

CITY OF HUNTSVILLE, TEXAS

Russell Humphrey, Mayor

Jon Strong, Ward 4, 2023 Chairman
Karen Denman, At-Large Position 2
Vicki McKenzie, At-Large Position 3
Pat Graham, At-Large Position 4



CITY COUNCIL FINANCE COMMITTEE AGENDA

TUESDAY, MARCH 5, 2024, 8:30 AM

Huntsville City Hall, 1220 11th Street, Huntsville, Texas, 77340

Persons with disabilities who plan to attend this meeting and may need auxiliary aids or services are requested to contact the City Secretary's office (936.291.5413) two working days prior to the meeting for appropriate arrangements.

1 CALL TO ORDER

2 DISCUSSION/CONSIDERATION

The Finance Committee will hear presentations, discuss, and may consider recommendations to the City Council on the following items.

- a** Approve minutes of the February 20, 2024 Finance Committee meeting.
Steve Ritter, Finance Director
- b** Discussion of possible increase to Water rates for FY 23 - 24 due to TRA annual settle-up amount (roughly \$650,000).
Steve Ritter, Finance Director
- c** Presentation of preliminary draft of FY 2023 audit by Chris Pruitt, Partner with Pattillo, Brown & Hill, CPAs
Steve Ritter, Finance Director
- d** Discussion of proposed budget amendments.
Steve Ritter, Finance Director

3 ADJOURNMENT

CERTIFICATE

I do hereby certify that the above notice was posted on the City Hall bulletin board, a place convenient and readily accessible to the general public at all times, and to the City's website, www.HuntsvilleTX.gov, in compliance with Chapter 551, Texas Government Code.

DATE OF POSTING: March 1, 2024

TIME OF POSTING: 10:30 a.m.

Kristy Doll

Kristy Doll, City Secretary

TAKEN DOWN:



CITY COUNCIL FINANCE COMMITTEE AGENDA

3/5/2024

Agenda Item Number: 2.a.

Agenda Item: Approve minutes of the February 20, 2024 Finance Committee meeting.

Initiating Department/Presenter: Finance

Presenter:
Steve Ritter, Finance Director

Discussion:

Previous Council Action: Approve minutes of the February 20, 2024 Finance Committee meeting.

Financial Implications:

Associated Information:

1. Fin Comm Minutes 02.20.2024 w signature lines

City Council Finance Committee Minutes

February 20, 2024

City Councilmembers Present: Jon Strong, Karen Denman, Pat Graham, and Vickie McKenzie

Staff Present: Aron Kulhavy, City Manager; Steve Ritter, Finance Director

CALL TO ORDER

The City Council Finance Committee Chair, Jon Strong, called the meeting to Order at 8:30 a.m.

2. DISCUSSION/CONSIDERATION

The Finance Committee will hear presentations, discuss, and may consider recommendations to the City Council on the following items.

a) Approve minutes of the January 23, 2024 Finance Committee meeting.

The minutes from the January 23, 2024, meeting were approved.

b) Consider approval of Purchasing policies amended to reference Federal Register "2 CFR Secs. 200.318 - 200.327"

Steve presented the purchasing policies and the amended language that was needed to reference for grant submissions to the committee.

Councilmember Vicki McKenzie made a motion to revise the City's purchasing policies to include language that the policies comply with 2 CFR Sections 200.318-2003.27. The motion was seconded by Councilmember Jon Strong. The motion passed by the finance committee members 4-0. Yes - Jon Strong, Karen Denman, Vicki McKenzie, Pat Graham; No – None.

c) Discussion of proposed budget amendments

Steve discussed the budget amendments that are on tonight's city council agenda:

- Settlement agreement with Walker County SUD in the amount of \$213,000
- Watson-Cordone/Pine Shadows drainage and street projects.
- Water department -ER repairs to Well # 20 located at Palm Street.
- Steve discussed the budget amendment for the receipt of funds for the fire department and the expenditure for the 100-year Anniversary celebration.

d) Discussion of possible increase to Water rates for FY 23 - 24 due to TRA annual settle-up amount (roughly \$650,000)

Steve discussed the need for a possible increase in the water rates in this FY. Steve advised the committee that the TRA "settle-up" for last year was \$650,000 and that the city would need to pay the bill when it comes in. Steve proposed a 2% rate increase, which would be approximately 0.70 cents on a water bill with a 5,000-gallon usage. The committee asked Steve and Aron to come back to this in March, and they would like to see the comparative cities rates after the additional 2% added for this FY.

