

**MINUTES OF REGULAR MEETING OF THE CITY COUNCIL OF  
THE CITY OF LUFKIN, TEXAS, HELD ON THE  
6TH DAY OF AUGUST, 1996 AT 5:00 P. M.**

On the 6th day of August, 1996 the City Council of the City of Lufkin, Texas, convened in a regular meeting in the Council Chambers of City Hall with the following members thereof, to wit:

Louis A. Bronaugh  
Don Boyd  
Betty Jones  
Bob Bowman  
Jack Gorden, Jr.  
Tucker Weems  
C. G. Maclin  
Stephen Abraham  
Bob Flournoy  
Atha Stokes

Mayor  
Mayor pro tem  
Councilmember, Ward No. 3  
Councilmember, Ward No. 4  
Councilmember, Ward No. 5  
Councilmember, Ward No. 6  
City Manager  
Director of Planning  
City Attorney  
City Secretary

being present, and

Percy Simond, Jr.  
Darryl Mayfield

Councilmember, Ward No. 1  
Asst. City Manager

being absent when the following business was transacted.

1. Meeting was opened with prayer by Rev. Charles Treptow, Pastor, Angel of Joy Lutheran Church.

2. Mayor Bronaugh welcomed visitors present and recognized the following members of the Junior League: Mrs. Tony Bennett, Mrs. Scott McIlveene, Mrs. Pat Nicholson and Mrs. Terry Williams.

3. **APPROVAL OF MINUTES**

Motion was made by Councilmember Don Boyd and seconded by Councilmember Bob Bowman that the minutes of the Regular Meetings of July 2, 1996 and July 16, 1996 be approved as presented. A unanimous affirmative vote was recorded.

4. **ORDINANCE - APPROVED - SECOND READING - SPECIAL USE PERMIT - SHOPPING CENTER - TULANE DRIVE AND LOOP 287 - JAY WILLIAMS - WCOR, INC.**

Mayor Bronaugh stated that the first item for consideration was Second Reading of an Ordinance to amend the Special Use Permit for a shopping center as granted by Ordinance No. 3016 on approximately 10.412 acres located at the northeast corner of Tulane Drive and Loop 287 as requested by Jay Williams on behalf of WCORP, Inc.

Motion was made by Councilmember Bob Bowman and seconded by Councilmember Don Boyd that Ordinance amending the Special Use Permit for a shopping center as granted by Ordinance No. 3016 on approximately 10.412 acres located at the northeast corner of Tulane Drive and Loop 287 as requested by Jay Williams on behalf of WCORP, Inc. be approved on Second and Final Reading as presented. A unanimous affirmative vote was recorded.

5. **ORDINANCE - APPROVED - FIRST READING - STREET CLOSURE - MOORE STREET - PINEYWOODS MEDICAL DEVELOPMENT CORP. - MEMORIAL HOSPITAL - GEORGE WATTS IV**

Mayor Bronaugh stated that the next item for consideration was the request of  
8/06/96

George Watts IV on behalf of Pineywoods Medical Development Corp. for approval of the street closure of approximately 153 feet at the end of Moore Street generally located behind Memorial Hospital west of Bynum Street.

City Manager Maclin stated that included in the Council packet is a letter of request, and a map showing the location. City Manager Maclin stated that basically this property is surrounded by the hospital.

Mr. Watts stated that he had no comments but would answer any questions by the Councilmembers.

In response to question by Mayor Bronaugh, Mr. Watts stated that on behalf of Pineywoods Medical Development Corp. he had submitted a sealed bid to purchase Lot 13 of Block 3, which is owned by Wilson-McKewen. This transaction should take place on the 25th of August. Mr. Watts stated that the Burke Center owns lots 13, 14, 15 and 16.

