRAIRIE SPORTS
FACILITIES DEVELOPMENT CORPORATION, INC.**

RESOLVED, that the Corporation be, and it hereby is, authorized to include the Master Site Development as part of the FY20 Capital expenditure projects, and subject to the following conditions:

(i) each payment by the Corporation for such expenses must be authorized by the Treasurer of the Corporation and the Chairman of the Construction Committee;

(ii) Global Gaming LSP, LLC ("Lone Star") shall be responsible for the payment of one-half of the expenses for Master Site Development Contract and shall be responsible for the payment of any and all expenses for the Contract to the extent that the aggregate costs exceed \$250,000 and

RESOLVED, that up to \$250,000 be applied to the FY20 matching funds and be it further

RESOLVED, that the appropriate officers of the Corporation be, and they hereby are, authorized and directed to do all other acts, take all actions and prepare all papers, contracts, instruments and documents in connection therewith which they, in their sole discretion, deem proper in order to accomplish and carry out the intents and purposes of the foregoing resolutions, and any and all actions previously carried out in accordance herewith be, and they hereby are, ratified, confirmed, approved and adopted as the official acts and deeds of the Corporation.

**PASSED AND APPROVED BY THE GRAND PRAIRIE SPORTS FACILITIES
DEVELOPMENT CORPORATION, INC. NOVEMBER 4, 2019.**

Ron Jensen, President

ATTEST:

Jorja Clemson, Secretary

Lone Star Park 2020 Capex Request List

Department		Project Description		Owner	Month	Cost
Global Gaming Solutions	2020	Master Site Development		GGG		\$ 400,000
GGG SUBTOTAL						\$ 400,000
1 Building Maintenance	2020	Grandstand Keating Fryers in Feed Sack 2, Cilantros & Peppers		Greg Johnson	March	\$ 15,000
2 Building Maintenance	2020	Bar & Book -- Replace RTU #2		Greg Johnson	March	\$ 37,750
3 Building Maintenance	2020	Jockey Quarters -- Replace Men's Jockey Room A/C		Greg Johnson	March	\$ 29,500
4 Building Maintenance	2020	Scissor Lift		Greg Johnson	April	\$ 40,000
5 Maintenance/ Group Sales	2020	Remodel 15 Suites		A Scott/G Johnson	March	\$ 177,000
MAINTENANCE SUBTOTAL						\$ 299,250
6 Racing	2020	Hot Walkers -- 4		Bart Lang	March	\$ 22,000
RACING TOTAL						\$ 22,000
7 Security	2020	Security Control Dispatch Remodel		Merlinda Gonzalez	March	\$ 6,279
SECURITY TOTAL						\$ 6,279
8 Track Maintenance	2020	Gas Pump		Greg Johnson/	March	\$ 25,000
9 Track Maintenance	2020	Mower - John Deere 1600 Turbo Series III		Greg Johnson/	February	\$ 65,000
10 Track Maintenance	2020	Little Loader -- John Deere 3039R Compact Utility Tractor		Greg Johnson/	February	\$ 35,000
11 Track Maintenance	2020	Turf Tractor -- John Deere 5055E Utility tractor		Greg Johnson/	February	\$ 38,000
12 Track Maintenance	2020	John Deere Ztrak		Greg Johnson/	February	\$ 8,529
13 Track Maintenance	2020	Aerator		Greg Johnson/	February	\$ 20,000
TRACK MAINTENANCE						\$ 191,529
14 Video	2020	HD Upgrade - Phase III		John Marsh	March	\$ 250,000
15 Video	2020	Daktronics Equipment in the Control Room		John Marsh	March	\$ 100,000
16 Video	2020	Carrel TV Replacement Continued		John Marsh	March	\$ 19,100
17 Video	2020	Bar & Book Suite 2 TV Upgrade/Replacement		John Marsh	March	\$ 18,000
VIDEO SUBTOTAL						\$ 387,100
18 MIS	2020	Server Upgrade for Security		Mike Hutchins	March	\$ 100,000
MIS SUBTOTAL						\$ 100,000
19 Racing	2020	2020 Ford F-250/Chase Truck		Bart Lang	April	\$ 40,000
20 Building Maintenance	2020	2019 Ford F-150		Greg Johnson	March	\$ 32,000
21 Track Maintenance	2020	Pickup Truck - Ford F250		V Ballard	March	\$ 40,000
TRUCK TOTAL						\$ 112,000
LSP 2020 REQUESTED TOTAL						\$ 1,496,158