ADJOURNMENT

Chair Jon Strong adjourned the meeting without objection.

City Council Finance Committee:

ATTEST:

Jon Strong, Chair

Kristy Doll, City Secretary



CITY COUNCIL FINANCE COMMITTEE AGENDA

3/5/2024

Agenda Item Number: 2.b.

Agenda Item: Discussion of possible increase to Water rates for FY 23 - 24 due to TRA annual settle-up amount (roughly \$650,000).

Initiating Department/Presenter: Finance

Presenter:
Steve Ritter, Finance Director

Discussion:

Previous Council Action: Discussion of possible increase to Water rates for FY 23 - 24 due to TRA annual settle-up amount (roughly \$650,000).

Financial Implications:

Associated Information:

1. Water rates - 10 percent vs 8 percent
2. peer cities comparison from Rate Study

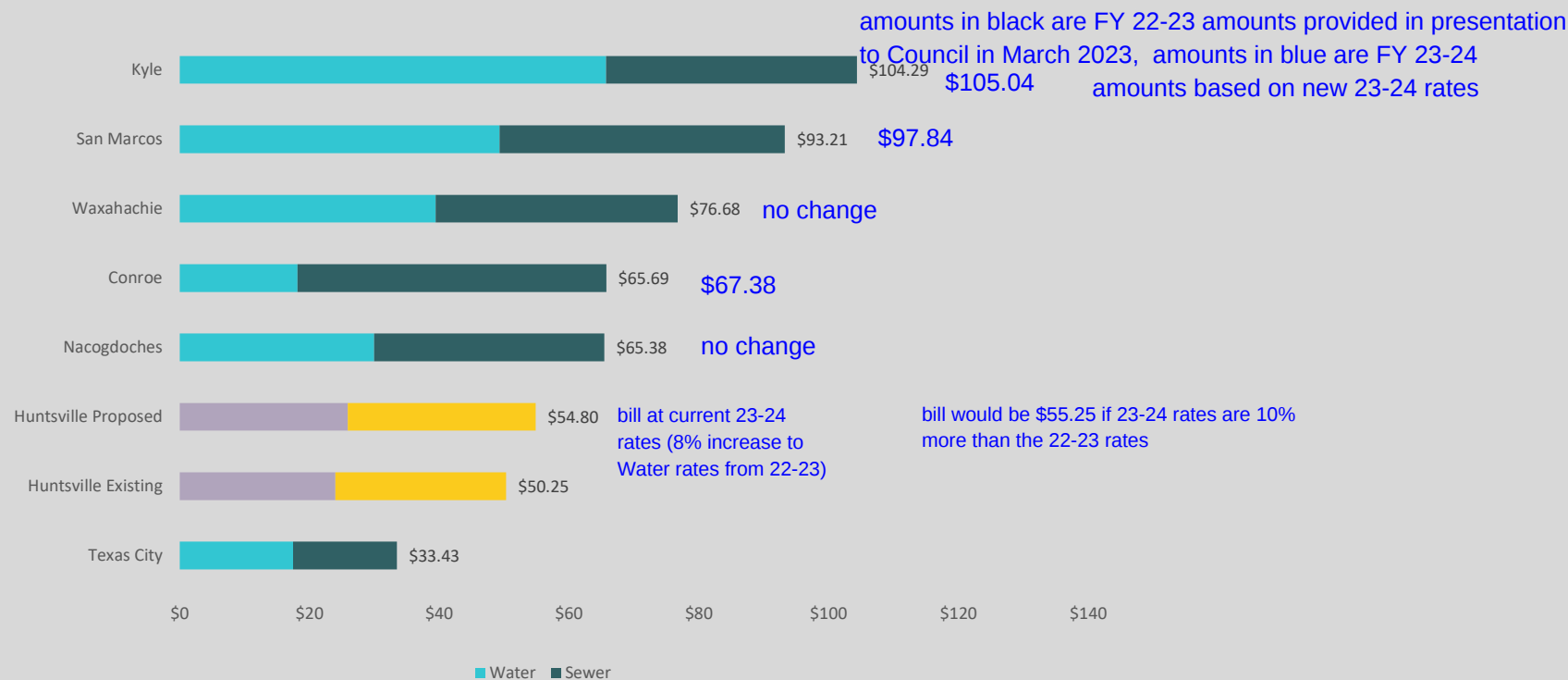
Water Services		
Single Family Residential		
	Current 23- 24 rates (8% over 22-23 rates)	Proposed new 23-24 rates (10% over 22-23 rates)
First 3,000 gallons		
.75 inch meter	\$14.04 per month	14.30
1 inch meter	\$20.52 per month	20.90
1.5 inch meter	\$27.00 per month	27.50
2 inch meter	\$44.82 per month	45.65
3 inch meter	\$176.04 per month	179.30
4 inch meter	\$224.64 per month	228.80
6 inch meter	\$338.04 per month	344.30
8 inch meter	\$467.64 per month	476.30
10 inch meter	\$650.16 per month	662.20
Between 3,000 and 7,000 gallons	\$5.91 per thousand gallons	6.02
Between 7,001 and 13,000 gallons	\$6.50 per thousand gallons	6.62
Over 13,000 gallons	\$7.39 per thousand gallons	7.52
Jointly Metered Residential/Multi-Family		
First 3,000 gallons		
.75 inch meter	\$14.04 per month	14.30
1 inch meter	\$20.52 per month	20.90
1.5 inch meter	\$27.00 per month	27.50
