

MINUTES OF REGULAR MEETING OF THE CITY COMMISSION OF THE CITY OF LUFKIN, TEXAS, HELD ON THE 3RD DAY OF JULY, 1984, AT 7:30 P.M.

On the 3rd day of July, 1984, the City Commission of the City of Lufkin, Texas, convened in regular meeting in the Council Chambers of City Hall with the following members thereof, to-wit:

Pitser H. Garrison	Mayor
Don Boyd	Commissioner, Ward No. 2
Lynn Malone	Commissioner, Ward No. 3
Pat Foley	Commissioner, Ward No. 4
Jack Gorden, Jr.	Commissioner, Ward No. 5
Louis Bronaugh	Commissioner, Ward No. 6
Harvey Westerholm	City Manager
Brian Boudreaux	Assistant City Manager
Robert Flournoy	City Attorney
Ann Griffin	City Secretary
Lori Nix	Assistant City Secretary
Ron Wesch	Public Works Director

being present, and

Percy Simond, Jr. Commissioner, Ward No. 1

being absent when the following business was transacted.

1. Meeting opened with prayer by Commissioner Louis Bronaugh in absence of Reverend Andrew Berry of Goodwill Baptist Church, Lufkin.
2. Mayor Garrison welcomed visitors present.

3. Approval of Minutes

Motion was made by Commissioner Pat Foley and seconded by Commissioner Louis Bronaugh that minutes of regular meeting of June 19, 1984, be approved as presented. A unanimous affirmative vote was recorded.

4. Ordinance - Approved - Second Reading - "Reinvestment Zone" - Tax Abatement Program - Lufkin Hotel Company

Mayor Garrison stated that Ordinance designating "Reinvestment Zone" for Lufkin Hotel Company covering property located in Block 5, Lots 7 through 14 and east part of Lot 15 of the Original Town of Lufkin had been approved on first reading at last meeting of this Commission. There was no opposition present.

Motion was made by Commissioner Pat Foley and seconded by Commissioner Jack Gorden that Ordinance be approved on second and final reading as presented. A unanimous affirmative vote was recorded.

5. Ordinance - Approved - Second Reading - Rate Increase - Cablecom of Lufkin

Mayor Garrison stated that Ordinance had been approved on first reading at last meeting of this Commission for an increase in rates for Cablecom of Lufkin contingent on receipt of additional information regarding rates of other cities and an independent audit of the company. Mayor Garrison stated that William James, President of Cable Division of Capitol Cities, was present to answer any questions.

In response to question by Commissioner Lynn Malone, Mr. James stated that an error had been made in figures previously submitted to the City Commission by the inclusion of investments in Diboll and Burke system in the figures for the Lufkin system. Mr. James further stated that because of error the rate of return should have been shown as 10 percent and the error had been discovered when work was begun on the audit.

In response to question by Commissioner Lynn Malone, City Manager Westerholm stated that the report of rates in cities around Lufkin had been verified by calls to the different cities.

Motion was made by Commissioner Louis Bronaugh and seconded by Commissioner Lynn Malone that Ordinance be approved on second and final reading as presented. A unanimous affirmative vote was recorded.

6. Ordinance - Approved - Second Reading - Lufkin designated "Tree City, U.S.A."

Mayor Garrison stated that an Ordinance designating Lufkin as "Tree City, U.S.A." had been approved on first reading at last meeting of this Commission with revisions as proposed by the City Commission.

Commissioner Lynn Malone stated that in the Ordinance under Section 2 - Term of Office, the sentence that reads, "The term of the five persons to be appointed by the Mayor..." should say, "The term of the five persons to be appointed by the City Commission..." Commissioner Malone also stated that under Section 6, the word procedural should be added in the first sentence which would read, "The Board shall choose its own officers, make its own procedural rules and regulations and keep a journal of its proceedings."

Commissioner Jack Gorden stated that the City of Lufkin could accomplish the beautification ideas listed in the Ordinance without establishment of the Board as provided. Commissioner Gorden stated that he had misgivings about the Ordinance which would create, by law, a Board to oversee the cutting and trimming of trees, because it would place an unnecessary burden on the City.

