

**MINUTES OF REGULAR MEETING OF THE CITY COUNCIL OF THE  
CITY OF LUFKIN, TEXAS, HELD ON THE  
1ST DAY OF JUNE, 1993 AT 5:00 P.M.**

On the 1st day of June, 1993 the City Council of the City of Lufkin, Texas, convened in regular meeting in the Council Chambers of City Hall with the following members thereof, to wit:

Louis A. Bronaugh  
Don Boyd  
Percy Simond  
Bob Bowman  
Jack Gorden, Jr.  
Tucker Weems

Mayor  
Mayor pro tem  
Councilman, Ward No. 1  
Councilman, Ward No. 4  
Councilman, Ward No. 5  
Councilman, Ward No. 6

being present, and

Larry Kegler

Councilman, Ward No. 3

being absent when the following business was transacted.

1. Meeting was opened with prayer by City Manager C. G. Maclin.
2. Mayor Bronaugh welcomed visitors present. Mayor Bronaugh stated that Councilman Larry Kegler was in the hospital and unable to attend tonight's meeting.

3. **APPROVAL OF MINUTES**

Minutes of the Regular Meeting of May 18, 1993 were approved on a motion by Councilman Don Boyd and seconded by Councilman Tucker Weems. A unanimous affirmative vote was recorded.

4. **BOND ELECTION - LETTER OF SUPPORT - MAIN STREET LUFKIN**

Mayor Bronaugh stated that the first item for consideration was a letter from Main Street Lufkin in support of the Bond Election. The letter was signed by Alan Wade, Main Street President, Don Duran, Past President, Kristi Gay, Secretary-Treasurer, and Dawn Glover, Executive Director.

City Manager Maclin stated that Early Voting had ended at 5:00 p.m. with a record of 1,593 people voting.

5. **RESOLUTION - APPROVED - FLAG DAY - JUNE 14, 1993**

Mayor Bronaugh stated that the next item for consideration was a Resolution proclaiming June 14th as Flag Day in the City of Lufkin. Mayor Bronaugh stated that former City Manager Harvey Westerholm and his wife Jetta will be conducting the Flag Day activities. Mr. Westerholm stated that the Flag Day ceremony will be held at the Pitser Garrison Civic Center beginning at 5:30 p.m., and at 6:00 p.m. local participants will join with the President in reciting the Pledge of Allegiance.

Motion was made by Councilman Don Boyd and seconded by Councilman Tucker Weems that Resolution be approved as presented. A unanimous affirmative vote was recorded.

**6. ORDINANCE - TABLED - SECOND READING - CUSTOMARY HOME OCCUPATIONS - RESIDENTIAL LARGE ZONING DISTRICT - DON WOOD**

Mayor Bronaugh stated that the next item for consideration was Second Reading of an Ordinance amending the Comprehensive Zoning Ordinance to allow "Customary Home Occupations" within Residential Large Zoning Districts.

City Manager Maclin stated that the City Council and Planning & Zoning Commission, in February of 1992, made a definitional change to the Zoning Ordinance to eliminate confusion and to remove the ambiguity of the three different definitions relating to "Home Occupations". City Manager Maclin stated that recently the Planning & Zoning Commission had received a request for consideration of extending a Home Occupation into the Residential Large Zoning District. City Manager Maclin stated that Home Occupations are currently allowed in the Residential Small and Residential Medium Zoning Classifications.

Don Wood stated that his wife has a small arts and crafts business she operates outside the City limits of Lufkin. Mr. Wood stated that they were looking to buy a home inside the City limits where they could operate their business out of their house. Mr. Wood stated that no customers will be coming to the house. Mrs. Wood has 12 different locations around the State where she sells the merchandise. Mr. Wood stated that they will not be erecting a sign, but simply want to produce the goods in the house, which will be framed calligraphy pieces. Mr. Wood stated that in all of the areas they had hoped to buy a house this type business would not be allowed, because they were all zoned Residential Large. Mr. Wood stated that was when they started the process of seeing what they could do to be allowed to have his wife work in their home.

