

MINUTES OF REGULAR MEETING OF THE CITY COMMISSION OF THE CITY OF LUFKIN, TEXAS, HELD ON THE 1ST DAY OF JULY, 1975, AT 7:30 P. M.

On the 1st day of July, 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
R. A. Brookshire	Commissioner, Ward No. 1
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, constituting a quorum, when the following business was transacted:

1. Meeting opened with prayer by Ronnie Beams, Denman Avenue Baptist Church, Lufkin, Texas.
2. Mayor Garrison welcomed visitors who were present in connection with items on the agenda and invited Mr. Richard Thompson, a member of the City Planning and Zoning Commission, to sit with members of Commission to comment regarding recommendations from the Planning and Zoning Commission.

3. Approval of Minutes

Comm. Pat Foley made motion that minutes of regular meeting of June 17, 1975, be approved. Motion was seconded by Comm. E. G. Pittman and a unanimous affirmative vote was recorded.

4. Annexation Request Approved 2nd Reading-Mrs. Jerry Hodge & Property Owners on Cypress Street, East of FM 58

Mayor Garrison stated that ordinance had been approved on first reading at last regular meeting approving annexation request by Mrs. Jerry Hodge and property owners on Cypress Street, East of FM 58.

There were no persons present appearing in opposition to annexation request. Comm. E. G. Pittman made motion that ordinance annexing above described property be approved on second and final reading of ordinance. Motion was seconded by Comm. Pat Foley and a unanimous affirmative vote was recorded.

5. Annexation Request Approved 2nd Reading-Jerry W. Sudduth-Pine Hill Addition

Mayor Garrison stated that ordinance had been approved on first reading at last regular meeting approving annexation request by Mr. Jerry W. Sudduth, Lots 6, 7 and 8 of the Pine Hill Addition.

There were no persons present appearing in opposition to annexation request. Comm. E. G. Pittman made motion that ordinance annexing above described property be approved on second and final reading of ordinance. Motion was seconded by Comm. Pat Foley and a unanimous affirmative vote was recorded.

6. Texas Power & Light Company - Rate Increase Request Postponed

Mayor Garrison recognized Mr. J. B. Manning, District Manager of Texas Power & Light Company, who stated that he was present to answer questions members of Commission had presented at last regular meeting regarding proposed increase by Texas Power & Light Company. Mr. Manning introduced Mr. Gary Price, Assistant Treasurer of Texas Power & Light Company, and stated that Mr. Price would assist members of Commission with any questions they may

have regarding proposed increase request. Mr. Manning reviewed information from last regular meeting and explained that his company desired to consider first reading of proposed rate increase request at this meeting, if possible.

Comm. W. O. Ricks, Jr., inquired regarding proposed fuel increase base from 20¢ to 70¢ and asked if the 20¢ base could remain the same. Mr. Manning stated that the 20¢ base would not be realistic and credit advantage would be given to customers. Mr. Manning also stated that current cost of fuel for Texas Power & Light Company was 69.93¢ and an increase to 70¢ would allow Texas Power & Light Company to give credits to customers when fuel price fell below the 70¢ base.

Mayor Garrison inquired regarding utility companies outside the Texas Power & Light Company district and reviewed figures from other cities to include Livingston which purchased its power from Gulf States Utilities on a wholesale basis. Mayor Garrison stated that information from the City of Livingston revealed minor increases in fuel cost. Mr. Price stated that he was not familiar with Livingston's program.

Comm. Joe E. Rich inquired of Mr. Price if any percentage of excess fuel cost was absorbed by Texas Power & Light Company. Mr. Price stated that Texas Power & Light Company did not absorb this cost and same was charged to customers; but delay in receiving money from the customer created interest problems which were being absorbed by Texas Power & Light Company. Mr. Price further stated that the customer paid full amount in excess of 20¢ and in November, 1969, fuel costs had moved upward.

