

MINUTES OF REGULAR MEETING OF THE CITY COMMISSION OF THE CITY OF LUFKIN, TEXAS, HELD ON THE 17TH DAY OF JUNE, 1975, AT 5:00 P.M.

On the 17th day of June, 1975, the City Commission of the City of Lufkin, Texas, convened in regular meeting in the Council Room at City Hall with the following members thereof, to-wit:

Pitser H. Garrison	Mayor
Pat Foley	Commissioner, Ward No. 2
Joe E. Rich	Commissioner, Ward No. 3
E. C. Wareing	Commissioner, Ward No. 4
W. O. Ricks, Jr.	Commissioner at Large, Place A
E. G. Pittman	Commissioner at Large, Place B
Harvey Westerholm	City Manager
Robert L. Flournoy	City Attorney
Roger G. Johnson	City Secretary

being present, and

R. A. Brookshire	Commissioner, Ward No. 1
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being absent, constituting a quorum when the following business was transacted:

1. Meeting opened with prayer by Rev. Hubert Yount, Associate Missionary, Unity Baptist Association, Lufkin, Texas.
2. Mayor Garrison welcomed a large group of visitors who were present in connection with items on the agenda or as observers.
3. Approval Of Minutes

Comm. Pat Foley made motion that minutes of regular meeting of June 3, 1975, be approved. Motion was seconded by Comm. E. G. Pittman and a unanimous affirmative vote was recorded.

4. Annexation Request Approved 1st Reading-Mrs. Jerry Hodge & Property Owners on Cypress Street, East of FM 58

Mayor Garrison stated that open hearing had been held during last regular meeting to consider annexation request by Mrs. Jerry Hodge and property owners on Cypress Street, East of FM 58. Mayor Garrison further stated that there were no individuals present at last regular meeting appearing in opposition to this annexation request and members of Commission had invited opportunities for adjacent property owners in this area to be included in this annexation by submitting letter to this effect.

City Manager Westerholm reported that no further requests had been received by the City regarding annexation of additional property within this area. There were no persons present appearing in opposition to annexation request. Comm. Pat Foley made motion that ordinance annexing property owned by Mrs. Jerry Hodge and other property owners on Cypress Street, East of FM 58, be approved on first reading. Motion was seconded by Comm. Joe E. Rich and a unanimous affirmative vote was recorded.

5. Annexation Request Approved on 1st Reading-Jerry W. Sudduth-Pine Hill Addition

Mayor Garrison stated that annexation request by Jerry W. Sudduth of his property located in the Pine Hill Addition on Lots 6, 7 and 8, Block 2, fronting on the South end of Mary Ann Street and South of U. S. Highway 69, had been considered in open hearing during last regular meeting and no persons were present appearing in opposition to request.

There were no persons present appearing in opposition to annexation request. Comm. Pat Foley made motion that ordinance annexing property owned by Jerry W. Sudduth be approved on first reading of ordinance. Motion was seconded by Comm. Joe E. Rich and a unanimous affirmative vote was recorded.

6. Zone Change Approved-Haney-Canon, Inc., from CB and A Districts to A District & Special Use (Townhouses)

Mayor Garrison stated that zone change application by Haney-Canon, Inc., from CB and A Districts to A District & Special Use (Townhouses), covering property located immediately South of Denman Avenue and North of Conn Avenue had been approved on first reading of ordinance at last regular meeting.

There were no persons present appearing in opposition to proposed zone change. Comm. E. G. Pittman made motion that zone change application by Haney-Canon, Inc., from CB and A Districts to A District & Special Use (Townhouses) be approved on second and final reading. Motion was seconded by Comm. W. O. Ricks, Jr., and a unanimous affirmative vote was recorded.

7. Grant Application - Kit McConnico Park - Postponed

Mayor Garrison stated that further consideration of grant application had been tabled from last regular meeting to provide additional time to review same and Recreation & Parks Director Max Griffin was present to answer any questions members of Commission may have regarding grant application.

Comm. W. O. Ricks, Jr., expressed his opinion that the Kit McConnico Park area had been purchased to develop on a future basis and the present parks should be developed more adequately before considering Kit McConnico Park. Comm. W. O. Ricks, Jr., made motion to postpone application to Parks & Wildlife Department for development of Kit McConnico Park at the present time.