Commissioner Pat Foley stated that he did not object to the Ordinance in general but it will be burdensome for the City of Lufkin to operate under the proposed Ordinance which would require that the City Staff go through a committee to remove a tree from one of the City parks.

Commissioner Louis Bronaugh stated that the City Commission has lost sight of the primary objectives of the Ordinance and asked that Nancy Chancellor of the Beautification Committee of the Angelina County Chamber of Commerce restate the purpose.

Nancy Chancellor stated that if the City Commission chooses not to adopt the Ordinance as presented, the City of Lufkin will not receive the designation of "Tree City, U.S.A." because the Ordinance is a prerequisite to that designation.

Commissioner Jack Gorden stated that he would be very much interested in the City of Lufkin receiving that designation but the stipulations set forth in the Ordinance are excessive.

Mrs. Chancellor stated that every effort had been made to produce an Ordinance that the City of Lufkin could work with in order to prepare the way for the designation of "Tree City, U.S.A." Mrs. Chancellor further stated that the City Commission would appoint the Tree Board and would have the right to override any decision that causes a problem for the City of Lufkin. Mrs. Chancellor stated that the Ordinance is an attempt to make the City aware that no financial requirements are placed on the City, and did not understand the City Commission's displeasure with the Ordinance as presented. Mrs. Chancellor stated that a part of her job as the Chairman of the Beautification Committee of the Angelina County Chamber of Commerce is to have the City declared, "Tree City, U.S.A." and she could not move forward with this job without approval of the proposed Ordinance. Mrs. Chancellor stated that presently there are five (5) cities in the State of Texas that have received this designation.

Commissioner Pat Foley stated that other than the designation of "Tree City, U.S.A." the City of Lufkin could accomplish the same purpose without approval of an Ordinance.

Commissioner Louis Bronaugh stated that the original purpose of the Ordinance is beautification of the City of Lufkin and an effort to create an awareness of the beautification program in its citizens.

Mayor Garrison stated that the Ordinance is not harmful and will not be a vehicle by which anyone could take advantage of a property owner in the City of Lufkin. Mayor Garrison stated that this is a prerequisite to complying with the Keep America Beautiful project and the cooperation of the City Commission was needed.

Motion was made by Commissioner Louis Bronaugh that second reading of the Ordinance be tabled until a full Commission was present. A second was not received and Mayor Garrison declared that motion died for lack of a second.

In response to question by Commissioner Lynn Malone, City Attorney Flournoy stated that Section 18 of the Ordinance provides that the City Commission has the right to review the conduct and the action of the Tree Board and if the Ordinance becomes burdensome to the City it could be repealed. Commissioner Jack Gorden stated that the Board would be able to make specific recommendations to the City Commission which presents a problem.

Mayor Garrison stated that members of the Beautification Committee have worked hard to beautify the City of Lufkin and two (2) awards have been received from the State due to their efforts. Mayor Garrison further stated that the Chamber of Commerce, Garden Clubs, and the Beautification Committee have all worked hard to make the community a more beautiful place and as an acknowledgement of their fine work, the City Commission should give them the opportunity to qualify the City of Lufkin for the designation of "Tree City, U.S.A."

In response to question by Commissioner Pat Foley, City Attorney Flournoy stated that the City Commission could appoint themselves as the Tree Board. Mayor Garrison stated that the Board consists of five (5) members and three (3) of those members could be City Commissioners. Commissioner Pat Foley stated that the appointment of three (3) Commissioners to the Tree Board would not answer all of his objections but would allow him to vote for the Ordinance.

Motion was made by Commissioner Louis Bronaugh and seconded by Commissioner Pat Foley that the Ordinance be approved with the following revisions:

Section 2 - "There is hereby created and established a City Tree Board for the City of Lufkin, Texas which shall consist of five (5) members, three (3) of whom will be members of the City Commission, the other two (2) members will be citizens and residents of this City and shall be appointed by the City Commission."

Section 2 - Term of Office - "The term of the five (5) persons to be appointed by the City Commission..."

Section 6 - "The Board shall choose its own officers, make its own procedural rules and regulations..."

A unanimous affirmative vote was recorded.