City of Grand Prairie

City Hall
317 College Street
Grand Prairie, Texas

Text File

File Number: 19-9532

Agenda Date: 11/4/2019

Version: 1

Status: Draft

In Control: Sports Facilities Development Corporation

File Type: Agenda Item

From
Lee Harriss

Title
Resolution Approving Capital Expenditure Funds for Improvements at Lone Star Park

Presenter
Kent Slabotsky, Vice President of Operations

Recommended Action
Approve

Analysis

The Sports Corporation FY 2020 Budget includes \$1,057,515 for capital improvements at Lone Star Park (LSP). In August, LSP submitted invoices for reimbursement of \$75,062.26 and an additional \$37,711.28 was requested in September from the Sports Corp, leaving a current balance of \$944,741.91. The remaining funds were approved as part of the following fiscal year budgets:

FY17	\$500,000 approved, \$500,000 spent, \$0 remaining
FY18	\$500,000 approved, \$500,000 spent, \$0 remaining
FY19	\$500,000 approved, \$55,258.09 spent, \$444,741.91 remaining
FY20	\$500,000 approved, \$0 spent, \$500,000 remaining

Attached is the list of capital projects submitted by Lone Star Park for the Board to consider for the joint CAPEX program. The total CAPEX program for Lone Star Park as shown on the attachment totals \$1,496,158. This includes the Master Site Development project. Lone Star Park is requesting 50-50 participation from the Sports Corporation. If the Board approves participation in these projects, the Sports Corporation commitment would be \$748,079.

Additionally, Lone Star Park has requested that additional one-time funding be approved for capital expenditures beyond the \$500,000 annual commitment. Lone Star Park will bring a proposal list of the new projects to the meeting and will present said proposal to the Sports Corporation.

Financial Consideration

The current year approved Capital Commitment Budget for Lone Star Park is \$1,057,515. Of that amount, Lone Star has requested \$112,774 of payments for various projects, leaving a balance of \$944,741.

...Body

A RESOLUTION OF THE GRAND PRAIRIE SPORTS FACILITIES DEVELOPMENT CORPORATION, INC. APPROVING THE ALLOCATION OF \$ _____ OF CAPITAL EXPENDITURE FUNDS FOR THE IMPROVEMENTS AT LONE STAR PARK

WHEREAS, the Grand Prairie Sports Facilities Development Corporation, Inc. (the "Corporation") has determined that the Lone Star Park is proposing improvements to Lone Star Park as shown on Exhibit A and B and has agreed to spend at least \$ _____ on the projects and the Sports Corporation has a total of \$944,741 remaining budgeted funds available for capital improvements;

NOW THEREFORE, BE IT RESOLVED, by the GRAND PRAIRIE SPORTS FACILITIES DEVELOPMENT CORPORATION, INC.

RESOLVED, that the Corporation be, and is hereby authorized to spend up to, but not exceeding, the \$ _____ in the aggregate for the payment of one-half of the expenses of the capital improvements at Lone Star Park (the "Improvements") as shown on Exhibit A and B subject to the following conditions:

(i) each payment by the Corporation for such expenses must be authorized by the Treasurer of the Corporation and the Chairman of the Construction Committee;

(ii) Global Gaming LSP, LLC ("Lone Star") shall be responsible for the payment of one-half of the expenses for the Improvements and shall be responsible for the payment of any and all expenses for the Improvements to the extent that the aggregate costs exceed \$ _____ and

(iii) Lone Star shall present the Corporation with plans and specifications with respect to the Improvements, and no expenditures will be authorized or expended prior to the Construction Committee, in its sole discretion, approving such plans and specifications; and be it further

RESOLVED, that the appropriate officers of the Corporation be, and they are hereby authorized and directed to do all other acts, take all actions and prepare all papers, contracts, instruments and documents in connection therewith which they, in their sole discretion, deem proper in order to accomplish and carry out the intents and purposes of the foregoing resolutions, including budget amendments, and any and all actions previously carried out in accordance herewith be, and are hereby ratified, confirmed, approved and adopted as the official acts and deeds of the Corporation.