Prior to second of Comm. Ricks' motion, Comm. E. G. Pittman expressed his concern that the Recreation & Parks Department should be commended for an outstanding job in up-grading its programs and he did not desire to discourage this growth. Comm. E. G. Pittman further stated, however, that a line should be drawn as to the amount of development within this area and suggested the adult softball association consider possible assistance to improvements and construction of softball fields in conjunction with City assistance if possible. Comm. E. G. Pittman was in agreement with Comm. W. O. Ricks, Jr., that development at Kit McConnico Park should be postponed at the present time and further suggested that the softball fields at Kit McConnico Park be developed with as much assistance from the City as possible in conjunction with the adult softball association.

Comm. E. C. Wareing expressed his concern that the Youth Baseball Association had developed playing fields in this respect and he was of the opinion that softball was a big spectator sport and the City should consider development of Kit McConnico Park to a minimum degree by submission of an application requesting a minimum development to include a restroom facility. Comm. E. C. Wareing further stated that he would not be adverse to amending the grant application to include a portion of this development.

Comm. W. O. Ricks, Jr., stated that he was of the opinion facilities in the major areas at Teener Park to include new restrooms were adequate and parks budget was not sufficient to supply necessary funds for this grant.

Mayor Garrison stated that it was his understanding softball and baseball fields were difficult to mix as discussed during previous consideration and was of the opinion Kit McConnico Park, when ini-

tially purchased, did not have a specific development need. Mayor Garrison further stated, however, that the present situation did require a need for Kit McConnico Park involving the development of proposed softball parks as recommended by Recreation & Parks Department and substantiated by current reports reflecting a number of citizens using these parks on a daily basis.

Comm. Pat Foley was in agreement that the existing softball fields were being used extensively and concerned that Comm. E. G. Pittman's suggestion to assist in this development would be adequate.

Previous motion by Comm. W. O. Ricks, Jr., to postpone consideration of this grant application was seconded by Comm. E. G. Pittman.

Prior to vote on motion, Comm. E. C. Wareing inquired as to whether or not this proposed application could be re-submitted for a very minimum improvement to substantiate the construction of a restroom facility. City Manager Westerholm stated that application could be re-written and limited as explained. The following vote was recorded to previous motion and second as stated:

Voting Aye: Mayor Garrison, Comms. Pat Foley, Joe E. Rich, W. O. Ricks, Jr., and E. G. Pittman

Voting Nay: Comm. E. C. Wareing

Mayor Garrison declared motion approved by majority vote of five to one.

Comm. E. C. Wareing asked Recreation & Parks Director Max Griffin if he would prepare another grant application and present same to members of Commission to show something of less magnitude to include minimum development sufficient to constructing restroom facilities. Mr. Griffin stated that he would provide same to members of Commission as soon as possible.

8. Texas Power & Light Company - Request for Rate Increase

Mayor Garrison recognized Mr. J. B. Manning, District Manager of Texas Power & Light Company, who explained that it had been two years since his company had requested an increase and Mr. Manning proceeded to explain various reasons for increase to include a number of increases in fuel, facilities and finances. Mr. Manning reviewed his increase proposal from a proposed rate schedule and services regulation previously presented to members of Commission for review. A copy of this proposal is attached to minutes for permanent record.

Mr. Manning stated that his company was of the opinion that the proposed 11 percent increase was reasonable and would hopefully turn an upward trend capable of substantiating Texas Power & Light Company's AAA Bond Rating. Mr. Manning further stated that providing members of Commission approved this request, same was projected to become effective October 1, 1975, which would involve an 11 percent increase and two changes in the fuel adjustment clause as previously stated.

Considerable discussion developed regarding proposal as presented and Comm. E. G. Pittman inquired regarding downward trend in interest coverage. Mr. Manning stated that this was common among most utility companies and it was further discussed that only three power companies remained in the United States that had a AAA Bond Rating, which included Texas Power & Light Company. Mr. Manning further stated that providing Texas Power & Light Company did not keep its AAA Bond Rating, they would have to pay more for money which would also reflect increased costs to customers. It was also discussed that loss of an AAA Bond Rating would prevent Texas Power & Light Company from making long-term loans.

Comm. W. O. Ricks, Jr., inquired of Mr. Manning as to the necessity of an 11 percent increase on a monthly bill when the existing fuel clause was adjusted on a monthly basis to accomodate increases experienced by Texas Power & Light Company. Comm. W. O. Ricks, Jr., also made reference to an article recently published in the Houston Post regarding the fact that an Oklahoma City utility company had not raised its rates since 1954. Mr. Manning stated that the state of Oklahoma had a considerable amount of gas which was maintained within the state and the state of Texas did not follow the practice of confining sales of its gas within the state. Comm. W. O. Ricks, Jr., requested that Mr. Manning secure a copy of this article for consideration prior to next regular meeting.

