

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

The Financial Oversight Advisory Committee convened in a Regular Meeting on Wednesday, June 19, 2019, at 3:30 p.m., in the City Hall Conference Room, 504 N. Queen Street, Palestine, Texas, with the following people present: Chairman Steve Spencer, and Committee Members Steve Jenkins and Diane Davis.

Others present: City Secretary Teresa Herrera, Finance Director Jim Mahoney, and CM Admin. Assistant Hilda Moeller.

Call to Order

With a quorum present, Chairman Spencer called the meeting to order at 3:36 p.m.

Approval of Minutes

The minutes of March 13, 2019, were presented for approval. Member Jenkins moved to approve and Member Davis seconded, with the following corrections:

- 1) Under **Approval of minutes**, changed from May, 2019 to May 14, 2019.
- 2) Under **Board Discussion and Action**, changed from: increase revenue by a total of \$10.00 to: increase revenue by a total not to exceed \$10.00.

Board Discussion and Action

Finance Director Mahoney presented the information requested by the board at the meeting of June 13. The board will make a recommendation to City Council, in person at the June 24 City Council workshop meeting. Chairman Spencer and Diane Davis will make the presentation. They will recommend the following:

1. The current water rates should be increased by the percentages listed below:
 - .75 to 1.00 inch meter R size to be increased by 15%
 - .75 to 1.00 inch meter S size to be increased by 20%
 - 1.5 inch meter to increase by 80%
 - 2.0 inch meter to increase by 80%
 - 3.0 inch meter to increase by 80%
 - 4.0 inch meter to increase by 80%
 - 5.0 inch meter to increase by 80%
 - 6.0 inch meter to increase by 80%
 - 8.0 inch meter to increase by 80%

Each 1000 gallons in excess of 2000 gallons for Residential, Commercial, Multifamily, and Industrial meters to be increased by 80%

These increases should be implemented immediately. It is estimated that this increase will provide approximately \$ 2,250,000 in new water service revenues annually for the City of Palestine.

2. Starting in October 2021, a ¾% increase in all water rates, or an increase equal to the CPI inflation index annually, whichever is greater, should be implemented each year.

3. This increase in water rates is significant, and should be done in conjunction with a review of the city's long range plan for water services, to insure the funds and planning best serve the citizens of Palestine.

For a residential meter that uses 5,000 gallons a month, the monthly increase is \$9.83 a month; for 12 months, the increased amount is \$ 117.96. This increase greatly strengthens the city's ability to always be able to provide its citizens with water services. In retrospect, this increase is a long time past due, as currently we're among the very bottom of East Texas city water rates.

Adjourn

With no other business to come before the Committee, meeting adjourned at 4:43 p.m.

PASSED AND APPROVED THIS 27th DAY OF AUGUST, 2019.



Steve Spencer, Chair

ATTEST:



Hilda Moeller, CM Admin. Assistant