In response to question by Councilman Simond, Mr. Wood stated that under Home Occupations in Residential Small and Medium Zoning Districts, the owner is not allowed to erect a sign, not allowed to create an undue amount of noise, not allowed to have over a certain percentage of the house used in the business, and not allowed to disturb the neighborhood.

In response to question by Councilman Gorden, Mr. Wood stated that he and his wife had investigated having a Home Occupation out of their present house in the City limits. When they decided to move into a larger home (Residential Large), they called and talked with the City Planner to be sure that they would be legal with a Home Occupation in the new home. Mr. Wood stated that the City Planner informed him that Home Occupation would not be allowed in a Residential Large Zoning District.

Councilman Gorden stated that, in his opinion, this is not something that the City Council should be regulating.

Mr. Wood stated that he would like to emphasis to those people who are concerned about a sign being erected, and customers coming to their home, that these items are prohibited by the Zoning Ordinance and he did not plan to erect a sign and customers would not be coming to his home.

City Planner Stephen Abraham passed out information comparing three passages regarding Home Occupations from June, 1963 to February, 1992. The previous definitions were listed under "Residential Medium", No. 21 Customary Home Occupations, and No. 36 Home Occupation. Included in the handout material was a present Home Occupation definition, a comparative list of uses, and an operational comparison. Mr. Abraham stated that the present definition of a Home Occupation received a unanimous vote from the Planning & Zoning Commission and the City Council.

City Planner Abraham stated that the question is whether to treat Residential Large the same as Residential Small and Residential Medium, and he could not come up

with a logical reason to treat Residential Large any differently, therefore, his recommendation to the Planning & Zoning Commission was to allow Home Occupations in Residential Large Zoning Districts.

In response to question by Councilman Simond, City Manager Maclin stated that basically the staff's position was if Home Occupations is allowed in Residential Small and Residential Medium, then it was appropriate to allow it in Residential Large, because the same stipulations apply. City Manager Maclin stated that it might also be appropriate to point out at this time that some of the concerns about the Ordinance for the Home Occupations has to do with the uses. There has been concern about beauty shops, barber shops, hairdressing, etc. The Planning & Zoning Commission will be addressing this in detail at future meetings. City Manager Maclin stated that if there are questions about allowed uses vs unallowed uses, the public will have an opportunity to express their opinion when the Planning & Zoning Commission further discusses the subject, probably within the next 45 days. City Manager Maclin stated that basically on the agenda today all staff is trying to do is make a decision as to whether or not Residential Large should be added to the existing Residential Small and Residential Medium for the purpose of Home Occupations.

Linnette Scagliola stated that, in her opinion, Home Occupations in Residential Large would be an infringement on the rights of the residential area. She requested that this item be put on hold until further study.

Mark Gipson, incoming President of the Neighborhood Alliance, expressed concern as to how well the Ordinance would be regulated and enforced. Mr. Gipson stated that another concern of the neighborhood residents is that if the definition has been changed one time it could be changed again in the future, and what is acceptable now might not be acceptable later on. Mr. Gipson stated that he was requesting that the Neighborhood Association be given time to receive some input from the neighborhood groups as to how they feel about this issue.

Greta Bain stated that she recently started a home-based entrepreneur organization for East Texas entrepreneurs who work out of their homes. Ms. Bain stated that she researchs trends in home-based businesses in small towns and would be willing to share information with the Council. Ms. Bain stated that she lives and works from her home at 203 Menefee. Her company is Bain Marketing Services (an advertising agency service business). Ms. Bain stated that her business is non-identifiable from the street and does not generate any traffic. Ms. Bain stated that she has recently joined the Neighborhood Alliance. Ms. Bain stated that, in her opinion, it was possible to have the best of both worlds - beautiful, quiet neighborhoods, Small, Medium and Large - and at the same time have the free enterprise system right here in Lufkin. Ms. Bain stated that she would strongly recommend that the Zoning Ordinance be amended to allow non-identifiable and non-traffic generated Home Occupations in Residential Large areas. Ms. Bain stated that there needs to be a working definition of a home-based business as far as retail vs service. Ms. Bain stated that a New York based firm, Link Resources, said that 23.8 million self-employed households are in existence at this time.