Comm. W. O. Ricks, Jr., requested that Mr. Manning furnish members of Commission information regarding the City of Lufkin's position by way of a profit and loss statement. Mr. Manning stated that his company was in the process of completing a physical inventory of the city and same should be available in the future at which time information would be presented to members of Commission as requested.

Comm. Pat Foley inquired as to whether or not the state of Texas was still sending fuel out of state as earlier discussed. Mr. Manning stated that the state of Texas was still following this procedure and selling gas on a long-term basis to states outside Texas. Comm. Pat Foley also inquired as to what effect the average electric bill would experience as a result of this proposed increase. Mr. Manning stated that the average annual electric bill was 8424 KW hours, or 700 KW hours per month. The following information was reviewed reflecting various increases per KW use:

<u>KW Hours</u>	<u>Percent Increase Per Month</u>
200	7.5
500	11.7
750	16.5
1000	13.7
2000	16.5
3000	17.4

Mayor Garrison stated that it was his understanding from the past requests for increase that the more use of electricity, the less the cost, and this particular proposal was in reverse from previous requests. Mr. Manning stated that this was the initial procedure of Texas Power & Light Company, but increase in costs had reversed the operation to reflect an increased cost for excessive use. Mayor Garrison also expressed his concern for what appeared to be a 16.5 increase on 750 KW monthly bill when projections indicated only a 13.7 increase per month on a 1000 KW bill. Mr. Manning stated that he would review this rate for any possible error and report findings to Commission at next appearance.

Mayor Garrison also asked Mr. Manning if proposed rates for the City of Lufkin were the same as for all other cities within Lufkin's district. Mr. Manning stated that all of these rates were the same with the exception of Waco, Tyler, Mesquite, Richardson and Irving. Mr. Manning stated that population was, to his knowledge, the main difference in rate variation. Mayor Garrison asked Mr. Manning if he was aware of what these residential rates were and if they were more or less than in Lufkin. Mr. Manning stated that he was not sure as to the exact amount of these rates but would secure this information as requested. Mayor Garrison expressed his concern that if rates were being considered for adjustment in the City of Lufkin based on a total increase throughout the district, why were various cities being considered as exceptions.

Comm. Joe E. Rich inquired as to how many other cities within this district had seen this proposal for increase. Mr. Manning stated that approximately 100 other cities had been presented this increase, of which 50 had been approved.

Comm. E. G. Pittman inquired as to what percent of Texas Power & Light Company's total expenditures were composed of fuel costs. Mr. Manning stated that he was not sure as to the exact amount, but available information reflected approximately 28 percent. Comm. E. G. Pittman also inquired of Mr. Manning as to what guarantee the city would have of being assured it would be obtaining the best prices if the City agreed to let Texas Power & Light Company buy on a three-month basis instead of a monthly basis. Comm. E. G. Pittman further stated that this procedure may create a loss of incentive by Texas Power & Light Company to keep prices down on a monthly basis.

Mayor Garrison stated that the City's responsibility was to regulate rates in all fairness to the consumer and the utility company, but inquired of Mr. Manning as to whether or not he was aware of the state law in this regard and its power to increase fuel costs when necessary to receive a reasonable rate of return. Mr. Manning stated that he would check the law in this regard and City Attorney Flournoy stated that this consideration was a matter of contract and if same was not determined by fuel adjustment, members of Commission would most probably see more increase requests. Mayor Garrison expressed his concern that the fuel clause was objectional to most individuals.

Comm. E. C. Wareing stated that basic rates being discussed at this meeting were residential and he would personally desire to obtain a copy of the commercial rate schedule prior to further consideration. City Manager Westerholm stated that copies of both residential and commercial rates were on file and he would obtain same for review by Commission prior to next review of request. In response to Comm. E. C. Wareing's question, Mr. Manning stated that the residential and commercial rate schedules were basically the same.

Comm. Pat Foley inquired of Mr. Manning as to whether or not he was aware that lignite would be used in place of fuel in the future and if so, would same reflect a decrease in future utility bills inasmuch as lignite was cheaper than fuel. Mr. Manning stated that in the future, cities should experience a decrease in rates depending on the outcome of inflation.

