

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

The Financial Oversight Advisory Committee convened in a Special Meeting on Tuesday, May 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 Secretary Teresa Herrera, Senior Accountant Andrew Sibai, and CM Admin. Assistant Hilda Moeller.

Members absent: none

Call to Order

With a quorum present, Chairman Spencer called the meeting to order at 2:05 p.m.

Board Discussion and Action

Senior Accountant, Andrew Sibai made a presentation that showed the following:

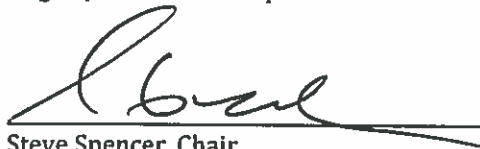
- Water rates have only increased 28% in the past 26 years, while according to the Bureau of Labor Statistics consumer price index; today's prices in 2019 are 75.92% higher than average prices throughout 1993.
- The dollar has experienced an average inflation rate of 2.20% per year during this period.
- We are charging \$17.40 per 5,000 gallons residential, at a loss of \$6.56 per 5,000 gallons per month.
- Just keeping with inflation (\$23.96 per 5,000 gallons residential water) may increase the revenue by \$1,450,312.77. If charging \$7.70 per 1,000 gallons after the first 2,000 gallons for a total of \$29.40 for 5,000 gallons residential water, the revenue may go up as much as \$2,655,034.81.

Discussion followed but committee members did not feel they had enough information to make a recommendation. Committee Chair Spencer asked Senior Accountant Andrew Sibai to put together a chart comparing the current revenue and how it is charged (a fee for the first 2,000 gallons, then another fee for every 1,000 gallons over the first 2,000, etc.), and projections of increases by percentage in both, the base charge and the 1,000 additions. Sibai will send them the information and a meeting will be scheduled at a later date.

Adjourn

With no other business to come before the Committee, meeting adjourned at 3:08 p.m.

PASSED AND APPROVED THIS 13th DAY OF JUNE, 2019.


Steve Spencer, Chair

ATTEST:


Hilda Moeller, CM Admin. Assistant