R. V. Welch and Lacy Breckenridge spoke against the Ordinance.

Mike Watson spoke for Home Occupations.

In response to question, City Manager Maclin stated that violations of the Ordinance are regulated on a complaint basis, and in the last 2 1/2 years there have been no valid complaints filed against Home Occupations.

In response to question by Councilman Boyd, Mr. Wood stated that he has an earnest money contract on a house at 1403 Brookshire in the Brookhollow area.

Mayor Bronaugh suggested that the Planning & Zoning Commission agenda be

mailed to the Neighborhood Association members.

In response to question by Councilman Simond, Mr. Abraham stated that the unanimous recommendation from the Planning & Zoning Commission to the City Council on this item was not to amend the Zoning Ordinance allowing Home Occupations in Residential Large Zoning Districts.

Motion was made by Councilman Jack Gorden, Jr. and seconded by Councilman Bob Bowman that Second Reading of Ordinance be tabled until an appropriate study can be made. The following vote was recorded:

Aye: Councilmen Gorden, Bowman, Weems, Simond and Mayor Bronaugh  
Nay: Councilman Boyd

Motion carried by a vote of 5 to 1.

City Manager Maclin volunteered the City Planner to be available to the Neighborhood Alliance for further review and discussion.

Councilman Boyd stated that he would like to see this item expedited so that Mr. Wood would be able to follow through on the purchase of his home. It was determined that the first possible consideration by the Council would be the first meeting in July after the Neighborhood Alliance has met.

#### **7. TAX COLLECTION CONTRACT - APPROVED - ANGELINA COUNTY**

Mayor Bronaugh stated that the next item for consideration was a review of a proposed Tax Collection Contract with the Angelina County Tax Office.

City Manager Maclin stated that at the called meeting last Thursday, the Council requested the City Attorney to prepare a proposed contract for the Tax Collection services to be utilized by Angelina County Tax Assessor's office. A draft copy of the proposed contract was included in the Councilmember's packets. City Manager Maclin stated that on page 2 of the contract (SERVICE TO BE PERFORMED), "E", reference is made to the frequency of depositing the taxes on a daily basis. On page 3, (MISCELLANEOUS PROVISIONS, ) "B", reference is made that all tax records provided by the Angelina County Appraisal District shall be deemed to satisfy the City's obligation for furnishing records, therefore, not creating any additional liability to the City. City Manager Maclin stated that under item "C" on page 3, "Should the City require the County Tax Assessor to give a bond conditioned on its faithful performance, the City must approve and pay for said bond", this is something the City might want to exercise. City Manager Maclin stated that it is his understanding the Huntington ISD exercised this option, and they were the first County who obtained a \$100,000 bond for approximately \$500. City Manager Maclin stated that, in his opinion, this might be something the City will want to consider.

City Manager Maclin stated that included in the contract was a blanket statement about the County not being liable for tax collections. City Manager Maclin stated that the interpretation of Mr. Shanklin on that meant that the County was not liable and that they cannot make the citizen pay. Item "D" states that "the County agrees to use all legal means reasonably available to collect taxes as contemplated by this agreement", so that the City definitively places the burden of responsibility on the County for the provision of tax collections.

In response to question by Councilman Boyd, City Manager Maclin stated that the County is bonded for collecting County taxes, and the City has the choice of asking the County to amend their bond to add the City, or to have our own bond. City Manager Maclin stated that, in his opinion, it would be in the City's best interest to have their own bond.

In response to question by Councilman Gorden, City Attorney Flournoy stated that

there are not any onerous parts to the contract, and there is nothing about the contract that is different or complicated. Councilman Boyd stated that if the County wants the City's business, then they should pay for the bond. Councilman Simond stated that it would be a simple matter to go back and tell the County that they should pay for the bond.