7. Zone Change - Approved - First Reading - Joan Bentley Warren - RL to RS

Mayor Garrison stated that zone change request for permanent mobile home by Joan Bentley Warren covering property located at 508 Shady Pine between Lufkin Avenue and South Medford Drive from Residential Large to Residential Small had been recommended for approval by the Planning and Zoning Commission. There was no opposition present.

Motion was made by Commissioner Don Boyd and seconded by Commissioner Pat Foley that Ordinance be approved on first reading as presented. A unanimous affirmative vote was recorded.

8. Zone Change - Approved - First Reading - James Kizzie - A to RS

Mayor Garrison stated that zone change request for permanent mobile home by James Kizzie covering property located at 212 Oak Avenue between Cain and Maple Streets from Apartment to Residential Small had been recommended for approval by the Planning and Zoning Commission. There was no opposition present.

Motion was made by Commissioner Don Boyd and seconded by Commissioner Pat Foley that Ordinance be approved as presented. A unanimous affirmative vote was recorded.

9. Zone Change - Approved - First Reading - Don & Benita Graham - RL to RM

Mayor Garrison stated that zone change request by Don & Benita Graham covering property located at 905 Shady Pine between Lufkin Avenue and South Medford Drive from Residential Large to Residential Medium had been recommended for approval by the Planning and Zoning Commission. There was no opposition present.

Motion was made by Commissioner Louis Bronaugh and seconded by Commissioner Don Boyd that Ordinance be approved on first reading as presented. A unanimous affirmative vote was recorded.

10. Zone Change - Deferred - Larry L. Powers D/B/A Steaks of Lufkin - C to C, SU (Private Club)

Mayor Garrison stated that zone change request by Larry L. Powers doing business as Steaks of Lufkin covering property located at 211 South Timberland Drive between Denman Avenue and Chestnut Drive from Commercial to Commercial, Special Use (Private Club) had been recommended to the City Commission for approval by the Planning and Zoning Commission. Mayor Garrison stated that applicant had requested that the zone change be deferred until additional information could be gathered.

11A. Ordinance - Approved - First Reading - Curb and Gutter - Franklin Street

Mayor Garrison stated that a curb and gutter petition had been received from property owners on Franklin Street. Mayor Garrison stated that owners of 70 percent of the property facing Franklin Street have signed a petition in favor of the curb and gutter and the Planning and Zoning Commission had given a favorable recommendation.

Mayor Garrison recognized Ed Wagoner, resident in the area, who stated that he did not have property on Franklin Street but construction of the curb and gutter on this street would relieve drainage problems on Markus Street. Mr. Wagoner further stated that installation of the curb and gutter would allow water from the heavy rains to flow through the ditch at the back of the property that fronts on Markus Street lessening the drainage problem in the area.

In response to question by Commissioner Pat Foley, City Manager Westerholm stated that Memorial Hospital will pay for all the curb and gutter and paving from Ellis to Newsom Street.

City Attorney Robert Flournoy stated that four (4) property owners on Franklin Street had refused to sign the curb and gutter petition and a lien could not be enforced against homestead property. Mayor Garrison stated that he understood that a lien against homestead property could not be the basis for a foreclosure but sale of the property would be subject to the lien. Mayor Garrison stated that those refusing to sign the petition should be visited to ascertain if they are still opposed to curb and gutter on Franklin Street. Mayor Garrison further stated that curb and gutter is for the benefit for the entire City, as well as the people living in the area.

In answer to question by Commissioner Jack Gorden, City Attorney Robert Flournoy stated that if the property owner consented to a lien being placed on his homestead property then it becomes an improvement and could be collected.

Mayor Garrison stated that one of the property owners that refused to sign the petition was Mr. C. C. Steed, whom he had dealings with in the past, and had always found Mr. Steed to be reasonable but a considerable amount of property on Franklin Street belonged to Mr. Steed increasing his cost.

Commissioner Louis Bronaugh stated that Mr. Steed had a rent house on Lot 1 Block 8 which would not allow this property to be considered as a homestead.

There was no opposition present.

In response to question by Mayor Garrison, City Manager Westerholm stated that the City would bear the expense of curb and gutter to the property of those refusing to sign.