Motion was made by Councilmember Don Boyd and seconded by Councilmember Betty Jones that request of George Watts IV on behalf of Pineywoods Medical Development Corp. for approval of the street closure of approximately 153 feet at the end of Moore Street generally located behind Memorial Hospital west of Bynum Street be approved on First Reading as presented.

Councilmember Bob Bowman recused himself from voting, and Mayor Bronaugh stated that the request was approved by four affirmative votes.

#### **6. AMENDMENT - TABLED - FIRST READING - TRAFFIC ORDINANCE - CITY OF LUFKIN**

Mayor Bronaugh stated that the next item for consideration was an Amendment to the Traffic Ordinance regulating parking in the City of Lufkin.

City Manager Maclin stated that included in the Council packet is a draft Ordinance. (A copy of an amended Ordinance with some minor changes had been placed on the Council table.) City Manager Maclin stated that also included in the Council packet is a statement of need from the Main Street Advisory Board. City Manager Maclin stated that basically the issue of parking has been discussed off and on every since the Main Street program was started in the mid-'80s. City Manager Maclin stated that the last three years there has been a lot of trial and error in trying to find ways to optimize the downtown parking. City Manager Maclin stated that the need for parking adjacent to retail and service businesses has increased due to increased occupancy in the downtown area, and as a result the Main Street Advisory Board has worked diligently the last several months to come up with a method to encourage the employees who work in the downtown area to take advantage of the free parking that is available through parking lots and other off-street parking that is not regulated. City Manager Maclin stated that this in turn would create more parking adjacent to the businesses for the customers. City Manager Maclin stated that one way the committee felt that this could be accomplished was through increased and more aggressive fines for violators through an accumulation penalty format. City Manager Maclin stated that the other changes in this Ordinance from the existing Ordinance have to do with the amount of time to park without receiving a citation. City Manager Maclin stated that this Ordinance calls for parking at 90 minutes, or one and one-half hours, and other areas at two hours.

Dawn Glover, Main Street Director, stated that this issue has been on the Main Street Advisory agendas for the past six months, and a lot of thought and careful consideration has gone into the suggested Amendment to the Ordinance. Ms. Glover stated that this is a very sensitive issue with the downtown merchants and businessmen. Ms. Glover stated that just a few years ago the parking problems were more perception than reality, but now because of increased occupancy it is a reality - they do need more parking spaces. Ms. Glover stated that the only way

right now to create those parking spaces is to get the employees who are routinely parking on the street in front of their businesses, or in front of someone else's business, off the street into these all day free parking lots that the City of Lufkin provides. Ms. Glover stated that the City provides four or five parking lots which are located within a block or two of every single business downtown, and staff is looking at providing some other municipal parking for downtown. Ms. Glover stated that the City is doing all they can to provide adequate parking space for employees in order that the street spaces are available to the customer.

Ms. Glover stated that basically the proposed Ordinance will do two things: (1) It will reduce the time limit from three hours to ninety minutes in the core retail area, and to two hours in a few areas that require less turnover, (2) and it would provide a ticket structure where the first ticket is \$5, the second ticket in the same calendar year is \$10, and the third and all subsequent tickets would be \$25. Ms. Glover stated that what this means is basically that downtown employees are going to have to walk a block or two in order to get from their automobile to work, just like the people who work at the Mall or the strip shopping centers have to do. Ms. Glover stated that these people have to park in the outer edges, leaving the most convenient spaces available to customers.

Ms. Glover stated that if Council chooses to adopt this Ordinance it would not go into effect until January 1, which would give Main Street time to make sure everyone understands it and that they know where the free all-day parking is, and hopefully mitigate anything negative in regard to the Ordinance. Ms. Glover stated that there was one change in the proposed draft Ordinance the Council received in their packets and it calls for First Street to be ninety minutes from Frank all the way to Burke, and she is asking that Council consider the area between Shepherd and Burke as two hours. Ms. Glover stated that the only businesses in this area are Lufkin National Bank and some small lease spaces on the ground floor of the Angelina House (a beauty salon and a nail salon). Ms. Glover stated that the beauty salon and nail salon would be hurt by the ninety minute parking because a lot of their procedures take longer than ninety minutes.