PASSED AND APPROVED BY THE GRAND PRAIRIE SPORTS FACILITIES DEVELOPMENT CORPORATION, INC. NOVEMBER 4, 2019.

Ron Jensen, President

ATTEST:

Jorja Clemson, Secretary

Lone Star Park 2020 Capex Request List

Department		Project Description	Owner	Month	Cost
Global Gaming Solutions	2020	Master Site Development	GGG		\$ 400,000
GGG SUBTOTAL					\$ 400,000
1	2020	Grandstand Keating Fryers in Feed Sack 2, Cilantros & Peppers	Greg Johnson	March	\$ 15,000
2	2020	Bar & Book -- Replace RTU #2	Greg Johnson	March	\$ 37,750
3	2020	Jockey Quarters -- Replace Men's Jockey Room A/C	Greg Johnson	March	\$ 29,500
4	2020	Scissor Lift	Greg Johnson	April	\$ 40,000
5	2020	Remodel 15 Suites	A Scott/G Johnson	March	\$ 177,000
MAINTENANCE SUBTOTAL					\$ 299,250
6	2020	Hot Walkers -- 4	Bart Lang	March	\$ 22,000
RACING TOTAL					\$ 22,000
7	2020	Security Control Dispatch Remodel	Merlinda Gonzalez	March	\$ 6,279
SECURITY TOTAL					\$ 6,279
8	2020	Gas Pump	Greg Johnson/	March	\$ 25,000
9	2020	Mower - John Deere 1600 Turbo Series III	Greg Johnson/	February	\$ 65,000
10	2020	Little Loader -- John Deere 3039R Compact Utility Tractor	Greg Johnson/	February	\$ 35,000
11	2020	Turf Tractor -- John Deere 5055E Utility tractor	Greg Johnson/	February	\$ 38,000
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13	2020	Aerator	Greg Johnson/	February	\$ 20,000
TRACK MAINTENANCE					\$ 191,529
14	2020	HD Upgrade - Phase III	John Marsh	March	\$ 250,000
15	2020	Daktronics Equipment in the Control Room	John Marsh	March	\$ 100,000
16	2020	Carrel TV Replacement Continued	John Marsh	March	\$ 19,100
17	2020	Bar & Book Suite 2 TV Upgrade/Replacement	John Marsh	March	\$ 18,000
VIDEO SUBTOTAL					\$ 387,100
18	2020	Server Upgrade for Security	Mike Hutchins	March	\$ 100,000
MIS SUBTOTAL					\$ 100,000
19	2020	2020 Ford F-250/Chase Truck	Bart Lang	April	\$ 40,000
20	2020	2019 Ford F-150	Greg Johnson	March	\$ 32,000
21	2020	Pickup Truck - Ford F250	V Ballard	March	\$ 40,000
TRUCK TOTAL					\$ 112,000
LSP 2020 REQUESTED TOTAL					\$ 1,496,158



City of Grand Prairie

City Hall
317 College Street
Grand Prairie, Texas

Text File

File Number: 19-9495

Agenda Date: 11/4/2019

Version: 1

Status: Draft

In Control: Sports Facilities Development Corporation

File Type: Agenda Item

Title

Grand Prairie Sports Facilities Financial Management Policies: Reserve Requirement

Presenter

Becky Brooks, Chief Financial Officer

Grand Prairie Sports Facilities Development Corporation

To: Sports Corporation Board of Directors
From: Lee Harriss, Treasurer
Date: October 29, 2019
Subject: Sports Corp. Financial Management Policies-Additional Operating Reserves

The Sports Corporation's Financial Management Policies are attached.

At the last Sports Corp. meeting, we said that we would discuss updates to the additional operating reserve requirement of \$1,250,000 in the attached Financial Management Policies (please see page 5, section IX. Financial Condition and Reserves, C. Additional Operating Reserves):

- C. ADDITIONAL OPERATING RESERVES** - Additional operating reserves shall be maintained at a level of funding of not less than \$1.25 million. Annually during the budget process the Board shall determine the amount of funds available to be distributed to the city under Article9b of the Articles of Incorporation and Section 4B of the Development Corporation Act of 1979 as amended. Any such distribution will be made before the end of the current fiscal year.

