

FINANCE AND AUDIT COMMITTEE
CALLED MEETING
CITY HALL - TEJAS ROOM
550 LANDA STREET
January 22, 2024

A G E N D A

Finance and Audit Committee Members Present: Mayor Neal Linnartz, Mayor Pro Tem Harry Bowers, Councilmember Lawrence Spradley

City Staff Present: Jared Werner (Assistant City Manager), Sandy Paulos (Director of Finance), Angie Harris (Assistant Director of Finance), Lisa Cole (Staff Accountant), Carren Ridge (Accounting & Treasury Manager), Jennifer Gates (Grants Coordinator), Keith Whitaker (Baker Tilly - ARPA Consultant) and Vickie Hernandez (Administrative Assistant)

CALL TO ORDER: Mayor Linnartz called meeting to order, January 22,2024 @ 4:00 P.M.

CALL OF ROLL: Sandy Paulos called roll – all members were present

1. Approval of minutes from the January 22, 2024, Finance and Audit Committee meeting.
Mayor Pro Tem Bowers moved to approve the minutes. Councilmember Lawrence Spradley seconded the motion.
2. Presentation and update on ARPA Funds
Jennifer Gates began the discussion with a brief overview of ARPA Funds. Jennifer mentioned we have about \$11 million in the ARPA Allocations, and how this money was allocated to the different programs. She mentions that there is \$535,998.00 in unallocated funds. Heath Whitaker, with Baker Tilly, went over the list of the projects for the eight non-profit organizations. He said he is working with the city to put into place agreements to protect the city with all the construction projects, trying to minimize risk and making sure they are compliant with the ARPA Funding guidelines. Baker Tilly will be monitoring and auditing the projects. They will have a weekly status meeting with Jennifer's team and go through each project. Jennifer spoke to the "What's Next?", slide, finalizing three agreements and managing seven projects in progress, and unallocated ARPA funds to be obligated by December 31,2024. Sandy Paulos spoke to the \$500,000.00 Utility Assistance Program being complete. The new application cycle opened on August 1,2023 and all allocated funds have been expended. The floor was opened to the citizens and the question asked was if the unallocated ARPA funds of \$535,998.00 could go towards the Utility Assistance Program.
3. Presentation and discussion regarding the September FY 2023 Unaudited Financials
Angie Harris began with General Fund Revenue FY 2023, estimated general fund revenue at \$96,926,592, actuals came to \$97,383,570, budget to actual. Sales tax revenue was 22% more than budget, and building permit revenue was 19% more than budget. Angie stated year over year FY 2022 to FY 2023 revenue increased by 6.8%. She highlighted sales tax because it is the biggest area of growth budget to actual. Annual expenditures totaled \$102,340,322 which is 99.6% of budget. The strong reserves continue to support our current bond rating as we issue debt related to FY 2023 bond and FY 2024 one-time initiatives and fund balance requirement. Airport Fund Balance increased by \$136k. Solid Waste Fund Balance decreased by \$1.4million, Golf Fund Balance increased \$184k and Civic/Convention Center Fund Balance (excluding HOT fund transfer) increased \$25k.

4. Presentation and discussion regarding the FY 2024 First Quarter Investment Report
Carren Ridge compared the interest income between Quarter 4 FY 2023 to Quarter 1 FY 2024. She spoke to new debt issuances settled 10/4/2023, and the effects to continue to invest conservatively, keeping funds in short-term investments. We continue looking for diverse opportunities while remaining mindful of the liquidity needs of bond projects.

Meeting Adjourned: The meeting was adjourned at 4:53 PM.