Mayor Garrison asked Mr. Price what he felt the reaction of Texas Power & Light Company would be if the City Commission did not increase the 20¢ provision. Mr. Price stated that he could not speak for the President of the company, but he personally was of the opinion problems would be created.

Considerable discussion developed regarding net profits of Texas Power & Light Company and calculations which determined the exact amount of proposed 11 percent increase. Mayor Garrison reviewed profit statements of Texas Power & Light Company's recent bond sale which indicated a rate of return of 15 percent increase in net income for year ending 1974.

Mr. Price stated that he appreciated the interest of the City Commission, but explained Texas Power & Light Company was using gas fired generating plants and citizens were aware of recent increases in the cost of gas. Mr. Price stated that Texas Power & Light Company began construction of lignite plants prior to utilization of same by other companies and lignite was in the 20¢ range, but construction costs of these plants were four times more than gas fired plants. Mr. Price further stated that Texas Power & Light Company was in the process of planning for the future for long-range needs and nine new plants were being constructed at the present time.

Mayor Garrison expressed his concern for the fact that over the 60-year history of Texas Power & Light Company, a billion dollar company was developed, but current Texas Power & Light Company projections indicated this amount of money would be spent during the next four-year period for improvements. Mr. Price stated that additional costs for poles and other increases had brought about overall problems.

Comm. Pat Foley inquired regarding question discussed at last regular meeting concerning amount of increase customers would experience for use of 750 KW. Mr. Manning stated that this was due to an error in calculation and new figures indicated increase for 750 KW to be 12.96 percent.

Mayor Garrison asked Mr. Manning if rates from other cities could be obtained for City Commission consideration. Mr. Manning stated that this information would be obtained as requested. Mr. Price stated that one reason other cities were not experiencing increases in their rates at the present time was due to the fact that they were gas fired and future provisions were not being made for transfers to lignite or nuclear power. Mr. Price further stated that Texas Power & Light Company was not on full gas power and due to construction of new generating lignite plants, rates were being increased to provide for future needs.

Comm. Pat Foley also inquired regarding effect proposed increase would have on other cities surrounding the Lufkin area. Mr. Manning stated that small cities around the Lufkin area would experience either an increase above proposed amount or the same amount of increase as the City of Lufkin, according to population, which was categorized by class, and Lufkin was considered a Class I city.

Comm. W. O. Ricks, Jr., inquired as to what percent of lignite Texas Power & Light Company was presently utilizing. Mr. Price stated that 15 to 20 percent of the total Texas Power & Light Company generation was derived from lignite fuel, but Texas Power & Light Company was only a joint owner in the lignite plants with two other utility companies. Mr. Price further stated that increases in gas would be experienced until approximately 1980 when lignite would reach 50 percent generation level for company power, and same should influence a reduction in cost to customers.

Comm. Pat Foley also requested information regarding statement from Texas Power & Light Company's gathering company which indicated same was a non-profit company. Mr. Price displayed a copy of this statement for review by members of Commission verifying same.

Mayor Garrison expressed his concern for more information regarding an explanation for Texas Power & Light Company spending a billion and a half dollars for the next four years. Mayor Garrison inquired as to how much power presently existed and how much could be expected for the future and if our area was growing this fast. Mayor Garrison desired information on rates from other cities to include Longview, Marshall and Texarkana and more information regarding changes in the fuel level from 20¢ to 70¢. Mayor Garrison asked Mr. Manning to furnish information at next regular meeting, if possible, regarding Texas Power & Light Company's net earnings and what increase would be anticipated if 11 percent increase was approved.

Mr. Price displayed estimates to members of Commission regarding peak demands of Texas Power & Light Company at the end of 1974, which indicated megowatt demands in the next 10 years would triple. Mr. Price further stated that Texas Power & Light Company had not considered a rate cutback program for its company inasmuch as the company felt it was necessary to provide electrical service, if possible. Mr. Price also stated that the State of Texas had enjoyed low gas rates for years with good gas reserves and northern states had been without reserves for years. Mr. Price stated that the State of Texas was now experiencing shortages and increases were essential.

