

**CITY COUNCIL FINANCE AND AUDIT COMMITTEE**  
**CALLED MEETING**  
**CITY HALL – COUNCIL CHAMBERS**  
**550 LANDA STREET**  
**March 22, 2021 @ 4:00 P.M.**

**MINUTES**

Finance and Audit Committee members present: Mayor Rusty Brockman, Mayor Pro Tem Justin Meadows, Councilmember Matthew Hoyt

Absent: None

City Staff Present: Robert Camareno (City Manager), Jared Werner (CFO), Sandy Paulos (Assistant CFO), Angie Harris (Accounting Manager), Greg Gutierrez (Budget Supervisor), Melinda Slusser (Senior Accountant), Jeff Jewell (Economic & Community Development Director), Amy McWhorter (Economic and Community Development Coordinator),

By Phone: Robert Belt (Belt, Harris, Pechacek), Daniel Hebert (Belt, Harris, Pechacek)

Called To Order: March 22<sup>nd</sup>, 2021 @ 4:04 PM

- 1) Approval of minutes from the November 16, 2020 Finance and Audit Committee meeting.  
*Councilmember Hoyt Moved to approve minutes, Mayor Brockman seconded. Minutes were approved.*
- 2) Discussion with the City's outside auditor, Belt Harris and Pechacek regarding the FY 2020 Audit and Comprehensive Annual Financial Report.  
*Angie Harris explained the approval of an extension of the audit deadline from GFOA and that the CAFR would be presented to Council in April. Daniel Hebert and Robert Belt from Belt, Harris, Pechacek discussed the audit and audit process, and the sole finding that would be mentioned in the Management Letter of a lapse in internal control due to the failure to accrue some capital project expenditures back to FY 2020. They also explained that it was not a material weakness. They discussed the draft financials that were presented and how they could change once the OPEB numbers from the actuary were received and an issue with NBU's CAFR. They also discussed the Required Auditor's Disclosure (RAD) and the Single Audit. Jared Werner then discussed the extenuating circumstances surrounding the finding – mainly working remotely, use of electronic approvals, and disruption of SOP due to COVID, and how procedures had already been put into place to prevent this from happening in the future.*
- 3) Presentation and discussion regarding the January 2021 Financial Report.  
*Jared Werner discussed the January 2021 Financial Report. He discussed how conservative budgeting was reflected in a lot of the positive comparisons to FY 2020 and to budget, both in revenues and expenditures. He also explained how the increase in Self Insurance Fund expenditures compared to FY 2020 had increased and how that was an expected increase due factors related to COVID.*

- 4) Presentation and discussion regarding the January 2021 Investment Report.  
*Sandy Paulos reviewed investment data from January 2021, discussed portfolio allocations, weighted average yield of the portfolio and market conditions. She also answered some questions regarding the local government investment pools.*
- 5) Update on hotel occupancy tax performance and the effect of the COVID-19 restrictions on collections.  
*Jared Werner reviewed property counts and collection and revenue trends – pointing out that numbers were improving. He also reminded the committee that failure to file penalties were still waived, along with the filing of misdemeanors due to COVID. He asked for direction from the committee as to when to reinstate the penalties. They advised him to get them reinstated prior to the summer season.*
- 6) Presentation, discussion, and possible direction to staff regarding the development of a Tax Increment Reinvestment Zone (TIRZ) Policy.  
*Jeff Jewell reviewed issues related to the TIRZ areas and asked for direction in developing a TIRZ policy. Discussions centered around size of the TIRZ board and potential members. It was recommended that the Creekside TIRZ be used as an example for all TIRZ boards. Questions were asked regarding environmental sites in TIRZ areas.*

Meeting Adjourned: 5:28 PM