

CITY OF GLADEWATER
CITY COUNCIL SPECIAL SESSION
MINUTES
SEPTEMBER 1, 2011
6:00 P.M.

MEMBERS PRESENT: Mayor Walter Derrick, Mayor Pro-tem Scott Owens, Jimmy Williams, Harold Wells, Delbert Burlison, Leon Watson, J.D. Shipp

STAFF PRESENT: Sean Pate, Melba Haralson, Dennis Jones, Wayne Smith, Larry Player, Farrell Alexander

GUESTS PRESENT: Mary J. Williams, Ernestine Sawyer, Cathy Smith, Judy Burlison, Marsha Valdetero, Lola May, Mark May, Brent Bailey, Colleen Bailey, Ryan Bailey, Bill Syme, Mark Carpenter, Pat Watson, Bill High, Barbara High

I. CALL TO ORDER

Mayor Derrick called the meeting to order at 6:00 p.m.

II. PUBLIC HEARING regarding budget for fiscal year 2012

1. Mark Carpenter, 2301 Woodbine, simply stated no new taxes.
2. Bill Syme, 701 Daniel, stated he is paying \$300 in taxes to Kilgore Junior College, the Fire Department is now billing for spills, etc to 3rd parties and we have water pipes breaking. He requested we hold the line on expenses.
3. Colleen Bailey, 2320 W. Gay, asked several questions regarding; whether we lived within the current budget, necessity for higher tax rate since median home values increased, the effect of not having the proposed tax increase, and whether the Council votes on the tax rate or if it goes to the citizens. City Manager Pate explained we lost approximately \$2.3 million in value primarily due to mineral and industrial losses. He said we had to dip into reserves to meet the current budget and we cannot continue to do that. If the tax increase was not approved we would have to cut a combination of things; police or fire protection, repairing streets or other infrastructure. The City Council votes on the tax rate. Several Council members commented on the increased sales tax revenues, plan for capital improvements, employee pay raises and the infrastructure problems are only going to get worse if not addressed.
4. Pete Wynn, 2411 W. Harold, voiced opposition to the tax increase and stated the appraisal district increased the value of a small 2 bedroom home from \$48,000 to \$69,000. The cost of living has gone up 50% in last 10 years. City Manager Pate responded the proposed tax rate would result in \$30.77 per year for a home valued at \$100,000. He said all taxing entities are separate. Councilmember Burlison said when we first started being taxed by Kilgore College a bus was guaranteed, which we no longer have. Discussion ensued.
5. Judy Burlison, 3067 E. Lake Drive, said Longview has buses and they don't pay Kilgore College tax. It's not fair that we have to pay but don't have a bus. Mayor Derrick affirmed that taxes had beginning prior to schools opening up and they were never discontinued.

City Manager Pate said no one is crazy about raising taxes. We have declining revenues and increase in expenses. With GEDCO and the Retail Coach's efforts more sales tax revenue will ease the property tax burden. He believes there's a lot of promise in 2012. He said we are working hard to improve, be proactive and address infrastructure issues along with the Capital Improvement Plan.

Councilmember Williams agreed, now we have a plan. He warned about the poor condition of the Dallas Force Main and said 2 cents is nothing compared to the school district that raised taxes 17 cents. He said we are fighting to get things done and we don't have the money. Mayor Derrick explained that the Dallas Force Main is the main sewer line servicing the west side of town (under pressure). City Manager Pate said we also have problems with a 12" water line that needs to be replaced and looped.

6. Mark Carpenter, 2301 Woodbine, said he doesn't think citizens are against infrastructure improvements, they are against tax increase. He said City could

save money by taking services back from Veolia and there's \$300,000 per year going to GEDCO. Councilmember Williams and Mayor Pro-tem Owens said we have a plan to eliminate and consolidate Veolia services but right now we are in a legal contract for 2 more years. City Manager Pate added that we have positive leads from Retail Coach and he believes 2012 will be a great year.

7. Mark May, 120 S. Main, said the main thing is to do what is best for the City and the infrastructure won't get better unless we fix it. He said another good thing we learned from Retail Coach is the amount of leakage that is leaving our community and going somewhere else. He said we need to come together and work together. We have a lot to be proud of. He said we don't need to keep dipping into rainy day fund because rainy days will come and we will need it.

Mayor Derrick assured the citizens that they have been heard and it will be given careful consideration. He then closed the public hearing at 6:50 p.m.

- III. PUBLIC HEARING regarding a proposal to adopt a tax rate of \$0.642560/\$100 valuation for fiscal year 2012

Mayor Derrick opened the public hearing at 6:50 p.m. With no public comments the public hearing was then closed.

- IV. CONSIDERATION AND RECORD VOTE of a proposal to adopt a tax rate of \$0.642560/\$100 valuation for fiscal year 2012

Mayor Derrick stated this vote will be postponed until September 15, 2011.

- V. ANNOUNCEMENT of date, time and place the City Council will vote on the tax rate

Mayor Derrick stated the City Council will vote on the tax rate at the regular City Council meeting scheduled for September 15, 2011 at 6:00 p.m.

- VI. ADJOURN

Councilmember Shipp moved to adjourn at 6:55 p.m., seconded by Councilmember Williams. Adjourned by consensus.

WALTER DERRICK, MAYOR

ATTEST:

MELBA HARALSON, CITY SECRETARY