

**DRAFT - MINUTES
OF THE NEW BRAUNFELS FINANCE AND AUDIT COMMITTEE
REGULAR MEETING OF MONDAY, MARCH 24, 2025**

AGENDA

1. CALL TO ORDER

Mayor Linnartz called the meeting to order March 24, 2025 at 4:00 PM

2. ROLL CALL

City Staff Present: Jared Werner (Assistant City Manager), Sandy Paulos (Director of Finance), Becky Wiatrek (Assistant Director of Finance), Carren Ridge (Accounting & Treasury Manager), Karrie Cook (Budget Manager), Lisa Cole (Accounting Supervisor), Rebecca Dishman (Administrative Assistant)

Mayor Linnartz and Council Member Spradley were in attendance. Mayor Pro Tem Campos was not in attendance. Mayor Linnartz declared a quorum.

3. APPROVAL OF MINUTES

Council Member Spradley moved to approve the minutes. Mayor Linnartz seconded the motion.

A) Approval of the January 13, 2025 Finance and Audit Committee minutes.

Mayor Linnartz moved to approve the minutes. Council member Spradley seconded the motion.

4. CITIZENS' COMMUNICATIONS

This time is for citizens to address the Finance and Audit Committee on issues and items of concerns not on this agenda. There will be no action at this time.

No one spoke at this time.

5. INDIVIDUAL ITEMS FOR CONSIDERATION

A) Presentation and discussion regarding FY 2024 Annual Comprehensive Financial Report.

Daniel Hebert, Audit Managing Director (Crowe LLP) presented highlights of the report. There were no formal findings this year, therefore no management letter from the auditors. No major changes to our general risk assessment. There was mention of the

implementation of GASB Statements 102 and 103, as well as the Workday transition and what that may mean to the audit process – we want to make sure we are starting with good data. Daniel also brought up that in general it would be a benefit to the City to have a continued presence from Crowe LLP at Audit Committee Meetings.

B) Presentation and discussion regarding FY 2025 First Quarter Financial Report.

Karrie Cook presented first quarter financial results. The top three sources of revenue to the General Fund are trending normally compared to prior years. Mayor Linnartz asked to see quarter to quarter comparisons vs quarter to year; Karrie to provide. Sales tax is up 12% over Q1 last year, largely due to a one-time adjustment from a company that was audited and found to have distributed sales tax incorrectly. Non-primary revenue increased due to fee adjustments. Q1 expenditures appear high due to the inclusion of encumbrances. Also, higher than expected revenue collections and shifting of funding sources for one-time investments have resulted in the General Fund no longer being in a budget deficit. Airport fuel sales lower than the past two fiscal years, but purchases have been lower as well. Council member Spradley asked about other sources of revenue, to which Karrie responded that is mostly one-offs. Solid waste revenue is up in garbage collection as well as recycling. Golf revenues are up in almost all categories, expenditures are normal. Civic Center revenue should be increasing due to fee modifications, but as much of that is contracted out into the future the revenue may not be recognized for a couple of years. Expenditures are business as usual.

C) Presentation and discussion regarding the FY 2025 First Quarter Investment Report.

Carren Ridge presented on changes to portfolio values and earnings. Weighted yield is slightly down in general, which is not specific to the City. Interest earned of \$2.7M is a bit down for the same reason. Portfolio allocations by issuer, not a lot of change except for cash moved from Frost to TexPool. Treasury yield is flat, which speaks to uncertainty in market because of change in Administration. Benchmark comparisons are in line. Market conditions – the US economy grew at 1.7% which reflects a slowdown, inflation remains elevated, and Fed Funds remain unchanged. Will continue to monitor markets & rates, keep funds in Short-term investments while looking for opportunities for higher yields, diversification options, and remain mindful of liquidity.

6. EXECUTIVE SESSION

In accordance with the Texas Government Code, Section 551.071, the Board reserves the right to retire into executive session concerning the items listed on this agenda to consult with its attorney. In addition, the Board may convene in executive session on any of the following items, with any final action being taken in open session:

There were no Executive Session Items. No action was taken at this time.

7. ADJOURNMENT

The meeting was adjourned at 4:27 PM