The additional operating reserve requirement could approximate the capital expenditures budget. Capital expenditures are as shown below:

FY17	\$500,000 approved, \$500,000 spent, \$0 remaining
FY18	\$500,000 approved, \$500,000 spent, \$0 remaining
FY19	\$500,000 approved, \$55,258.09 spent, \$444,741.91 remaining
FY20	\$500,000 approved, \$0 spent, \$500,000 remaining

GRAND PRAIRIE SPORTS FACILITIES DEVELOPMENT CORPORATION, INC.

FINANCIAL MANAGEMENT POLICIES

August 17, 1998

Prepared by the Finance Committee
(Originally approved July 21, 1997)

FINANCIAL MANAGEMENT POLICIES

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FINANCIAL MANAGEMENT POLICIES

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I. PURPOSE STATEMENT

These policies are developed by the Finance Committee to guide the Board of Directors, and Treasurer in financial matters. The overriding goal of the Financial Management Policies is to enable the Sports Corporation to achieve a long-term stable and positive financial condition while conducting its operations consistent with the Industrial Development Act, and the Sports Corporation articles of incorporation and by-laws. The watchwords of the Sports Corporation's financial management include integrity, prudent stewardship, planning, accountability, and full disclosure.

The purpose of the Financial Management Policies is to provide guidelines for the Board of Directors and Treasurer in planning and directing the Sports Corporation's day-to-day financial affairs and in developing recommendations to the board of directors.

The scope of the policies spans accounting, auditing, financial reporting, internal controls, operating and capital budgeting, revenue management, cash management, expenditure control, and debt management.

II. ACCOUNTING, AUDITING, AND FINANCIAL REPORTING

- A. **ACCOUNTING** - The Treasurer is responsible for establishing the chart of accounts, and for properly recording financial transactions.
- B. **FUNDS** - Self balancing groups of accounts are used to account for Sports Corporation financial transactions in accordance with generally accepted accounting principles. Each fund is created for a specific purpose except for the Operating Fund, which is used to account for all transactions not accounted for in other funds. Funds are created and fund names are changed by Board approval either through resolution during the year or in the Board's approval of the annual operating or capital budget.
- C. **EXTERNAL AUDITING** - The Sports Corporation will be audited annually by outside independent auditors. The auditors must be a CPA firm of national reputation, and must demonstrate that they have the breadth and depth of staff to conduct the Sports Corporation's audit in accordance with generally accepted auditing standards, generally accepted government auditing standards, and contractual requirements. The auditors' report on the Sports Corporation's financial statements will be completed within 120 days of the Sports Corporation's fiscal year end, and the auditors' management letter will be presented to the Board within 120 days after the Sports Corporation's fiscal year end. An interim management letter will be issued prior to this date if any materially significant internal control weaknesses are discovered. The Treasurer and auditors will jointly review the management letter with the Sports Corporation Finance Committee and Board within 60 days of its receipt by the staff.
- D. **EXTERNAL AUDITORS RESPONSIBLE TO BOARD** - The external auditors are accountable to the Sports Corporation and will have access to direct communication with the Board of Directors if the staff is unresponsive to auditor recommendations or if the auditors consider such communication necessary to fulfill their legal and professional responsibilities.

The Sports Corporation Finance Committee may conduct a closed session annually with the auditors present without the presence of staff. Such meeting shall be conducted in accordance with the Open Meetings Act.

- E. **EXTERNAL AUDITOR ROTATION** - The Sports Corporation will not require external auditor rotation, but will circulate requests for proposal for audit services periodically, normally at five year intervals.
- F. **INTERNAL AUDITING** - The Sports Corporation does not have an internal audit program; however the city does have an internal audit program. The city manager established an internal audit function February 1, 1989. The internal auditor reports to the City Manager's office. The Finance Committee may request through the City Manager's office for periodic reviews by the internal auditors. Time spent on Sports Corporation projects shall be billed to the Sports Corporation by the city.
- G. **EXTERNAL FINANCIAL REPORTING** - The Sports Corporation will prepare and publish an annual financial report. The annual report will be prepared in accordance with generally accepted accounting principles. The annual report will be published and presented to the Board and the city within 120 days after the end of the fiscal year.
- H. **INTERNAL FINANCIAL REPORTING** - The Treasurer will prepare internal financial reports sufficient for management to plan, monitor, and control the Sports Corporation's financial affairs. Internal financial reporting objectives are addressed throughout the policies.