City Manager Maclin stated that the amended Ordinance is on the Council table before Councilmembers showing the proposed changes as Ms. Glover outlined, and a letter from Ms. LeaAnn Rankin-Mayfield requesting Council's consideration to this extent.

Ms. Glover pointed out the areas designated for downtown parking color coded for the different time periods. (This portion of her presentation was inaudible on the tape.)

Councilmember Jones stated that she had a slight problem with the \$25 fine, otherwise she was in agreement with Ms. Glover's proposal. In response to question by Mayor Bronaugh, City Manager Maclin stated that the third offense that would trigger the \$25 fine was accumulated within a twelve month period, on a calendar year basis.

Mayor Bronaugh stated that because of the abuse of handicapped parking, the fine had been raised from \$10 to \$100, and legally it could be raised to \$200.

Councilmember Jones stated that she was concerned about senior citizens and elderly people who could be caught in a situation where they could exceed the time limit. Councilmember Jones stated that unless the parking areas are signed well, it could be a problem and senior citizens and elderly persons could be penalized.

Motion was made by Councilmember Bob Bowman and seconded by Councilmember Betty Jones that Amendment to the Traffic Ordinance regulating parking in the City of Lufkin be approved on First Reading with the fines set at \$5/\$10/\$15.

Councilmember Boyd stated that, in his opinion, \$25 was cheap, and he did not have a problem with that amount.

Wayne Haglund, who serves on the Main Street Board, stated that the problem the downtown merchants and businessmen are having really is not with elderly or any other age folks who come downtown to shop. Mr. Haglund stated that he is talking about people who work downtown five days a week or more who take the first five parking spaces in front of the business at 8:00 a.m. in the morning, and when it is time for their coffee break, the one on the end will go around the block and the other four would move up, and they had the first five spaces taken up all morning. Mr. Haglund stated that at lunch time and at 3:00 p.m. they would go through this same procedure, and no one ever violated the parking and there were no tickets written. Mr. Haglund stated that this same thing is taking place now. Mr. Haglund stated that the purpose of the ninety minute time was rather ingenious fixing it so that there were more cycles for the meter maid than there were breaks during the day for employees to go move their cars. Mr. Haglund stated that the purpose for the somewhat punitive fine was to send a message and that was that the parking spaces really are for the convenience of every citizen and not for the people who are there all day every day. Mr. Haglund stated that being fined \$25 is not likely to happen to someone who was confused once.

The following vote was recorded:

Aye: Councilmembers Bowman, Jones and Weems

Nay: Mayor Bronaugh and Councilmember Boyd

Mayor Bronaugh stated that four affirmative votes were needed for an Ordinance to pass and this Ordinance failed on a vote of 3 to 2.

Mayor Bronaugh stated that the Ordinance will be back on the agenda at next Council meeting for further review.

**7. INTER-LOCAL AGREEMENT - APPROVED - ANGELINA COUNTY - ANGELINA-NECHES RIVER AUTHORITY - CITY OF LUFKIN - MASTER DRAINAGE PLAN STUDIES**

Mayor Bronaugh stated that the next item for consideration was approval of an Inter-Local Agreement between Angelina County, Angelina-Neches River Authority and the City of Lufkin regarding master drainage plan studies.

City Manager Maclin stated that included in the Council packet is a copy of an Inter-local Agreement, which is a tool that is used as a part of the City's application to the Texas Water Development Board for the Master Drainage Study. City Manager Maclin stated that one of the things they like to see is multi-governmental entity involvement. City Manager Maclin stated that staff is seeking Council's approval because they feel like it will be critical to the City's success of the grant application to receive matching funds from the Texas Water Development Board, and more importantly, it will also provide an opportunity for Angelina County as well as the Angelina-Neches River Authority to provide some comments and input into the planning process of the Master Drainage Study.

