

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

The Financial Oversight Advisory Committee convened in a Regular Meeting on Wednesday, December 5, 2018, 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 Diane Davis, and Jesse George, III.

Others present: City Manager Michael Hornes, City Secretary Teresa Herrera, and Interim Finance Director Jim Mahoney.

Committee Member Steve Jenkins was absent.

Call to Order

With a quorum present, Chairman Spencer called the meeting to order at 2:00 p.m.

Approval of Minutes

Committee Member Davis made a motion, seconded by Committee Member George, to approve the Wednesday, November 14, 2018, minutes as presented. Upon vote, motion carried unanimously 3-0.

Board Discussion and Action

Discuss Committee's draft reports to City Council.

Committee discussed the report that will be submitted to Council dealing with credit card usage by city employees. The committee concluded that city management, city manager and finance director, should determine whether to allow city employees to use city credit cards. The credit card issue is a city administrative item and not an item for review by the committee, based on the following: detailed knowledge of city employee activities and protocols of city employee jobs, the committee does not have that knowledge, the function of the committee is to provide guidance and oversight on more material items of concern such as financial information presentation and interpretation, quarterly review of financial and treasury reports, budget review, and input on internal control, and other financial items.

Interim Finance Director Mahoney clarified that the City uses the per diem rates as set forth by General Services Administration for all travel and training.

Committee Chairman Spencer will present the report on December 10th meeting.

Discuss current fiscal year budget.

Committee discussed current fiscal year budget. City Manager Hornes informed that every department receives on a monthly basis the year to date revenue expense reports. These reports help the departments manage their budget throughout the year.

Discuss restructure of debt and setting a date to meet with bond counsel.

City Manager Hornes provided the current debt service structure and tax rate impact for the City. The current I&S is \$0.1197. Currently, the debt service is for the water and sewer line upgrades and the debt is being paid by the general fund. The debt needs to be restructured and paid by the Utilities and Sanitation Fund. City Manager will try to have a representative from Hilltop Securities at the next meeting.

Date and items for next meeting

The next meeting will be on Wednesday, January 16, 2019, 2:00 p.m. Committee wants an update on the FY 2017-18 Financial Audit.

Adjourn

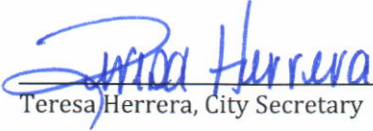
With no other business to come before the Committee, the meeting was adjourned at 3:31 p.m.

PASSED AND APPROVED THIS 16TH DAY OF JANUARY, 2019.



Steve Spencer, Chair

ATTEST:


Teresa Herrera, City Secretary