III. INTERNAL CONTROLS

- A. **WRITTEN PROCEDURES** - The Treasurer is responsible for developing written guidelines on accounting, cash handling, and other financial matters which will be approved by the board.
- B. **INTERNAL AUDIT** - The internal auditor will conduct reviews at the request of the Finance Committee to determine if the written guidelines are being followed. The internal auditor will also review the written guidelines on accounting, cash handling and other financial matters. Based on these reviews the internal auditor will recommend internal control improvements as needed.

IV. OPERATING BUDGET

- A. **PREPARATION** - The Sports Corporation's "operating budget" is the Sports Corporation's annual financial operating plan. It consists of proprietary funds, including the Sales Tax Debt Service Funds, but excluding capital project funds. The budget is prepared by the Treasurer with the aide of the Finance Committee and is submitted to the Board. The budget should be presented to the Finance Committee no later than July 1st prior to fiscal year end, and should be presented to the Board 60 days prior to fiscal year end with approval no later than 30 days prior to fiscal year end. A copy of the proposed budget and adopted budget shall be delivered to the city within 10 days of adoption.

- B. **BALANCED BUDGETS** - The operating budgets will be balanced, with current revenues, exclusive of beginning resources, greater than or equal to current expenditures/expenses.
- C. **PLANNING** - The budget process will be coordinated so as to identify major policy issues for Sport Corporation Board consideration several months prior to the budget approval date.
- D. **REPORTING** - Periodic financial reports will be prepared to enable the board to manage the budget and to enable the Treasurer to monitor and control the budget as authorized by the Board. Summary financial reports will be presented to the Board each month. Such reports will include current year revenues and expenditures with comparisons to the approved budget.

V. **CAPITAL BUDGET AND PROGRAM**

- A. **PREPARATION** - The Sports Corporation's capital budget will include all capital project funds and all capital resources. The budget will be prepared annually on a fiscal year basis and adopted by the board.

The capital budget will be prepared by the Treasurer with the involvement of the Finance Committee.

- B. **DEBT FINANCING** - Recognizing that debt is usually a more expensive financing method, alternative financing sources will be explored before debt is issued. When debt is issued, it will be used to acquire major assets with expected lives which equal or exceed the average life of the debt issue. The exceptions to this requirement are the traditional costs of marketing and issuing the debt, capitalized labor for design and construction of capital projects, and small component parts which are attached to major equipment purchases.
- C. **NEW CONSTRUCTION** - New construction projects will be considered by the Board. New construction projects with Lone Star Park at Grand Prairie will be determined on a case by case basis with funding not to exceed 50%. Other/City new construction projects may be funded up to 100% as determined by the Sports Corporation.
- D. **GENERAL CAPITAL RESERVE** - A reserve will be maintained for general capital projects. The reserve will be funded with operating surpluses, and interest earnings. The reserve will be used for capital funds for major capital outlay and for unplanned projects.
- E. **REPORTING** - Periodic financial reports will be prepared to enable the board to manage the capital budgets and to enable the Treasurer to monitor the capital budget as authorized by the board.

VI. REVENUE MANAGEMENT

- A. **SIMPLICITY** - The Sports Corporation will strive to keep the revenue system simple which will result in a decrease of compliance costs.
- B. **INTEREST INCOME** - Interest earned from investment of available monies, whether pooled or not, will be distributed to the funds in accordance with actual earnings to the fund from which monies were provided to be invested.
- C. **REVENUE MONITORING** - Revenues actually received will be regularly compared to budgeted revenues and variances will be investigated. This process will be summarized in the appropriate budget report.