2 inch meter	\$44.82 per month	45.65
3 inch meter	\$176.04 per month	179.30
4 inch meter	\$224.64 per month	228.80
6 inch meter	\$338.04 per month	344.30
8 inch meter	\$467.64 per month	476.30
10 inch meter		662.20
Jointly Metered Residential		
Between 3,000 and 7,000 gallons	\$5.91 per thousand gallons	6.02
Over 7,001 gallons	\$6.50 per thousand gallons	6.62
Multi-Family		
Over 3,000 gallons	\$7.39 per thousand gallons	7.52
Commercial Metered		
First 3,000 gallons		
.75 inch meter	\$16.20 per month	16.50
1 inch meter	\$22.68 per month	23.10
1.5 inch meter	\$29.16 per month	29.70
2 inch meter	\$46.98 per month	47.85
3 inch meter	\$178.20 per month	181.50
4 inch meter	\$226.80 per month	231.00
6 inch meter	\$340.20 per month	346.50
8 inch meter	\$469.80 per month	478.50
10 inch meter	\$650.16 per month	662.20
Over 3,000 gallons	\$7.39 per thousand gallons	7.52
Institutional Users		
First 3,000 gallons		
.75 inch meter	\$16.20 per month	16.50
1 inch meter	\$22.68 per month	23.10
1.5 inch meter	\$29.16 per month	29.70
2 inch meter	\$46.98 per month	47.85
3 inch meter	\$178.20 per month	181.50
4 inch meter	\$226.80 per month	231.00
6 inch meter	\$340.20 per month	346.50
8 inch meter	\$469.80 per month	478.50
10 inch meter	\$650.16 per month	662.20
Over 3,000 gallons	\$7.98 per thousand gallons	8.13
Irrigation		
First 3,000 gallons		
.75 inch meter	\$16.20 per month	16.50
1 inch meter	\$22.68 per month	23.10
1.5 inch meter	\$29.16 per month	29.70
2 inch meter	\$46.98 per month	47.85
3 inch meter	\$178.20 per month	181.50
4 inch meter	\$226.80 per month	231.00
6 inch meter	\$340.20 per month	346.50
8 inch meter	\$469.80 per month	478.50