Comm. E. C. Wareing inquired of Mr. Manning if he would provide members of Commission what percent of gas was owned by Texas Power & Light Company and what percent was purchased. Mr. Manning stated that he would provide this information.

Mayor Garrison recognized Mr. Doyle Blackburn who was present in opposition to rate increase request by Texas Power & Light Company. Mr. Blackburn stated that he was of the opinion the citizens of Lufkin could not stand more rate increases in this regard. Mayor Garrison informed Mr. Blackburn that the question to be settled by this Commission was whether or not Texas Power & Light Company had the right under the law to increase their rates and as to whether or not same was a reasonable rate of return.

Comm. E. C. Wareing made motion that this request be postponed until next regular meeting to include all requests for additional information regarding same. Motion was seconded by Comm. Pat Foley and a unanimous affirmative vote was recorded.

9. City Depository Bank Bid Approved - Lufkin National Bank

Mayor Garrison stated that the City of Lufkin had recently advertised for bids to consider City Depository Bank for the next two-year period. Mayor Garrison officially recused himself from further consideration of these bids due to his affiliation with the Lufkin National Bank and requested Mayor Pro Tem Wareing proceed with bids as submitted.

Mayor Pro Tem Wareing stated that advertisement had been made for the City Depository contract and only one bid was received, being from Lufkin National Bank, containing two plans. Mayor Pro Tem Wareing further stated that a letter had been forwarded to members of Commission in which City Finance Director recommended acceptance of this bid from Lufkin National Bank in accordance with Plan B. Comm. W. O. Ricks, Jr., made motion that City Depository bid be accepted naming Lufkin National Bank as the City Depository for the next two-year period effective in accordance with contract dates beginning July 1, 1975, and ending June 30, 1977. Motion was seconded by Comm. E. G. Pittman and a unanimous affirmative vote was recorded.

10. Civic Center Scheduling & Management

City Manager Westerholm stated that he had received a letter from Lester Adkison which requested the City Board of Development's proposal for assisting in scheduling future use of the Civic Center. City Manager Westerholm further stated that a copy of this letter had been made available for review by members of Commission and members of Commission should consider granting decision as to whether or not to accept this proposal requesting preparation of a budget providing this service.

City Manager Westerholm recommended this proposal by the City Board of Development be considered until Commission could resolve management situation inasmuch as prior scheduling was necessary to accomodate proposed opening dates.

Mayor Garrison stated that he appreciated the interest of the Chamber of Commerce. Comm. E. C. Wareing made motion that this proposal by the City Board of Development be accepted authorizing the preparation of a tentative budget involving information as discussed for consideration by members of Commission. Motion was seconded by Comm. E. G. Pittman and a unanimous affirmative vote was recorded.

11. Downtown Parking Study-Approval of Proposal for Parking Lease from Texas Power & Light Company

City Manager Westerholm reported that members of Commission had requested consideration of a downtown parking study at last regular meeting involving the development of an off-street municipal parking lot on the Texas Power & Light Company property located at Burke and Second Streets and the installation of parking meters on the downtown municipal parking lot adjacent to the library. City Manager Westerholm further stated that information had been forwarded members of Commission for review involving the development of both areas as stated for a total amount of \$9,300. City Manager Westerholm stated that the development of the parking lot at Burke and Second Streets would cost approximately \$1,500 and the development of a parking lot behind Recreation & Parks Department would cost approximately \$8,000. City Manager Westerholm further stated that these funds would have to be obtained from the Street Department budget and recommended proposed development of parking lot at Burke and Second Streets be completed prior to the end of this fiscal year.

Comm. Pat Foley inquired as to why Street Department funds would be considered for this development and Mayor Garrison briefly explained that previous studies made by Comprehensive Planners stated that in order to keep up ad valorem tax values, the central city must be protected, if possible.

Comm. E. C. Wareing expressed his concern that the proposed amount of \$1,500 to resurface parking lot at Burke and Second Streets be considered from Street Department funds prior to next budget. Comm. E. G. Pittman asked City Manager Westerholm if the City provided a portion of this work, whether or not businesses would participate in costs. It was discussed that this had been a past procedure and may be considered for development of same in these areas.

Comm. E. C. Wareing then made motion to accept proposal of Texas Power & Light Company for use of property at Burke and Second Streets for a parking lot and City staff be authorized to resurface and improve this area at a cost of approximately \$1,500 as stated. Motion was seconded by Comm. W. O. Ricks, Jr., and a unanimous affirmative vote was recorded.