Mayor Garrison stated that he was of the opinion the City of Lufkin was not growing at the rate of demand as indicated on Texas Power & Light Company levels. Comm. Joe E. Rich inquired regarding solar energy and Mr. Price stated that same was in an experimental stage and initial cost of same was prohibitive.

Mayor Garrison explained the position of the City Commission to determine whether or not Texas Power & Light Company would receive a reasonable rate of return on their investment and whether or not current public and future needs were being satisfied. Mayor Garrison further stated that this Commission had responsibilities both to the citizens of Lufkin and to Texas Power & Light Company in this regard.

Mayor Garrison recognized Mr. Eugene Stancil from the Herty community, who explained his concern for the elderly and increased cost of utilities. Mayor Garrison explained that the City Commission had a special consciousness of this fact and would consider same prior to final determination of increase request.

Comm. Pat Foley made motion to postpone Texas Power & Light Company's increase request until next regular meeting to obtain answers to various questions presented inasmuch as proposal was not effective until October, 1975. Motion was seconded by Comm. Joe E. Rich and a unanimous affirmative vote was recorded.

7. Zone Change Approved 1st Reading-Jeanette M. Harrison from R-2 District to LB & C District, Special Use (Erection of On-Premise Sign in Excess of 36 Square Feet)

Mayor Garrison recognized Mr. Sumner Williams, attorney appearing in representation of zone change application by Jeanette M. Harrison from R-2 District to LB and C District & Special Use (Erection of On-Premise Sign in Excess of 36 Square Feet) covering property located between North Raguet and Douglas Streets and immediately South of Oak Street. Mayor Garrison stated that this zone change application had been recommended by the City Planning and Zoning Commission and Comm. W. O. Ricks, Jr., inquired as to what type of business was being considered for location. Mr. Williams stated that a drive-in grocery was being considered to include the location of a gas sign the same as constructed by Okay Food Stores throughout the city.

There were no persons present appearing in opposition to zone change request. Comm. Pat Foley made motion that zone change application by Jeanette M. Harrison from R-2 District to LB and C District & Special Use (Erection of On-Premise Sign in Excess of 36 Square Feet) be approved on first reading of ordinance. Motion was seconded by Comm. W. O. Ricks, Jr., and a unanimous affirmative vote was recorded.

8. Zone Change Approved 1st Reading-W. O. "Bill" Roberts from R-1 District to LB District

Mayor Garrison stated that Mr. Herman Bate was present in representation of zone change application by W. O. "Bill" Roberts from R-1 District to LB District covering property located between Loop 287 and Largent Street, immediately South of property owned by John E. Moreland.

Comm. Pat Foley inquired as to what type of business would be located on this property and Mr. Bate stated that his client had no specific planned use at the present time, but a possibility had been discussed regarding the location of a furniture store, gift shop or professional office buildings.

There were no persons present appearing in opposition to zone change request. Comm. W. O. Ricks, Jr., made motion that zone change application by W. O. "Bill" Roberts from R-1 District to LB District be approved on first reading of ordinance. Motion was seconded by Comm. Pat Foley and a unanimous affirmative vote was recorded.

9. Zone Change Approved 1st Reading-E. Gordon Horn from R-1 and R-3 Districts to LB District

Mayor Garrison stated that zone change application by E. Gordon Horn from R-1 and R-3 Districts to LB District covering property located North of Cunningham Drive at intersection of Cunningham Drive and Ford Chapel Road had been recommended by the City Planning and Zoning Commission. Mayor Garrison recognized Mr. Sumner Williams appearing in representation of application by Mr. Horn.

It was briefly discussed that Mr. Frank Feazell, a property owner across the street from proposed zoning, had appeared in opposition to zone change at the City Planning and Zoning Commission meeting. A brief discussion also developed regarding the possibility of zone change being a spot zone, but no determination to this effect was concluded by the Commission.

