

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

The Financial Oversight Advisory Committee convened in a Regular Meeting on Wednesday, April 24, 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: Finance Director Jim Mahoney, City Secretary Teresa Herrera, and CM Admin. Assistant Hilda Moeller.

**Call to Order**

With a quorum present, Chairman Spencer called the meeting to order at 2:04 p.m.

**Approval of Minutes**

Chairman Spencer made a motion and Committee Member Jenkins seconded, to approve the Thursday, March 14, 2019, Special Meeting minutes as presented. Upon vote, motion carried unanimously.

**Board Discussion and Action**

**Review discussion on utility fees.**

Jim Mahoney presented information from Texas Municipal League showing that the price of Palestine's water is far below average. In towns of 15,001 to 20,000 people, like Palestine, 5,000 gallons residential water costs an average of \$38.21; Palestine charges \$17.40 for the same amount of water. Residential and Commercial Wastewater costs in Palestine are just slightly below average. The extra revenue generated by increasing water prices would help resolve some serious problems revealed during the recent storm. The Water Treatment Plant is 55 years old and the equipment antiquated, which proved a challenge to generate electricity to bring it back to power. Committee Members want the assurance that water revenue will be used for water improvements. Chair Spencer asked Mahoney to make projections of water revenue at different increases so that the Board itself can go to City Council and ask for an increase in water rates. Committee Member George moved to have a special meeting after the elections, Committee Member Jenkins seconded. Motion passed unanimously

**Review and discuss information presentations to council.**

Chair Spencer asked if the issue of debt restructure has been taken to Council. There was discussion as to when that should be done.

**Review and discuss Streets Department budget.**

Committee Member Davis questioned why the street repair is so slow, and repair only temporary. Discussion followed. Davis asked if the increase in revenue from the water can be used for streets, but street repair comes from the general fund with a budget of \$500,000.


**Set date and items for next meeting.**

A special meeting is scheduled for Monday, May 6, 2019 at 2:00 p.m.

**Adjourn**

With no other business to come before the Committee, the meeting was adjourned at 2:55 p.m.

PASSED AND APPROVED THIS 13<sup>TH</sup> DAY OF JUNE, 2019.

  
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Steve Spencer, Chair

ATTEST:

  
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Hilda Moeller, CM Admin. Assistant