

CITY COUNCIL FINANCE AND AUDIT COMMITTEE
CALLED MEETING
CITY HALL – TEJAS ROOM
550 LANDA STREET
July 26, 2021 @ 4:00 P.M.

MINUTES

Finance and Audit Committee Members Present: Mayor Rusty Brockman, Mayor Pro Tem Justin Meadows, Councilmember Harry Bowers

Absent: None

City Staff Present: Jared Werner (CFO), Angie Harris (Accounting Manager), Greg Gutierrez (Budget Supervisor), Carren Ridge (Budget Analyst)

Called To Order: July 26, 2021 @ 4:04 PM

- 1) Approval of minutes from the March 22, 2021 Finance and Audit Committee meeting.
Councilmember Bowers moved to approve minutes. Mayor Pro Tem Justin Meadows seconded. Minutes were approved.
- 2) Presentation and discussion regarding the May 2021 Financial Report.
Jared Werner discussed the May 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. Revenues are higher than estimated largely due to increases in sales tax and the receipt of CARES federal funding. Sales tax revenue has been trending upwards in March, April and May but the trend is not expected to continue and is attributed to COVID stimulus payments to consumers and winter storm related expenses. Revenues in Parks and Recreation are trending upwards because more facilities are open, compared to last year. He also explained how we expected an increase in Self Insurance Fund expenditures compared to FY 2020 but had not yet seen an increase to date.
- 3) Presentation and discussion regarding the May 2021 Investment Report.
Jared Werner reviewed investment data from May 2021, discussed portfolio allocations, weighted average yield of the portfolio and market conditions. Short-term yields continue to decline. Investment strategies include monitoring rates, increasing funds in depository accounts, continuing to look for other investment opportunities and find a strategic balance between investments and liquidity.
- 4) 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 continuing to improve. He explained the new policy is continuing to work to ensure compliance legally, with code enforcement and timely payments of taxes by property owners/managers.
- 5) Update on the FY 2021 audit schedule and preparations.
Angie Harris presented the FY 2021 audit schedule beginning October 4th and ending with Council approval in March 2022. Last's years audit was conducted virtually with no on-site visits. This year, the audit will on-site for both interim and final fieldwork.

Meeting Adjourned: 4:37 PM