In response to question by Councilmember Bowman, City Manager Maclin stated that this grant is only for the Hurricane Creek Watershed because it is the only one at the time that is included in the City's grant application. City Manager Maclin stated that twelve months from now staff will be bringing a second request to Council for Mill Creek, which will be the third watershed. City Manager Maclin stated that the first watershed, which is currently underway, is Cedar Creek and is not eligible for grant funds.

Motion was made by Councilmember Don Boyd and seconded by Councilmember Tucker Weems that Inter-Local Agreement between Angelina County, Angelina-

Neches River Authority and the City of Lufkin regarding master drainage plan studies be approved as presented. A unanimous affirmative vote was recorded.

**8. RESOLUTION - APPROVED - TEXPOOL - OFFICIAL SIGNATURES - CITY OF LUFKIN**

Mayor Bronaugh stated that the next item for consideration was a Resolution from TexPool changing the official signatures for the City of Lufkin.

City Manager Maclin stated that included in the Council packet is a proposed Resolution from TexPool and the only change in it from previous signatures is to replace Ron Wesch with Kari Stanley, the Assistant Director of Accounting.

Motion was made by Councilmember Don Boyd and seconded by Councilmember Tucker Weems that Resolution from TexPool changing the official signatures for the City of Lufkin be approved as presented. A unanimous affirmative vote was recorded.

**9. LETTER OF REQUEST - APPROVED - MUNICIPAL BONDS - FIRST SOUTHWEST COMPANY**

Mayor Bronaugh stated that the next item for consideration was a letter of request from First Southwest Company to bid on municipal bonds.

City Manager Maclin stated that included in the Council packet is a letter from Mike Byrd requesting permission for First Southwest Company to submit a bid, which is a requirement from the Securities Exchange Commission under ethics laws. City Manager Maclin stated that on all previous bond issuances, whether it be general or revenue obligation bonds, they have requested permission to bid, but they have never been the low bidder. City Manager Maclin stated that the City will be issuing the final \$3.6 million of General Obligation Bonds relating to the 1994 street bond election at the next Council meeting on August 20th. City Manager Maclin stated that the first \$5 million were issued in 1994, and the City is now ready to pursue the final \$3.6 million, and hopefully award a bid in September for Paul Avenue construction. City Manager Maclin stated that MLK and Tulane will be constructed after the first of the year.

Motion was made by Councilmember Bob Bowman and seconded by Councilmember Tucker Weems that letter of request from First Southwest Company to bid on municipal bonds be approved as presented. A unanimous affirmative vote was recorded.

**10. BID - APPROVED - TRUST PROPERTY - 1712 PAUL AVENUE**

Mayor Bronaugh stated that the next item for consideration was a bid on trust property located at 1712 Paul Avenue.

City Manager Maclin stated that included in the Council packet is a letter from Bill Shanklin, Angelina County Tax Assessor-Collector, as well as a letter from Steven Byrd, the attorney for Calame, Linebarger, Pena and Graham, who is the delinquent tax collection agency. City Manager Maclin stated that the reason that this request is before Council is that the bid tendered by John White on behalf of East Side Church of God in Christ, which happens to be the adjacent property owner, did not meet the amount of actual damages, and therefore to approve a bid, which was the only bid received less than the outstanding judgment, requires Council approval.

In response to question by Councilmember Weems, City Manager Maclin stated that staff will include that if there is any frontage required as right-of-way during the work on Paul Avenue, that the right-of-way will be given to the City prior to approval of this bid.

Motion was made by Councilmember Tucker Weems and seconded by Councilmember Don Boyd that bid for trust property located at 1712 Paul Avenue tendered by John White on behalf of the East Side Church of God in Christ be approved as presented, with the understanding that if there is any right-of-way required for the widening of Paul Avenue it will be deleted from the purchase and entrusted to the City of Lufkin for purposes of widening the street. A unanimous affirmative vote was recorded.

