

CITY OF GLADEWATER
CITY COUNCIL SPECIAL SESSION
MINUTES
MAY 28, 2009
6:00 P.M.

MEMBERS PRESENT: Mayor Walter Derrick, Mayor Pro-tem John Ussery, Jimmy Williams, Judy Burlison, Joe Derouen, Scott Owens, Charles Meadows

STAFF PRESENT: Jay Stokes, Melba Haralson

GUESTS PRESENT: Jimmy Davis, Delbert Burlison, Mark Carpenter, Karen Morgan, Chris Meeks, Lynda Meadows, Rex Copeland

I. CALL TO ORDER

Mayor Derrick called the meeting to order at 6:00 p.m. and welcomed those in attendance.

II. CONSIDERATION of appointment of Mayor Pro-tem

Councilmember Williams commented that John Ussery has done an excellent job and moved to reappoint him. Motion was seconded by Councilmember Derouen. Carried 5-1-1, with Mr. Ussery abstaining and Councilmember Burlison opposed.

III. PUBLIC PARTICIPATION OPPORTUNITY regarding privatization services with Veolia Water

Mark Carpenter, 2301 Woodbine, said he read in the newspaper where the cost analysis done in 2000 was supposed to save the City \$41,000. He suggested we get a cost comparison that is much more recent. He expressed concern over Veolia's profit margin which he estimates at \$400,000 per year. He said the City may be able to recapture half of that.

Rex Copeland asked how we measure performance in the contract.

Councilmember Burlison requested that the study done in June 2000 and the new cost comparison be ready for the next special meeting in September 2009.

IV. WORKSHOP regarding contracted privatization services with Veolia Water

Councilmember Williams said the biggest problem seems to be with the number of employees. He commended Chris Meeks for doing a good job, but the City should not pay the same amount of money for less employees. He suggested they have a pay scale like the City so we will know what the payroll costs are.

Councilmember Burlison said if not calculated on a daily basis then it should be an hourly basis for each position. Payroll needs to be tightened up. She said we don't want to make it impossible for Veolia to operate, but it needs to be equitable for the City.

Mayor Pro-tem Ussery asked City Manager Stokes if it is feasible to work on hours. Mr. Stokes said that it is but he needs to talk to Chris Meeks and his boss. He said Veolia previously asked for that and he emphatically refused because he thought the Council would be against it. He said if the contract is performance based then it won't matter how many employees they have.

Councilmember Owens said it comes down to the cost and benefit compilation before we can make a decision.

City Manager Stokes said there is four options; 1) renew with Veolia, 2) do it ourselves, 3) go out for bid with other companies, or 4) some type of hybrid. He said what he has gathered from Veolia's competitors is they will bid on water and sewer, but it is not common that a company does everything that Veolia is doing. The Council needs to pick a path and decide which way to go.

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Councilmember Burlison said there is no way to make a decision without the cost comparison.

Councilmember Derouen agreed and said we need to look at the depth of Veolia. Otherwise we would have to turn to engineers that would cost us a lot more money. He said the only complaints he has heard is the number of employees, why the City buys the equipment and Veolia uses it, patching streets and also the length of the contract.

Mayor Derrick said the Council made an error with the length of the contract and it needs to be shortened.

Councilmember Williams explained the issue is more complicated because the water and sewer fund has to be self-supporting.

Mayor Pro-tem Ussery asked the Council if they had all come up with a City for Mr. Stokes to use in the comparison. Several members responded with Gilmer, Winnsboro, Carthage, Crockett, and Kaufman. City Manager Stokes said he could have the cost comparison done by September.

Councilmember Owens referred to two prior studies done by our auditor, Karen Jacks and read her opening statement that essentially said the cost and benefits are impossible to measure. He said we will be all over the board because no two cities are the same. Mr. Owens offered to apply the CPI to the two studies.

City Manager Stokes asked what specifically about those cities do they want included in the study. Several Council members replied; number of departments, number of employees, payroll, budget, and equipment. Mayor Pro-tem Ussery suggested he get an audit report or working trial balance for each city.

V. ADJOURN

Councilmember Meadows moved to adjourn at 6:42 p.m., seconded by Councilmember Williams. Adjourned by consensus.

WALTER DERRICK, MAYOR

ATTEST:

MELBA HARALSON, CITY SECRETARY