There were no persons present appearing in opposition to zone change request. Comm. R. A. Brookshire made motion that zone change application by E. Gordon Horn from R-1 and R-3 Districts to LB District be approved on first reading of ordinance. Motion was seconded by Comm. W. O. Ricks, Jr., and a unanimous affirmative vote was recorded.

10. Zone Change Approved 1st Reading-L. Richardson & Son from R-2 and LB Districts to C District

Mayor Garrison stated that zone change application by L. Richardson & Son from R-2 and LB Districts to C District covering property located West of FM 58 and South of Virgil Street near intersection of Chestnut Street and Denman Avenue had been recommended by the City Planning and Zoning Commission. Mayor Garrison recognized Mr. Tommy Deaton, attorney appearing in representation of zone change application.

Mr. Deaton stated that the City Planning and Zoning Commission had stipulated easement not be considered in application, if possible, inasmuch as a property owner had been concerned about the use of same. Mr. Deaton further stated that he had written City Secretary a letter to this effect removing the easement from the application. Mr. Deaton also stated that Mr. Richardson may possibly sell this narrow easement to the adjacent property owner in the future.

Comm. Pat Foley inquired as to whether or not a C zone was necessary. Mr. Deaton stated that a C zone was essential due to the need for a storage facility on the property in the future.

There were no persons present appearing in opposition to zone change request. Comm. Pat Foley made motion that zone change application by L. Richardson & Son from R-2 and LB Districts to C District be approved on first reading of ordinance. Motion was seconded by Comm. R. A. Brookshire and a unanimous affirmative vote was recorded.

11. Zone Change Approved 1st Reading-Page Perry from CB District to C District & Special Use, Art. XV, Section 16 (Private Clubs)

Mayor Garrison stated that zone change application by Page Perry from CB District to C District & Special Use, Art. XV, Section 16 (Private Clubs) covering property located South of Burke Street between S. First and S. Second Streets, formerly Old Elks Lodge, had been recommended by the City Planning and Zoning Commission with a majority vote. Mayor Garrison further stated that Mr. Wilson McVicker, attorney was present in representation of zone change application.

Mr. McVicker stated that the City Planning and Zoning Commission had stipulated all proposed parking plans be approved by the Building Inspector prior to consideration by this Commission on first reading. City Secretary reported that these parking plans were available and had been approved by the Building Inspector as requested by the City Planning and Zoning Commission.

City Attorney Flournoy requested that Mr. McVicker submit copies of lease agreement for parking and same should be made a part of application and be available for review, if necessary. City Attorney Flournoy further stated that providing these lease agreements for parking should ever be discontinued, Special Use consideration for Private Club should be declared null and void.

There were no persons present appearing in opposition to zone change request. Comm. Pat Foley made motion that zone change application

by Page Perry from CB District to C District & Special Use, Art. XV, Section 16 (Private Clubs) be approved on first reading of ordinance with the stipulation that lease agreements be filed in the office of City Secretary to verify the availability of parking. Motion was seconded by Comm. Joe E. Rich and a unanimous affirmative vote was recorded.

12. Zone Change Approved 1st Reading - A. E. Poulan from R-3 District to NR District

Mayor Garrison stated that zone change application by A. E. Poulan from R-3 District to NR District covering property located South of Lilac Street and North of U. S. Highway 69 South behind Poulan's Rite-Way Air Conditioning had been recommended by the City Planning and Zoning Commission.

There were no persons present appearing in opposition to zone change request. Comm. W. O. Ricks, Jr., made motion that zone change application by A. E. Poulan from R-3 District to NR District be approved on first reading of ordinance. Motion was seconded by Comm. Joe E. Rich and a unanimous affirmative vote was recorded.