In response to question by Councilman Simond if the City would waive the interest and penalty, City Manager Maclin stated that the City could not legally do that.

Councilman Simond asked if Mr. Shanklin is State certified. City Manager Maclin stated that he would check on the status of Mr. Shanklin being certified.

Councilman Simond questioned item "F" (SERVICE TO BE PERFORMED) in regard to delinquent taxes, penalty and interest collected on a monthly basis. City Manager Maclin stated that this could be changed to a daily basis. Councilman Simond asked for clarification on the last sentence under DEFINITIONS.

It was determined that the following changes to the proposed contract would be made, and that the contract would be brought back to the Council at the next meeting for approval: (1) Item III. (C) SERVICE TO BE PERFORMED, change second reference of "County" to "City"; (2) Item "F", page 2, Change collection to daily basis; and (3) Item "C" MISCELLANEOUS PROVISIONS, to read "shall require the County Tax Assessor to include the City on their Bond".

Councilman Simond questioned item IV. "A", MISCELLANEOUS PROVISIONS, in regard to the City paying for the newspaper advertising as required by the State Property Tax Code. City Manager Maclin stated that this was also a requirement of the Tax Appraisal District.

Jack Darnell, LISD, stated that at the City's meeting on Thursday, the Council agreed to go with the County for collection of their taxes. Mr. Darnell stated that at that meeting the Council also had for consideration a letter from the School Board and the School Superintendent, along with a rough draft of a Resolution that the School will be submitting to the County Tax Assessor/Collector and County Commissioners. Mr. Darnell stated that the School Board has not voted on the Resolution, so it is not official, but he had visited with the School Board President this morning and he is going to ask that the LISD be placed on the June 8 agenda to submit to the County the rough draft copy of the Resolution. Mr. Darnell stated that at the City's meeting on May 27th, the City did agree to pass a Resolution to also ask the County to submit their records and books to an audit to see which of the tax collecting entities is collecting taxes for the least amount of money. Mr. Darnell stated that his purpose is, since the City is going to submit the Resolution to the County, he was proposing that the City join with the LISD on Tuesday, June 8th at 10 a.m. to submit the Resolution. Mr. Darnell stated that he was extending the invitation on behalf of Mr. Bob Morgan, President of the LISD School Board. Mr. Darnell stated that the Resolution will not be officially passed by the LISD until June 17th.

Councilman Simond asked who would be representing the City. Mayor Bronaugh stated that he would represent the City if the Council so desires. Councilman Simond stated that whoever represents the City should go with some unanimity with the School District.

#### **8. FIRE ZONE MAINTENANCE ORDINANCE - TABLED - FIRST READING**

Mayor Bronaugh stated that the next item for consideration was First Reading of the Fire Zone Maintenance Ordinance.

City Manager Maclin stated that included in the packet is a letter from the Main Street Board proposing that Council approve this proposed Ordinance. (A draft of the proposed Ordinance is included in the packet.) City Manager Maclin stated that

the intent of the Ordinance is to improve enforcement of substandard conditions in the Fire Zone in the Central Business District of Lufkin. A map delineating what has been traditionally known as the "Fire Zone" in downtown was included in the packet. City Manager Maclin stated that staff has been working closely with Main Street in this endeavor for several months. The Ordinance has been reviewed by the City Attorney, City Planner, Code Enforcement Officer, the Building Official and the Fire Marshal.

Councilman Gorden asked if there had been any interaction with business owners downtown. City Manager Maclin stated that the downtown owners have strongly supported the proposed Ordinance.

Dawn Glover, Director of the Main Street Program, stated that there is a monthly meeting of the Retail Merchants Association with between 12 and 20 people participating. Ms. Glover stated that downtown business owners have been updated as changes were made. Ms. Glover stated that nothing regarding the Ordinance has gone out to all property owners.