Mayor Garrison stated that those refusing to sign own property below Markus Street and requested information on whether project could be stopped at this point. City Manager Westerholm stated that curb and gutter ending at Markus Street would not meet all of the drainage problem.

Commissioner Pat Foley stated that the City of Lufkin should proceed

with the curb and gutter on Franklin Street with the hope that sometime in the future, payment could be received from those objecting.

Motion was made by Commissioner Louis Bronaugh and seconded by Commissioner Pat Foley that Ordinance be approved on first reading on Franklin Street curb and gutter project and Ordinance be prepared by City Attorney for second reading at next meeting of this Commission. A unanimous affirmative vote was recorded.

Mayor Garrison stated that he would like to request that someone from the City Staff visit with property owners who have not signed the petition in an attempt to receive their cooperation.

11B. Ordinance - Approved - First Reading - Curb and Gutter - Calvin Street

Mayor Garrison stated that a curb and gutter petition had been recommended to the City Commission for approval by the Planning and Zoning Commission for Calvin Street and that this project is not as expensive as Franklin Street because there is no necessity for drainage structures to be constructed. There was no opposition present.

Motion was made by Commissioner Don Boyd and seconded by Commissioner Pat Foley that Ordinance be approved on first reading approving curb and gutter project as presented. A unanimous affirmative vote was recorded.

Mayor Garrison stated that Ordinance should be presented by City Attorney for next meeting of this Commission.

12. 100% Tax Abatement Request - Denied - William George Company

Mayor Garrison stated that a request had been received from the William George Company that a 100 percent Tax Abatement be granted on his new construction on Highway 69 by the Railroad Overpass instead of implementation of the declining schedule represented in the Tax Abatement Agreement.

Mayor Garrison recognized John Fleming, Attorney, who stated that his client would like to request that 100 percent of his investment receive tax abatement credit. Mr. Fleming stated that he would like to remind the City Commission that recently a "Reinvestment Zone" had been approved for the William George Company for their property on the south side of Kurth Drive. Mr. Fleming stated that the property is to be developed by the William George Company and that his client had understood that 100 percent of his investment would receive Tax Abatement credit. Mr. Fleming stated that the Ordinance designating the "Reinvestment Zone" did not mention anything regarding a sliding scale of Tax Abatement and that if Mr. George had been aware of the sliding scale he would have requested that the entire amount be abated at the time the "Reinvestment Zone" was approved.

City Attorney Robert Flournoy stated that the Ordinance only speaks to the term of the Tax Abatement and that the State statute provides that the City Commission can abate all or a portion of the investments. City Attorney Flournoy stated that a copy of the agreement which includes this sliding scale for tax abatement had not been provided to Mr. George or his Attorney previously.

Mr. Fleming stated that if his client had been aware of the sliding scale, the request would have been made for the total abatement and the City Commission has the authority to treat each "Reinvestment Zone" individually.

Mayor Garrison stated that the 100 percent Tax Abatement had been addressed previously when the buyers of the Angelina Hotel, in which Mr. George has an interest, had requested that the Commission approve 100 percent abatement of their project.

Mr. Fleming stated that there was a difference between the renovation on the Angelina Hotel and the construction of Mr. Goerge's business because of the condition of the surrounding area on Kurth Drive. Mr. Fleming further stated that he understood that the buyer of the Hotel property had consented to the wishes of the City Commission to impose the sliding scale of Tax Abatement.

Murphy George stated that he had a misunderstanding regarding the Tax Abatement Program and his request was totally unrelated to the Angelina Hotel request. Mr. George stated that the project had been planned for five (5) years but actual construction had not begun because he has a small independent company with only fair earnings. Mr. George stated that his inducement to begin the construction was when his accountant advised him that he would be able to complete the project with the use of Industrial Revenue Bonds, Tax Abatement, and relief from insurance requirements. Mr. George stated that originally the project was designed to be constructed outside the City limits and the Industrial Revenue Bonds were obtained from the Angelina and Neches River Authority. Mr. George stated that in 1983 when he learned of the Tax Abatement Program he went to Austin and had the location of the business changed for development inside the City of Lufkin because he was told that the present taxes on the property would be frozen at 100 percent abatement.

Mayor Garrison stated that at this point the City had not been consulted regarding the Tax Abatement Program.