VII. EXPENDITURE CONTROL

- A. **APPROPRIATIONS** - The level of budgetary control is the fund level budget in the Operating Fund, and the fund level in all other funds. When budget adjustments (i.e., amendments) are necessary these must be approved by the Board.
- B. **CONTINGENCY ACCOUNT** - The Operating Fund Contingency Account will be budgeted at a minimal amount (\$25,000). Authorization of contingency account expenditures must be approved by the Treasurer and the chairperson of the Finance Committee.
- C. **CONTINGENCY ACCOUNT EXPENDITURES** - The Board must approve all contingency account expenditures of \$15,000 or more. While no approval is required, any expenditure of \$5,000 or more in the contingency account will be discussed with the Chairperson of the Finance Committee prior to commitment followed by memorandum to the full board in the Administrative Report. The Treasurer is responsible for submitting this memorandum to the Board.
- D. **PROFESSIONAL SERVICES** - Professional services will generally be processed through a request for proposals process, except for smaller contracts. The president may execute any professional services contract except for insurance less than \$15,000 provided there is an appropriation for such contract. While Board approval of other contracts less than \$15,000 is not required, the Treasurer will inform the board by memorandum in the Administrative Report whenever a professional services contract of \$5,000 or more is approved.
- E. **PROMPT PAYMENT** - All invoices will be paid within 30 days of receipt in accordance with the prompt payment requirements of State law. Procedures will be used to take advantage of all purchase discounts where considered cost effective. However, payments will also be reasonably delayed in order to maximize the Sports Corporation's investable cash, where such delay does not violate the agreed upon payment terms.

VIII. ASSET MANAGEMENT

- A. **INVESTMENTS** - The Sports Corporation's investment practices will be conducted in accordance with the Board approved Investment Policies.
- B. **CASH MANAGEMENT** - The Sports Corporations cash flow will be managed to maximize the cash available to invest.
- C. **INVESTMENT PERFORMANCE** - A quarterly report on investment performance will be provided by the Treasurer for presentation to the Board.
- D. **FIXED ASSETS AND INVENTORY** - These assets will be reasonably safeguarded and properly accounted for, and prudently insured.

IX. FINANCIAL CONDITION AND RESERVES

- A. **NO OPERATING DEFICITS** - Current expenditures will be paid with current revenues. Deferrals, short-term loans, or one time sources will be avoided as budget balancing techniques. Reserves will be used only for emergencies or non recurring expenditures, except when balances can be reduced because their levels exceed guideline minimums.
- B. **OPERATING RESERVES** - The Operating fund and enterprise fund resources balance should be at least 12.5% of the expenditures budget. This percentage is the equivalent of 45 days' expenditures.
- C. **ADDITIONAL OPERATING RESERVES** - Additional operating reserves shall be maintained at a level of funding of not less than \$1.25 million. Annually during the budget process the Board shall determine the amount of funds available to be distributed to the city under Article9b of the Articles of Incorporation and Section 4B of the Development Corporation Act of 1979 as amended. Any such distribution will be made before the end of the current fiscal year.
- D. **EXCESS SALES TAX** - Excess sales tax can be used to either pay down debt or for related project purposes. The Board shall determine on an annual basis during the budget process and year end close if any excess sales tax is available for the horse racetrack project and related projects under Section 4B of the Development Corporation Act of 1979 as amended.

X. DEBT MANAGEMENT

- A. **GENERAL** - The Sports Corporation's borrowing practices will be conducted in accordance with the approved articles of incorporation and by-laws of the Sports Corporation.
- B. **DEBT SERVICE RESERVES** - The Sports Corporation's bond resolutions require the Sales Tax Debt Service Reserves at a level equal to the maximum annual debt service amount (\$4,372,575) plus amounts accrued for the next debt service payment.

- C. **ANALYSIS OF FINANCING ALTERNATIVES** - The Sports Corporation will explore all financing alternatives in addition to long-term debt including leasing, and other developer contributions, and use of reserves or current monies.

XI. STAFFING AND TRAINING

- A. **ADEQUATE STAFFING** - Staffing levels will be adequate for the fiscal functions of the Sports Corporation to function effectively.
- B. **TRAINING** - The Sports Corporation will support the continuing education efforts required by law of all financial staff including the investment in time and materials for maintaining a current perspective concerning financial issues.

XIII. ANNUAL REVIEW & REPORTING

- A. These Policies will be reviewed administratively by the Finance Committee at least annually, prior to preparation of the operating budget and will be presented to the Board for confirmation of any significant changes.
- B. The Treasurer will report annually to the Finance Committee on compliance with these policies.

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City of Grand Prairie

City Hall
317 College Street
Grand Prairie, Texas

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