12. Swimming Pool Hours of Operation - City Manager Granted Authority to Establish

Mayor Garrison stated that the establishment of swimming pool hours appeared to be a management judgement and provided members of Commission agreed, City Manager Westerholm should be granted authority to establish these hours.

Comm. Pat Foley made motion that City Manager Westerholm be granted authority to establish hours of operation for swimming pools. Motion was seconded by Comm. E. C. Wareing and a unanimous affirmative vote was recorded.

13. City Planning & Zoning Commission-Replacement of Member-U. S. Forest Service - Property Exchange

Mayor Garrison stated that a member of the City Planning and Zoning Commission had recently moved from the City and members of Commission should consider his replacement as soon as possible. Mayor Garrison further stated that this item should be considered in an executive session following adjournment from this meeting. Mayor Garrison further stated that members of Commission should also consider property exchange with the U. S. Forest Service in this session.

There being no opposition from members of Commission, Mayor Garrison deferred further consideration of these two items to an executive session following adjournment of this meeting.

14. Civic Center - Approval of Time Extension

City Manager Westerholm stated that a letter had been received from Mr. Jerry Hill requesting an extension of time on the construction of the Civic Center in the amount of nine days due to recent rains. Comm. Joe E. Rich made motion that time extension of nine days be granted on construction of Civic Center in accordance with recommendation by City Manager. Motion was seconded by Comm. E. G. Pittman and a unanimous affirmative vote was recorded.

Members of Commission also requested that City Manager Westerholm be authorized to inform Mr. Hill to note the completion date on each request for time extension in order to keep members of Commission advised of any delays beyond projected completion date.

15. Civic Center Named - Lufkin Civic Center

Comm. E. G. Pittman stated that he had received several calls regarding an official name for the Civic Center and requests were made suggesting prominent individuals of the City be considered in the official name. Comm. E. G. Pittman suggested, however, that the naming of the Civic Center be considered without including an individual name inasmuch as the City of Lufkin should be identified in same.

Comm. E. G. Pittman made motion that the official name for the Civic Center be designated as Lufkin Civic Center. Motion was seconded by Comm. W. O. Ricks, Jr.,

Prior to vote on motion, Comm. E. C. Wareing stated that he was in agreement with suggestion presented by Comm. E. G. Pittman and many individuals throughout the City were worthy of being identified in the naming of this building, but a majority of other Civic Centers included the specific City names which assisted in the advertisement of the particular City outside the City and Lufkin Civic Center would advertise Lufkin better than using an individual name.

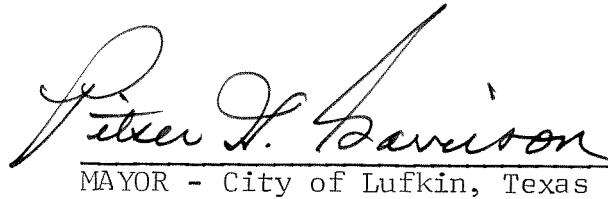
A unanimous affirmative vote was then recorded to previous motion and second as stated.

16. Flammable Material Ordinance - Disc. of Proposed Ordinance

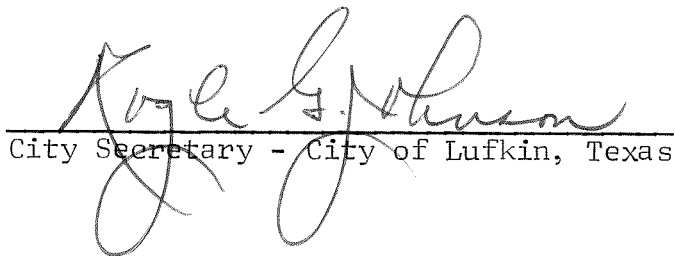
Comm. Pat Foley stated that a previous discussion of this Commission involved the consideration of a flammable material ordinance for the City of Lufkin to restrict the travel of flammable liquid trucks passing through the City. City Manager Westerholm stated that he would check with Fire Marshal Roscoe Gibson prior to next regular meeting add prepare a report to members of Commission regarding this proposed ordinance.

17. Adjournment Into Executive Session

There being no further business for consideration, meeting was adjourned at 7:21 P. M. into an executive session to consider previous information as discussed in Items 13 and 14.


MAYOR - City of Lufkin, Texas

ATTEST:


City Secretary - City of Lufkin, Texas