<u>Residential</u>		
Between 3,000 and 7,000 gallons	\$5.91 per thousand gallons	6.02
Between 7,001 and 13,000 gallons	\$6.50 per thousand gallons	6.62
Over 13,000 gallons	\$7.39 per thousand gallons	7.52
<u>Jointly Metered Residential</u>		
Between 3,000 and 7,000 gallons	\$5.91 per thousand gallons	6.02
Over 7,001 gallons	\$7.39 per thousand gallons	7.52
<u>Multi-Family</u>		
Over 3,000 gallons	\$7.39 per thousand gallons	7.52
<u>Commercial</u>		
Over 3,000 gallons	\$7.39 per thousand gallons	7.52
<u>Institutional</u>		
Over 3,000 gallons	\$7.98 per thousand gallons	8.13
Fire Hydrant Meters		
First 3,000 gallons	\$178.20 per month	181.50
Over 3,000 gallons	\$7.98 per thousand gallons	8.13
Note: Water rates for customers outside the city limits are calculated in the same manner as rates for customers within the city limits; however, a multiplier of 1.50 shall be applied to the cost components listed above.		
Wastewater Services		
		
Single Family/Jointly Metered Residential		
First 2,000 gallons	\$16.56 per month	
Over 2,000 gallons	\$6.19 per thousand gallons	
Note: Each individually metered residential dwelling unit shall be charged a monthly wastewater service charge and a volume charge based upon the average amount of water consumed during the months of November, December, January and February of each year, rounded to the nearest 100 gallons. Customers moving onto an existing or newly constructed, single family residential unit shall be billed for sewer at eighty percent (80%) of current monthly consumption up to a maximum monthly amount for 10,000 gallons until the winter month history is established. Residential customers not connected to the waterworks system of the city shall be billed monthly by the city for wastewater services at a calculated rate based on the average residential water consumption of sixty-eight hundred (6,800) gallons \$40.88, or at a rate based on the average water consumed during the months of November, December, January and February of each fiscal year from the billing records of a special water district.		
Commercial/Institutional Users		
First 2,000 gallons	\$19.11 per month	
Over 2,000 gallons	\$6.19 per thousand gallons	
Commercial customers shall be billed at a rate that is consistent with the regular wastewater charge of similar type businesses, premises or users receiving service from the city. The utility office supervisor shall recommend for approval such service charge and conditions as deemed appropriate to the Finance Committee of the City Council and the Finance Committee shall approve the same.		
Septic Waste Disposal Fee		
Septic Waste Receiving Station	\$0.09 per gallon	
Septic Waste Hauler Permit	\$100 per year	
Sewer Service Call (normal business hours, problem found to be on customer side, to include residents, plumbers and contractors)		
0-3 False Alarms	No Charge	
4-5 False Alarms	\$25.00	
6-7 False Alarms	\$50.00	
8+ False Alarms	\$100.00	
After hours Sewer Service Call (After Business hours, problem found to be on customer side, to include residents, plumbers and contractors)		
0-3 False Alarms (after hours)	No Charge	
4-5 False Alarms (after hours)	\$50.00	
6-7 False Alarms (after hours)	\$100.00	
8+ False Alarms (afterhours)	\$200.00	

Peer utility survey

Typical monthly bill comparison

3/4" residential customer (5 kgal water, 4 kgal ww)





CITY COUNCIL FINANCE COMMITTEE AGENDA

3/5/2024

Agenda Item Number: 2.c.

Agenda Item: Presentation of preliminary draft of FY 2023 audit by Chris Pruitt, Partner with Pattillo, Brown & Hill, CPAs

Initiating Department/Presenter: Finance

Presenter:
Steve Ritter, Finance Director

Discussion:

Previous Council Action: Presentation of preliminary draft of FY 2023 audit by Chris Pruitt, Partner with Pattillo, Brown & Hill, CPAs

Financial Implications:

Associated Information:



CITY COUNCIL FINANCE COMMITTEE AGENDA

3/5/2024

Agenda Item Number: 2.d.

Agenda Item: Discussion of proposed budget amendments.

Initiating Department/Presenter: Finance

Presenter:
Steve Ritter, Finance Director

Discussion:

Previous Council Action: Discussion of proposed budget amendments.

Financial Implications:

Associated Information:

1. BA for 3.5.24 Fin Comm

Budget Amendments FY 23-24

Finance Committee - March 5, 2024

Exhibit A

Increase: Airport - CIP in General CIP Fund	\$	150,000
Increase: Economic Development CIP - Transfer to Gen. CIP-Airport Proj.	\$	150,000

Explanation:	Staff has been notified recently by TXDOT that TXDOT wants to "fast track" the City's runway extension and improvement project. TXDOT actually does all the contracting for Engineering and Construction on these projects. The City provides a 10% match on the projects. TXDOT is saying the project costs will be \$4,600,000. The City's portion is \$460,000. The City has \$206,217 of unused budget from some older year Airport projects that can be used for match and also has \$110,000 that was budgeted in FY 23-24 for match for Airport project. So, \$316,217 is available toward the \$460,000 match amount needed. Staff is requesting \$150,000 be transferred from the Economic Development CIP Fund to cover the \$143,783 still needed. The Economic Development CIP has roughly \$740,000 of monies available in the Fund at this time with \$320,000 being "earmarked" for use for the City's share of the Wischneski street extension.
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