Ms. Glover stated that one of the reasons the Ordinance is being addressed at this time is due to the problems relating to "party walls" in structures. Ms. Glover stated that the Ordinances and Codes that currently exist do not address the problems that occur with party walls, and when one property owner does not make the necessary repairs when there are structural problems. Ms. Glover stated that, in her opinion, the Ordinance is fair to the property owner with the property that is being damaged and the property owner who has the property in very poor condition.

City Attorney Flournoy stated that he is a downtown property owner and is in favor of the Ordinance. Mr. Flournoy stated that, in his opinion, there is a unique character about this property being regulated in this way and that is primarily because of the particular hazards of the buildings being so close together.

City Attorney Flournoy stated that through this Ordinance problems with pests and rodents might be addressed.

Councilman Bowman suggested that a Public Hearing be held since all the property owners that not been notified by mail. It was decided that a Public Hearing would be held at the next Council meeting. The notice of the Public Hearing would be published in the Lufkin News.

Councilman Gorden asked if the Board of Adjustment and Appeals had been notified of their part in this Ordinance.

Lee Schwartz, downtown jeweler, stated that it might be a good idea to notify the owners of the buildings that needed repair by Certified Mail.

Motion was made by Councilman Bob Bowman and seconded by Councilman Percy Simond that First Reading of the Ordinance be tabled and that a Public Hearing be conducted at the June 15th meeting of the Council. A unanimous affirmative vote was recorded.

#### **9. ORDINANCE - APPROVED - GROSS RECEIPT FEE INCREASE - TU ELECTRIC**

Mayor Bronaugh stated that the next item for consideration was an Ordinance amending the existing franchise between the City and Texas Utilities Electric Company to provide for a different consideration; providing an effective date; providing for acceptance by Texas Utilities Electric Company; finding and determining that the meeting at which this Ordinance is passed is open to the public as required by law; and declaring an emergency.

Bob Brown, District Manager of TU Electric, stated that his company and the City of

Lufkin have a franchise that goes through the year 2010. Mr. Brown stated that, in 1984 Texas Power & Light, Dallas Power & Light and Texas Electric Service merged into TU Electric. Mr. Brown stated that the goal of the company was to treat each city alike throughout the State of Texas where they had a franchise. Mr. Brown stated that the City of Dallas had a 4% gross receipts tax and most other cities in Texas Electric Service had a 3% gross receipt tax. Mr. Brown stated that the City of Dallas has recently signed a new 15 year franchise that retained the 4% gross receipts tax and at this time TU Electric would like to amend the Ordinance with the City of Lufkin to go from 3% gross receipts tax to 4% gross receipts tax. A copy of the Ordinance was included in the Councilmember's packets.

In response to question by Councilman Bowman, City Manager Maclin stated that it is estimated that the City will realize between \$250,000 and \$300,000 in additional taxes for the remaining 7 months of this year and the '94-'95 fiscal year.

Motion was made by Councilman Bob Bowman and seconded by Councilman Jack Gorden, Jr. that Ordinance be approved as presented. A unanimous affirmative vote was recorded.

#### 10. **BANK DEPOSITORY CONTRACT - APPROVED - NATIONSBANK**

Mayor Bronaugh stated that the next item for consideration was the Bank Depository Contract for the City.

City Manager Maclin stated that included in the packet were a memorandum and recommendation from the Asst. City Manager of Finance, a tabulation comparing the two bids, the criteria for evaluation, and cover sheet of the request for bids, and the actual copies of the bid documents submitted by the two banks.

Darryl Mayfield, Asst. City Manager/Finance, stated that on May 19, 1993, staff received two bids on the depository contract for the City, which expires on June 30, 1993. Mr. Mayfield stated that bids were received from NationsBank in Lufkin and from First Bank and Trust in Lufkin.

