

THE STATE OF TEXAS           §  
 COUNTY OF ANDERSON       §  
 CITY OF PALESTINE         §

The Financial Oversight Advisory Committee convened in a Special Meeting on Wednesday, March 14, 2019, at 2:00 p.m., in the City Hall Conference Room, 504 N. Queen Street, Palestine, Texas, with the following people present: Chairman Steve Spencer, Committee Members Steve Jenkins, Diane Davis, and Jesse George, III.

Others present: City Manager Michael Hornes, Accountant Jim Mahoney, City Secretary Teresa Herrera, and City Manager's Admin. Hilda Moeller.

Representing Hilltop Securities was Marti Shew.

**Call to Order**

With a quorum present, Chairman Spencer called the meeting to order at 2:14 p.m.

**Board Discussion and Action**

**Discuss restructure of debt.**

Marti Shew with Hilltop Securities was present to answer any questions from the Committee.

City Manager Hornes presented the proposal for the restructure of debt. Two proposal were discussed the issuance of \$600,000 or issuance of \$2.4 million. We are asking that the Utilities Department pay for the Series 2014 Bond Issuance that paid for the Water Tower and infrastructure. Reissue debt in the amount of \$2.4 million to be paid by Fiscal Year Ending 2030.

It will level out the debt service:

**From:**

FYE	Total I&S Supported Debt Service	Total I&S Calculated Tax Rate
2018	\$ 1,413,200	
2019	1,190,092	0.1197
2020	1,531,647	0.1540
2021	1,534,520	0.1543
2022	767,702	0.0772
2023	771,039	0.0775
2024	763,600	0.0768
2025	765,830	0.0770
2026	768,991	0.0773
2027	705,963	0.0710
2028	709,669	0.0714
2029	565,688	0.0569
2030	574,162	0.0577

**To:**

FYE	Total I&S Supported Debt Service	Total I&S Calculated Tax Rate
2018	\$ 1,413,200	
2019	1,192,726	0.1199
2020	1,050,437	0.1056
2021	1,049,978	0.1056
2022	1,056,644	0.1062
2023	1,054,787	0.1061
2024	1,051,695	0.1057

2025	1,057,657	0.1063
2026	1,059,011	0.1065
2027	678,338	0.0682
2028	673,794	0.0677
2029	275,688	0.0277
2030	284,162	0.0286

Committee discussed the proposal and agreed that issuing new debt will be beneficial to the City. It will help level out debt and water rates will need to be increase.

Committee Member George made a motion, seconded by Committee Member Jenkins, to recommend that Council approve the proposal from Hilltop Securities as presented for debt restructure with New Tax Note Issuance of \$2,4000,000. Upon vote, motion carried unanimously 4-0.


Set date and items for next meeting.

The next meeting is scheduled for April 24, 2019 at 2:00 p.m.

Adjourn

With no other business to come before the Committee, the meeting was adjourned at 2:44 p.m.

PASSED AND APPROVED THIS 24TH DAY OF APRIL, 2019.

  
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Steve Spencer, Chair

ATTEST:

  
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Hilda Moeller, City Manager's Admin Assistant