13. R. B. Thompson - Request for Abandonment of Easement Approved - Westbury Second Addition

City Attorney Flournoy explained that the City Planning and Zoning Commission had recently recommended approval for abandonment of five-foot easement to Mr. R. B. Thompson located at the North boundary lines of Lots 6, 7, 8 and 9, Block 5 of the Westbury Second Addition. City Attorney Flournoy stated that the City had no need for this property and any property right given up by the City must be signed by the Mayor and under the new state law, same must be conveyed for its fair market value involving the attainment of an appraisal. City Attorney Flournoy further stated that deeds must be prepared to each property owner involved granting easement to their prospective properties and City Tax Assessor-Collector Roy Sinclair had valued entire easement in the amount of \$20.

Comm. W. O. Ricks, Jr., made motion that resolution be approved authorizing Mayor Garrison to abandon this five-foot easement and convey same to all property owners included for fair market value as explained by City Attorney Flournoy. Motion was seconded by Comm. E. C. Wareing and a unanimous affirmative vote was recorded.

14. Revenue Sharing Budget - Disc.

Comm. R. A. Brookshire asked City Manager Westerholm when Revenue Sharing Budget was prepared. City Manager Westerholm stated that the Revenue Sharing Budget was submitted each year in conjunction with the annual budget for the City. Comm. R. A. Brookshire stated that a citizen had recently inquired as to the reason for not being extended City sewer service. Comm. R. A. Brookshire stated that he was of the opinion that with the completion of the new sewer plant, all citizens within the City would be extended service and he was concerned that Revenue Sharing money should be made available to extend these services, if possible, prior to accommodating any new annexation requests.

A brief discussion developed in this regard and it was determined that the completion of the new sewer plant placed the City in a position to extend sewer service in almost all areas with only a few exceptions where greater distances were involved on lines. It was also discussed that some individuals had not received sewer service due to the fact that recent rains had prohibited construction. Comm. W. O. Ricks, Jr., expressed his concern that the City had made many strides of progress in the extension of sewer service and the bulk of this program had been completed.

15. Resolution of Commendation Approved - W. H. Shoop - City Planning & Zoning Commission

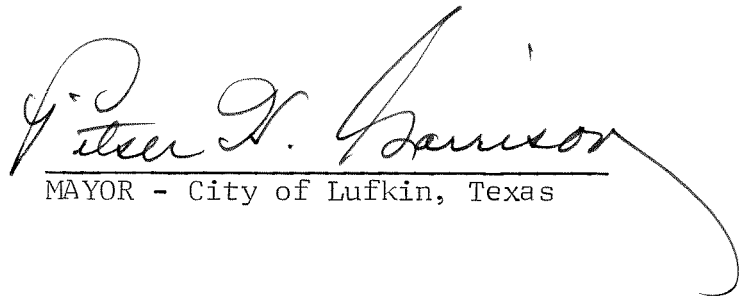
Comm. Joe E. Rich stated that the City Planning and Zoning Commission had recently lost a member, W. H. Shoop, who was reassigned

into another job outside the City and suggested members of Commission, in keeping with its standard tradition, consider a resolution of commendation to Mr. Shoop for his services with the City Planning and Zoning Commission over the past year. Comm. Joe E. Rich made motion that resolution of commendation be presented to Mr. Shoop commending Mr. Shoop for his services with the City Planning and Zoning Commission during 1974-75. Motion was seconded by Comm. R. A. Brookshire and a unanimous affirmative vote was recorded.

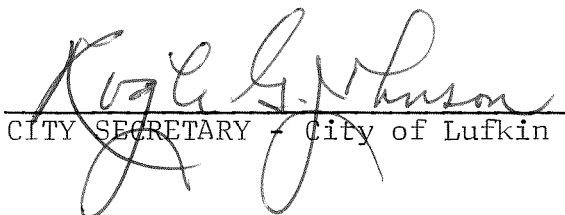
Mayor Garrison instructed City Attorney to prepare resolution in accordance with motion as approved.

16. Adjournment

There being no further business for consideration, meeting adjourned at 9:35 P. M.

  
MAYOR - City of Lufkin, Texas

ATTEST:

  
CITY SECRETARY - City of Lufkin