Mr. Mayfield stated that staff felt that there were three items that needed to be brought to the attention of the Council: (1) The Certificates of Deposit Rates - The bids specifically asked for deposit rates tied to the T-Bill auction rates, (2) Federal Deposit Insurance Corporation costs and Federal Reserve rates - There was a difference between the bid by NationsBank and First Bank & Trust. The Federal Reserve requires a 10% reserve rate and First Bank & Trust's bid reveals a 12% Federal reserve rate, and (3) the Account Reconciliation process, which is a process by which using bank software all of the City's check encoding errors, etc. are accounted for, and aids in the efficient closing of the books at the end of the month (this service was requested in the bid document).

Mr. Mayfield stated that on the next page reflecting the yearly item totals for the year March 1992 through March 1993 showing what each bank bid on the particular services that the bid requested. Mr. Mayfield stated that staff did not receive a bid on the ARP item from First Bank & Trust and tried to ascertain if this service was done outside what the cost would be by a third party contract service. A cost of approximately \$9,000 a year was determined by the City's auditors for this service. Mr. Mayfield stated that once this cost was added to First Bank & Trust's bid there was only a difference of \$2,700 between the two bids.

Mr. Mayfield stated that also on this page there is difference in the reserve amount withheld on annual investable funds, and the funds available for investment which are eligible for interest earnings would be \$20,000 less on the First Bank & Trust bid.

Mr. Mayfield stated that on the Depository Contract Certificates Analysis, in the City's portfolio all of the CD's are currently greater than \$100,000. NationsBank rate was based on the T-Bill either plus or minus points on the T-bill; First Bank &

Trust's bid was based on their past or current lobby rates, and in deciding that rate they informed staff that they do try to remain competitive with the local market as well as taking into account what is happening on a national basis. Mr. Mayfield stated that the bids specifically asked for rates above or below the T-Bill rate. Mr. Mayfield stated that the analysis shown on this page reflects that the difference in the NationsBank bid and the First Bank & Trust bid would be \$11,836.

Councilman Jack Gorden, Jr. recused himself from voting.

Motion was made by Councilman Don Boyd and seconded by Councilman Percy Simond to accept staff's recommendation and award the depository bid to NationsBank of Lufkin.

The following vote was recorded:

Aye: Councilmembers Boyd, Simond, Weems, Bowman and Mayor Bronaugh

Motion carried with five affirmative votes.

11. **BOND ELECTION - CANVASS OF ELECTION RESULTS - JUNE 7, 1993**

Mayor Bronaugh stated that the next item for consideration was setting the date for canvassing of the Bond Election results.

City Manager Maclin stated that this is a routine procedure of the election process for the bond election.

Motion was made by Councilman Don Boyd and seconded by Councilman Jack Gorden, Jr. to set Monday, June 7, 1993 at 10:00 a.m. as the time for the canvass of the bond election which was held on Saturday, June 5, 1993. A unanimous affirmative vote was recorded.

12. **STREET NAME CHANGE - APPROVED - MEDICAL CENTER BLVD.**

Mayor Bronaugh stated that the next item for consideration was a request of East Texas Engineering and Surveying, Inc. to change the name of Lufkin Medical Center Blvd. to Medical Center Blvd. in the Lufkin Medical Center Boulevard Subdivision located at Loop 287 and Pershing.

City Manager Maclin stated that included in the Councilmember's packets was a letter from Bill Moreau of East Texas Engineering & Surveying, Inc. requesting that the name of the street be changed.

City Manager Maclin stated that Mr. Moreau was unable to attend tonight's meeting and that Donn Sapp was present to answer any questions relating to this item.

Mr. Sapp stated that the developer, Ken Smith, has agreed to reimburse the City for the cost of reprinting the street sign.

Motion was made by Councilman Bob Bowman and seconded by Councilman Don Boyd to approve changing the name of the street in the Lufkin Medical Center Boulevard Subdivision. The following vote was recorded:

Aye: Councilmen Bowman, Gorden, Simond, Boyd and Mayor Bronaugh

Nay: Councilman Weems

Motion carried by a vote of 5 to 1.

**13. BID - APPROVED - TRUST PROPERTY - 5TH AND CHESTNUT - LOT 4, BLOCK 40 - CITY OF LUFKIN**

Mayor Bronaugh stated that the next item for consideration was a bid on trust property located at the corner of 5th and Chestnut, Lot 4, Block 40, City of Lufkin.