Mr. George stated that when he requested that the term of the Tax Abatement be increased from 10 to 15 years, he did not know about the sliding scale for Tax Abatement. Mr. George stated that when it came time to sign the Tax Abatement agreement he learned that the entire amount would not be under the Tax Abatement Program. Mr. George stated that he had been told that his company would not be able to service the debt unless the Industrial Revenue Bonds and the 100 percent Tax Abatement was received. Mr. George stated that the Tax Abatement Program is contrary to the Industrial Revenue Bond Program which only allows issuance of the bonds in one (1) million dollar increments. Mr. George stated that the Tax Abatement Program does not encourage large projects.

Mayor Garrison stated that the School, County, and City taxes would all be abated under the Tax Abatement Program and the Program would allow Abatement of \$10,000 per year if the project were completed. Mayor Garrison stated that if 100 percent Tax Abatement were provided, Mr. George would be paying taxes of \$400 per year on a two (2) million dollar project. Mayor Garrison stated that the City of Lufkin had agreed to extend the life of the Tax Abatement to 15 years. Mayor Garrison further stated that under the Industrial Revenue Bonds the percentage rate would be 9.1 percent and if Mr. George had conventional financing he would be paying a rate of 13.5 percent. Mayor Garrison stated that as a result of the Tax Abatement Program and the Industrial Revenue Bonds, Mr. George would be saving on his interest rate and saving \$10,000 per year on taxes.

In response to question by Commissioner Lynn Malone, City Attorney Flournoy stated that when a Tax Abatement Program is requested, it is customary for the applicant to obtain a copy of the Ordinance and Agreement for study before the City Commission considers the request. City Attorney Flournoy stated that it is possible that Mr. George did not see a copy of the Agreement until he was asked to sign.

Mr. Fleming stated that apparently the Ordinance which sets forth the procedure does not address the schedule of Abatement and there would not be an attempt to go through the minutes of previous City Commission meetings to ascertain if anything outside the Ordinance addressed this issue.

City Attorney Flournoy stated that a request for Tax Abatement had not been presented to the City Commission on a project that exceeded the \$100,000 level.

Mayor Garrison stated that the declining schedule is to help the smaller investor and as the project becomes larger, a 100 percent Tax Abatement would take money from all taxing agencies. Mayor Garrison further stated that a saving of \$10,000 per year is substantial and the City of Lufkin, by granting the 100 percent Tax Abatement, would be forcing other taxing entities to do the same.

John Fleming stated that he would like to acknowledge that the City of Lufkin has been cooperative and granted substantial con-

cessions to Mr. George, but the William George Company is constructing a large project and upgrading the surrounding area which has resulted in a substantial risk for Mr. George and his partners. Mr. Fleming stated that he and his client were only present at the City Commission meeting to ask that consideration be given to granting a full Tax Abatement to this project.

Mayor Garrison requested a motion, none was offered and Mayor Garrison declared the issue denied in the absence of a motion to approve.

In response to question by Commissioner Pat Foley, City Attorney Flournoy stated that the declining Tax Abatement schedule is a part of the agreement and he did not think that it should become a part of the Ordinance. Mayor Garrison stated that the declining Tax Abatement schedule should be included in the Ordinance to prevent this type of misunderstanding in the future.

13. Architectural Proposals - Tabled - City Hall Feasibility Study

Mayor Garrison stated that City Hall feasibility studies had been received and tabulated from various architects concerning construction of the new City Hall.

Commissioner Louis Bronaugh stated that he would like to have a workshop where the Commissioners could visit with the architects at length regarding their different proposals.

Mayor Garrison stated that the City had requested a bid on a feasibility study and general information regarding what the present needs are, what the needs will be in the future, and how the needs could be met, were needed from these different firms. Commissioner Louis Bronaugh stated that of the six (6) proposals submitted, there will be six (6) different studies given and each firm will disagree on what should be done.

Mayor Garrison stated that bids had been received and that a low bid had been submitted by Morgan, O'Neal, Hill, and Sutton who have done previous satisfactory work for the City.

