

## Finance Committee Minutes

May 5, 2020

Members Present: Joe Rodriguez, Paul Davidhizar, Russell Humphrey and Dee Howard Mullins

Staff Present: Aron Kulhavy, Steve Ritter, Ram Ramachandra and Brent Sherrod

The agenda items discussed were:

- Approved the minutes from the April 21, 2020 meeting.
- Approved the budget amendments to be presented to the full council on May 19<sup>th</sup>. Ram went into details on the CIP budget amendments and the water line repairs/replacement to benefit SHSU. One of the proposed water lines mentioned in the Budget Amendment dead ends at the SHSU location. Ram indicated that this line segment is in bad shape and that the line actually has a bottle neck in the line where it goes from a 8 inch line to a 6 inch line. Brent Sherrod discussed the possibility of when the new low-pressure system is placed in service that we may have many of the old lines fail, which will call for immediate repairs.
- Steve lead the discussion on the recommended/proposed FY 21 Fee Schedule changes. The proposed wastewater rates were discussed in detail.
- Aron indicated that the General Fund has a healthy fund balance. The General Fund balance is \$12.7 million (this is the final FY 19 audit number). Restricted reserves are \$6.5 million, which is a 90-day operating amount. The unrestricted reserve is \$6.2 million and that we could use some of the unrestricted reserves to balance the FY 20 budget if we have a downfall in the GF revenues.
- Aron indicated that another shortage may be with the Hotel/Motel funds due to travel restrictions enforced from the COVID -19. Aron indicated that he did not foresee any reductions in the HOT fund, but we would watch it closely. Aron reminded the council members that we had a surplus of \$100k of revenues over expenditures in the FY 20 budget hopefully that we balance the HOT fund.

- Aron indicated that the Enterprise funds are ok. The Utility fund (Water and Wastewater) biggest customer is TDCJ. We will have a decline in revenues from SHSU due to the campus closure. The solid waste fund is right on track