#### **11. AUTHORIZATION - APPROVED - GARBAGE BAGS - HGAC**

Mayor Bronaugh stated that the next item for consideration was authorization to purchase garbage bags through HGAC.

City Manager Maclin stated that last year staff found that the Houston Galveston Area Council Cooperative Purchasing Program provided the best bid for the purchase of refuse bags and garbage bags. City Manager Maclin stated that staff would again like to purchase the bags from HGAC for a total cost of approximately \$80,000 to buy the quantity of bags needed by the City for distribution to the citizens, as well as additional bags for sale to those who desire additional bags. City Manager Maclin stated that \$95,000 had been budgeted for this item.

Motion was made by Councilmember Don Boyd and seconded by Councilmember Bob Bowman that authorization to purchase garbage bags through HGAC for approximately \$80,000 be approved as submitted. A unanimous affirmative vote was recorded.

#### **12. BUDGET DRAFT PRESENTATION - FISCAL YEAR 1996-'97 - SETTING DATE ON BUDGET CALENDAR**

Mayor Bronaugh stated that the next item for consideration was presentation of the Budget Draft for Fiscal Year 1996-'97 and setting dates on the budget calendar.

City Manager Maclin stated that staff had provided updated sheets to the Budget with some minor revisions due to linking problems on the spreadsheets, which were on the Council table.

City Manager Maclin requested that Council take their reserved seats in the audience for a multi-media presentation of the 1996-'97 budget. City Manager Maclin stated that a handout of the graphs, which will be shown during the presentation, had been provided so that Council could follow along and the figures would be more legible.

City Manager Maclin stated that the budget would be presented with an Olympics theme. City Manager Maclin stated that City staff is striving to be like the athletes who came to Atlanta in the last two weeks to go for the "gold", and the City staff is going for the "goal" of meeting the needs of the citizens. City Manager Maclin stated that is the Mission Statement that Council had adopted last October and this budget is presented in a way to try and accomplish that. City Manager Maclin stated that he will be presenting the budget draft presentation for the General Fund, the Utility Fund, the Solid Waste Fund, and ultimately at the end leading up to a recommendation to Council for a calendar to proceed with the adoption of the budget for 1996-'97.

City Manager Maclin stated that this budget in terms of overall consideration includes a 3% cost of living adjustment to all employees, it continues Phase II of the Master Drainage Plan for all the City's watersheds in a three-year phase, it will also continue to maintain a depreciation plan for the Enterprise Funds. City Manager Maclin stated that this is the second year that the City has set aside funds in both the Utility Fund and the Solid Waste Fund for the purchase of capital outlay equipment so the City does not have to borrow money in the future through lease purchases and pay interest on those.

City Manager Maclin stated that staff was proud of the progress in Worker's Comp and safety program. Five years ago the City was paying \$776,000 a year in Worker's Comp premiums, and this year the City will pay \$256,000, which is a dramatic improvement through the safety consciousness of the employees and the efforts of the safety program and risk management program.

City Manager Maclin stated that he would try to show through the video clips what the Decision Packages are for the Street Department. City Manager Maclin stated that Council has adopted a very aggressive street overlay program. Last year over \$800,000 was spent on this program and this year the City will be on a five year plan to try and get the streets caught up in terms of repairs, overlays and maintenance. City Manager Maclin stated that the Street Department will be doing approximately 70-80 streets again in 1996, such as they did in this current 1995-'96 fiscal year. City Manager Maclin stated that staff receives a lot of positive comments from the public about the improvements that they see in their streets. City Manager Maclin stated that streets are one of the things that reflects initially the quality of City services that the public has. City Manager Maclin stated that one Decision Package is the replacement of an asphalt distributor and truck as shown on the video. The bridge replacement program with the Texas Department of Transportation will also continue whereby they pay 80% of the bridge, and the City pays 20%. There are two or three more bridges to be included in this program during the next twelve months.