John Dudley, of Dudley and Associates, stated that each architectural firm had arrived at a cost estimate by different methods, and he would be in favor of a workshop session, where each firm could address each point of the bid request to allow the City Commission to compare bids.

Commissioner Pat Foley stated that he felt this would be a good topic of discussion for a workshop session and Commissioner Simond, who had begun consideration of a new City Hall, was absent, and action should be delayed to allow him to be present for discussion regarding this matter.

Commissioner Don Boyd stated that the difference in prices indicated that each firm had approached this situation differently. Commissioner Boyd further stated that the City Commission needed to know what was included in the low bid which could be accomplished at a workshop session.

Motion was made by Commissioner Don Boyd and seconded by Commissioner Louis Bronaugh that the item be tabled until a workshop session could be scheduled.

Commissioner Jack Gorden stated that the City Commission had received bids based on the requirements set out in the specifications and each firm might simply go down the list of items requested at a workshop session.

Commissioner Lynn Malone stated that between now and the workshop session, Assistant City Manager Brian Boudreaux could obtain information and provide a sheet listing the disadvantages and advantages to avoid a long discussion with each firm.

Mayor Garrison stated that a written statement needs to be provided rather than a direct interview.

Commissioner Jack Gorden stated that he would like to know how the financing of the building would be obtained.

Mayor Garrison stated that there were different ways the City of Lufkin could finance a new City Hall, either by bond issue or certificates of obligation. Mayor Garrison further stated that if certificates of obligation were issued the City would have to provide a statement to the method of financing and the certificates would be sold either to individuals or companies.

In response to question by Commissioner Jack Gorden, City Manager Westerholm stated that the lost bond rating for the City of Lufkin was B-AA. Mayor Garrison stated that the reason for this rating was that the City of Lufkin did not meet the United Fund budget one year.

Mayor Garrison stated that the workshop would be a waste of time and that a written proposal should be obtained from each architectural firm regarding what the bid included and the workshop would then be held with each firm being invited to appear. Mayor Garrison stated that he felt obligated once written bids were received to take the low bid.

Motion was made by Commissioner Don Boyd and seconded by Commissioner Louis Bronaugh that the previous motion be amended to table this item until further information could be received with the submission of a detailed analysis of what the feasibility study will contain. A unanimous affirmative vote was recorded.

Mayor Garrison stated that the architectural firms should submit a more detailed analysis of what they were proposing by the next meeting of the City Commission. Mayor Garrison state that the analysis would then be studied and if a workshop is needed same would be scheduled.

14. Appointments Approved - Deep East Texas Council of Governments - Board of Directors

Mayor Garrison stated that a request had been received from DETCOG that four (4) appointments be made to the Board of Directors from the Lufkin City Commission. Mayor Garrison further stated that the four (4) former members were: Pat Foley, E. C. Wareing, Richard Thompson, and Don Boyd. Mayor Garrison stated that he had received a note from Commissioner Percy Simond saying that he is ill and requesting that he not be considered for appointment to the Board of Directors. Mayor Garrison stated that the procedure in the past had been to appoint members in their order of seniority.

Commissioner Pat Foley stated that he would be willing to relinquish his seat on the Board of Directors to allow the three (3) new City Commissioners to serve.

Motion was made by Commissioner Pat Foley and seconded by Commissioner Don Boyd that the new members to the Board of Directors be: Don Boyd, Lynn Malone, Jack Gorden, and Louis Bronaugh. A unanimous affirmative vote was recorded.

15. Ordinance - Action Deferred - Rate Schedule - Texas Power & Light - PUC Recommendation

Mayor Garrison stated that the Commission now had for consideration an Ordinance approving a rate schedule change by the Texas Power & Light Company and requested City Attorney Robert Flournoy provide his recommendations to the City Commission.