City Manager Maclin stated that this is the process the City goes through each time a parcel of property is taken for failure to pay tax liens. The Tax Appraisal District has received a bid from Rufus Duncan, Jr. on behalf of the Episcopal Investment Corporation in the amount of \$150. The City would not receive any cash value on this property because the \$150 would go towards the outstanding cost applied towards the Court cost.

Motion was made by Councilman Don Boyd and seconded by Councilman Jack Gorden, Jr. to approve the bid on trust property located at the corner of 5th and Chestnut, Lot 4, Block 40, City of Lufkin, as presented. A unanimous affirmative vote was recorded.

**14. AMENDMENT - APPROVED - CITY'S INVESTMENT POLICY**

Mayor Bronaugh stated that the next item for consideration was an Amendment to the City's Investment Policy.

City Manager Maclin stated that included in the Councilmember's packets is a memorandum from the Asst. City Manager of Finance requesting consideration for revisions in the City's Investment Policy. City Manager Maclin stated that the City's Investment Policy has been in place for several years and the only revision staff is seeking at this time is to be able to invest through the pools that now exist across the State. City Manager Maclin stated that the City's present policy does not clearly delineate that option. City Manager Maclin stated that staff has seen in recent months that some of the pools have been able to provide a more attractive interest rate which would be a better investment on the part of the City as far as earnings or yield from the City's investments. City Manager Maclin stated that one such pool staff is interested in is TEXPOOL, which is a pool made up of other cities and taxing entities across the State of Texas that pool their money together and then are able to obtain higher interest rates by the pooling of the funds and the portfolios they are then able to secure investments with.

Mr. Mayfield stated that generally all of the pools will be collateralized--TEXPOOL is the only investment pool that is operated by the State of Texas through the Texas State Treasury (currently Kay Bailey Hutchinson). Mr. Mayfield stated that the difference in the many pools for the city as far as any other entity that would operate would be management fees, liquidity, at what point are you getting credit for interest, the ease of going into and out of the Pool, getting your money, and what is the Pool's objective. Mr. Mayfield stated that in speaking with the City's financial advisor through First Southwest they have basically said that TEXPOOL really meets the policy that the City has and the objectives for which the City is currently investing.

Councilman Gorden questioned the meaning of the second sentence under Length of Investments. Mr. Mayfield stated that when this Policy was written this particular sentence was recognizing that the contract that the City had at that particular point with the depository would apply with that particular situation. Mr. Mayfield stated that up until 1990 the City was not having its banking depository contract renewed every two years. Mr. Mayfield stated that it was highly likely that the bank the City was using at that time (First City Bank) had invested in a security for a period longer than two years. Mr. Gorden stated that the way he interpreted the sentence to read was, if the City wanted the investment to last longer than two years, it was O.K. Mr. Gorden stated that he would like to have this particular sentence taken out of the Investment Policy.

Councilman Gorden stated that he would like to commend management on the funds management for the City.

Motion was made by Councilman Jack Gorden, Jr. and seconded by Councilman Percy Simond that the Amendment to the City's Investment Policy be approved with the deletion of the last sentence in Section VI. INVESTMENTS, Length of Investments. A unanimous affirmative vote was recorded.

15. **COMMENTS**

City Manager Maclin stated that a Planning Retreat is scheduled for Monday at 1:00 p.m. at Pine Island to discuss budget planning for the upcoming year.

Mayor Bronaugh stated that the First Friday luncheon would be held at the Civic Center and would be presented by the Chambers Medical Community Committee.

16. There being no further business for consideration, meeting adjourned at 7:15 p.m.

A handwritten signature in cursive script, reading "Louis A. Bronaugh", written over a horizontal line.

Louis A. Bronaugh - Mayor

ATTEST:

A handwritten signature in cursive script, reading "Atha Stokes", written over a horizontal line.

Atha Stokes - City Secretary