City Manager Maclin stated that in the Code Enforcement area Council ranked high an office systems furniture to improve the efficiency and utilization of space upstairs in the Code Enforcement and Building Inspection area. City Manager Maclin stated that there is a good deal of office space upstairs and by purchasing this type of units they will be able to improve the privacy when a customer or citizen comes in and needs to talk to a Code Enforcement Officer or Building Inspection Officer.

City Manager Maclin stated that the Engineering Department represents one of the most significant additions to the budget this year. It was announced last week that Keith Wright will be the new City Engineer effective October 1st. City Manager Maclin stated that in addition to adding a professional Engineer to the City staff for the first time in the history of the City, a design draftsman and a survey crew will also be added, which will allow for engineering work in-house, and eliminating the need for consulting engineers. City Manager Maclin stated that Phase II of the aerial photography, which assists staff in the Master Drainage Plan as well as the development of a GIS system to improve mapping of the City, is also in this year's budget.

The video portion of the budget for Fleet Maintenance experienced technical difficulty and was not viewable. City Manager Maclin stated that the Decision Package for Fleet Maintenance was a four point rotary lift.

City Manager Maclin stated that included in this budget draft is the purchase of an ambulance remount for the Fire Department. City Manager Maclin stated that this is an item that staff would like to see done on an annual basis where each and every year the Department is able to replace one of the chassis, transmission and engine, putting the box back on a new unit, thereby improving the timely response and minimum maintenance problems when an ambulance gets over a couple of hundred miles on it. City Manager Maclin stated that the Fire Department has seen increased runs in the EMS area, which makes up approximately 85% of the total runs that the Fire Department makes now. City Manager Maclin stated that the EMS transfer service will be hiring an additional paramedic and providing some roof repairs and parking improvements to Station 2. City Manager Maclin stated that this station has only been operational for a couple of years and has gone from an average of five or six runs a day to almost eight to nine runs a day. City Manager Maclin stated that the operation of this station has been a very successful



idea from Chief Prewitt and the Fire Department staff and has served the citizens very well, providing quality service at an affordable price.

City Manager Maclin stated that in the Parks and Recreation Department the number one ranked Decision Package was a Parks Master Plan. City Manager Maclin stated that the utilization of a Master Plan will help allow citizen input through youth associations, Neighborhood Associations, and athletic associations to give their input through the Master Plan process, develop a listing of priorities, a cost estimate for those priorities, and then be able to bring to Council next spring that information with financing alternatives, and seek Council's direction after that on how staff might go about implementing this Master Plan.

City Manager Maclin stated that in the Planning Department staff is proposing some new computer equipment in zoning mapping, which will significantly improve the citizen response for inquiries on the zoning of specific locations. City Manager Maclin stated that this equipment will allow quick courteous response to the citizens as well as the ability to produce and print zoning maps, comprehensive plan maps, and input data from the Central Appraisal District on property ownership. City Manager Maclin stated that this is another area where the City is beginning to utilize today's technology in the Planning Department as well as the Engineering Department, and those two departments will be coordinating these efforts so they can both utilize that same data.

City Manager Maclin stated that in the Police Department one of the items that ranked high with the Council and with the Police Officers in his meetings with them a few months ago, is the idea of each officer having his own portable radio. City Manager Maclin stated that currently the radios are kept in the radio control room, where the radios are used by all the officers. With each officer having his own radio, City Manager Maclin stated that the radios will last a lot longer, and they will be issued the same way the 45 caliber Glock pistols are issued. The officer will be held accountable for the upkeep of the radio and the responsibility to maintain it and take care of it. City Manager Maclin stated that if there is an emergency situation the Officer will not have to come by the station and pickup a radio, they will already have a radio with them.