City Attorney Flournoy stated that in the April City Commission meeting, Texas Power & Light Company's rates were suspended for a ninety (90) day period which extended until July 12, 1984. City Attorney Flournoy stated that in the Resolution approved at that meeting, it was stated that the intention of the City Commission was to adopt rates as adopted by the Public Utilities Commission (PUC). City Attorney Flournoy stated that the Public Utilities Commission was making a recommendation as well as the Texas Municipal League. City Attorney Flournoy stated that he had met with Bob Brown, of the Texas Power & Light Company, and they have assured him that no rates will be put into effect until a final order is received from the Public Utilities Commission. City Attorney Flournoy stated that if the City Commission set rates at the present time, Texas Power and Light Company would appeal, and he would recommend that no action be taken at this time regarding the

rate increase. City Attorney Flournoy stated that the electric rates will remain in effect until action is completed by the Public Utilities Commission. City Attorney Flournoy stated that Bob Brown had provided him with a letter stating that it is the intention of Texas Power & Light Company to place rates in effect after same were approved by the Public Utilities Commission.

Due to recommendations by the City Attorney, no action was taken on this item.

16. Sewer Rates - Amended - EPA Administrative Order

Mayor Garrison stated that new sewer rates had been designed to comply with the EPA Administrative Order and that the City Staff had met with all major industries in the City of Lufkin to discuss the proposed rates.

City Manager Westerholm stated that the rates proposed for the City of Lufkin were to insure that each customer on the sewer system pay for the amount of loading that is delivered by him into the sewer system. City Manager Westerholm stated that all industries in the City of Lufkin will be tested and their bills will be based on the analysis of that testing.

Motion was made by Commissioner Pat Foley and seconded by Commissioner Louis Bronaugh that Ordinance be approved on first reading establishing the rates as presented in the proposed schedule.

The following vote was recorded: Aye: Mayor Garrison, Commissioners Gorden, Foley, Boyd, Bronaugh. Nay: Commissioner Malone. Mayor Garrison declared motion approved by vote of five (5) to one (1).

Commissioner Malone stated that the problem with the present sewer system is created by industries and the residents should not bear the cost. Mayor Garrison stated that the EPA had informed the City of Lufkin that all users of the sewer system should be put on a schedule to pay their portion of the usage and the problem with the Water Pollution Control Plant is not necessarily caused by industrial users. Mayor Garrison stated that the proposed Ordinance is an attempt to allocate cost of handling the volume of domestic usage.

City Manager Westerholm stated that automatic sampling devices will be placed in manholes to collect samples of high industrial users to insure that the industrial users causing the biggest load on the sewer plant will pay their portion of the cost. City Manager Westerholm further stated that inflow and infiltration is divided between all customers because it is impossible to measure these items.

Commissioner Pat Foley stated that large industrial users will cut back on their usage because of the increased rates which might result in a loss of revenue to the City of Lufkin.

City Manager Westerholm stated that if everyone uses the same strength of sewage and amount of water, the City should receive \$1,400,000 more in revenue in a year. City Manager Westerholm stated that the City of Lufkin would raise an additional \$200,000 more in revenue if all customers proceeded in the same manner.

Mayor Garrison stated that he was impressed that the large industrial users were not present in opposition to the proposed rate increase. City Manager Westerholm stated that most of the large users have realized that any other procedure would be more expensive than working with the City on the rate increases.

Commissioner Don Boyd stated that residents who have fixed incomes will be adversely effected by the increased rates.

City Manager Westerholm stated that proposed rates were based on the actual cost of operating the Water Pollution Control Plant and that the procedure for establishing the rate was suggested by the EPA.

17. Executive Session - Tabled - Planning & Zoning Appointment

Mayor Garrison stated that an Executive Session had been scheduled for this meeting to consider appointment of a member of the Planning and Zoning Commission due to an expired term, but because Commissioner Percy Simond is absent this item will be deferred until a full Commission is present.

18. Tour of Sealy Electric Plant, Discussed - TML Regional Meeting, Discussed

City Manager Westerholm stated that City Staff and County Staff would be traveling to Sealy, Texas, Thursday, July 5, 1984, at 7:00 a.m. to view a plant that is converting garbage to electricity if any City Commissioner would like to attend.

Commissioner Louis Bronaugh stated that he understood that there was a TML regional meeting on July 19, 1984, and he would like to attend same. City Manager Westerholm stated that a van would be provided and would leave City Hall parking lot at 3:30 p.m.

19. There being no further business for consideration, meeting adjourned at 10:25 p.m.

Pitser H. Garrison
Pitser H. Garrison, Mayor

ATTEST:



Ann Griffin
Ann Griffin, City Secretary