

**Minutes of the Public Hearing held by the Garland City Council on February 21, 2024, at 7:00 pm at the Garland City Building to hear public input and comment on proposed utility rate increases. City Officials in attendance:**

<b>Mayor Linda Bourne</b>	<b>present</b>
<b>Council Member Sharla Nelson</b>	<b>present</b>
<b>Council Member Josh Munns</b>	<b>present</b>
<b>Council Member Donnie Howell</b>	<b>present</b>
<b>Council Member Jeanette Atkinson</b>	<b>present</b>
<b>Council Member Tena Allen</b>	<b>present</b>
<b>City Recorder, Sharlet Anderson</b>	<b>present</b>

**Mayor Bourne called the public hearing to order and stated that Council Member Nelson was going to do a PowerPoint presentation and then we would open it up for public input and discussion. She stated they would need to come up to the microphone where they would be allowed three minutes. She also asked that they state their name and address for the official record.**

**Council Member Nelson stated that we hope this presentation will answer many of their questions. We have not had a water rate increase since 2009 even though expenses have increased. Because there have been no increases, we do not have sufficient money set aside and are unprepared financially for repairs or maintenance on the water system. To fix this issue the city is proposing an increase of ten percent per year for years one through three and then an increase of three and one-half percent for years four and beyond. We would also be increasing the water overage tiers by fifty cents per tier. Inside the city limits connections would see an immediate increase of \$1.90 per month and connections outside the city limits would see a monthly increase of \$3.05. She stated city budgets are reviewed annually and the city council will monitor these funds and propose rate changes as needed.**

**Moving on the sewer rates she stated that in 2016 the city began the process of building a sewer plant. It was anticipated that this project would take four years to complete for which the city planned and budgeted according to the current construction rates for the project. A variety of obstacles during construction, including setbacks and price increases due to the COVID-19 pandemic, doubled the length of the project and drastically increased the overall cost of the sewer plant. None of which could have been anticipated or avoided. Our recent rate study revealed that we are currently operating our sewer plant at a significant loss. Our current revenue from the sewer plant does not generate enough to cover our current bond payments. There is currently no money being set aside for maintenance, unexpected repairs, or needed projects. In the short and long term, Garland City needs finances to cover all regular expenses and have money in reserve for needed maintenance and repairs. The sewer rate increases the city is proposing for year one is fifty percent, for years two and three a ten percent increase per year, for year four a five percent increase, and for year five forward stabilize at a three percent annual increase. Inside the city limits connections would see an immediate increase of \$24.05 per month and connections outside the city limits would see a monthly increase of \$31.78. Long term this allows the city to cover all regular expenses and have money in reserve for needed maintenance and repairs. She stated city budgets are reviewed annually and the city council will monitor these funds and propose rate changes as needed.**

**Council Member Munns commented that this is a hard pill to swallow and this hasn't been easy for the council but they are working hard to do what is best for the city.**

**Mayor Bourne stated we would now open the floor for public comment.**

**Tim Thompson asked if any of the city council or the mayor opposed this proposal. None were.**

**Chubb Munns stated he is good with the water increase because without it he would be on a well. He talked about inflation and that what Garland City is proposing here for the sewer rate increase is only about two-thirds of what it should be for the inflation on everything else.**

**Sindy Munns asked if the funds are behind then why haven't we done an increase before now. Council Member Atkinson answered we have been working on this for about six months doing our homework and putting numbers together. Mayor Bourne stated that when she was on the city council everyone thought she was against the sewer plant but she wasn't she just didn't agree that they were telling the citizens that it was only going to be \$38.05 a month.**

Scott Pella asked in preparing our budgets do we not put money aside to maintain the water and sewer. He asked when there are new connections does that not impact our finances for water and sewer. He asked about the increase in January and was it not for water. Council Member Nelson stated the increase in January was for garbage. She also explained the plant was just finished less than a year ago and we didn't know exactly what it was going to cost to run it.

Steve Littlefield asked about impact fees and if they have been increased because that has been talked about for years and if increasing those would help keep his bill down. City Planner, Valerie Claussen replied those are very regulated and doing a study now does not mean that those will go up and they do not have any impact on utility rates. Steve also stated that he is not okay with the percentage increase for future years because we don't know what is going to happen. Council Member Nelson explained that we need the fifty percent increase to break even and the increase over the next couple of years is to build up some reserves.

Casey Seager asked with all the new people moving in doesn't that cover the increases. Mayor Bourne explained the increase is for everyone new or old across the board.

Merrilee Gardner asked about apartments sharing a meter and if there were any plans to change that in the future so that each unit had its own. Mayor Bourne explained they are prorated and there is one meter because the building is owned by one person.

Marcia Rodriguez asked if she could have all the trailers in her trailer court on separate meters. Mayor Bourne replied yes as long as you pay to have all the piping changed.

John Losee stated that eventually we will catch up and he does not feel we should have an ongoing increase every year.

Rob Johnson stated that he has been in council meetings before where people outside the city limits have come and asked for water but they have been turned down and they are charged for that so that would help. He also commented that he has heard the council say tonight that they were not part of the previous council but are stipulating what will happen for the next council with these automatic rate increases so that is something they should think about.

Austin Hughes asked so if he is understanding this right it is going to be at least three years before we are breaking even with these rates. Council Member Nelson replied at least into the second year. He said not that I want my bill to be more but how do you cover things that come up and where does that money come from? Valerie Claussen the city planner stated that the water and sewer are in the enterprise fund and can support each other and use funds between the two.

Deborah Long asked how often the meters are being read and if that was all of them. Mayor Bourne replied the meters are read monthly except for the meters that the batteries have gone dead in and need to have that part changed.

Mayor Bourne asked if there were any further comments or questions and hearing none stated we would adjourn the public hearing at 7:54 pm.

  
Sharlet Anderson, Recorder