City Manager Maclin stated that this budget also includes a closed circuit security system in the Police Department, to replace the current 15 year old system. City Manager Maclin stated that this budget Decision Package will replace the system with new monitors and cameras and improve the quality of the security system with more modern technology. City Manager Maclin stated that in addition to the security system in the Police Department it will be expanded to include the first floor of City Hall. This will give staff the ability to monitor the art collection as well as provide some security for the water utility billing area. There will also be the replacement of some air conditioning units in the Police Department as well as in the telephone equipment closet.

City Manager Maclin stated that the General Fund revenues reflect moderate steady growth in sales tax receipts and property values. City Manager Maclin stated that the reason for the fireworks sound effects on the video is because this budget proposes no tax increase. City Manager Maclin stated that the City will continue to maintain the .4869 cents per \$100 valuation under this proposed budget, which meets the request of Council made at the retreat.

City Manager Maclin stated that looking at other revenues, the sale tax history of the City continues to move upward, averaging in the 5 to 7% range for the last four or five years, and this year it will be closer to double digit. City Manager Maclin stated that the City was in the 8 to 10% range for fiscal year 1995-'96, and he projects that that will continue in the future. City Manager Maclin stated that sales tax is used as a barometer of the economic health and the City's barometer shows that we are doing quite well in sales tax from a performance standpoint.



City Manager Maclin stated that in property values there is a similar looking graph, with property values in the past four years continuing to increase in the 3 to 4% range. This year the City has a 4.1% increase over last year, and net taxable property values are at about \$960 million. If this trend continues next year, the City will surpass the \$1 billion mark in net taxable values inside the City of Lufkin, which is attributable to all the new growth in the commercial, industrial and residential sectors of the City.

City Manager Maclin stated that in the General Fund expenses, 47% of every tax dollar that is paid goes into public safety (Police, Fire & EMS), 25% to Public Works (primarily streets), 7% in Parks and the Zoo, 7% in debt retirement, 3% in bad debt contingency and 11% in General Government (which includes the Kurth Memorial Library and the other organizations the City supports).

City Manager Maclin stated that on the revenue side, property taxes only make up 25% of the total budget, sales tax on the other hand is 39% of the revenues forecast for 1996-'97, 10% from charges for services (primarily in the ambulance and transfer service area), 11% for franchise fees (utilities such as electric, gas, telephone, TV), 1% for licenses and fees, 11% for grants and miscellaneous, and 2% from fines and forfeits.

City Manager Maclin stated that in the Utility Fund there are several projects under depreciation items and/or revenue bonds that are proposed for Council consideration. City Manager Maclin stated that one of the biggest problem of 1996 has been the problem of drought and water, and water that "stinks". There are some things included in this budget that will help overcome these problems in the future and keep up with the existing growth of the City as well as provide some items that will help. City Manager Maclin stated that the picture in the video is of ground storage tanks, and staff is looking at a two million ground storage tank to increase capacity and retention time. City Manager Maclin stated that one of the keys to getting rid of hydrogen sulfite, which causes the foul odor in the water, is adequate retention time for aeration. By having an additional two million ground storage tank, it will give the City what is needed to retain the water long enough to aerate it and chlorinate it before it goes in the distribution system. City Manager Maclin stated that this budget proposes the drilling of another well, giving the City the ability to produce 13.5 to 14 million gallons a day, and will improve the City's capacity for meeting the needs of future growth and making it through drought situations without the need to limit outdoor watering and things of that nature. City Manager Maclin stated that these are the key issues to provide a quality water in a quantity to meet the needs of the citizens.

City Manager Maclin stated that in this budget is the replacement of a hydraulic backhoe to upgrade waterlines on Ponderosa Drive, the Normandy Estates and the Howard and Valley Avenue area. These are areas with 2" lines which will be upgraded to 6" lines to provide fire protection service for these area in the past which have not had that.

City Manager Maclin stated that in the Water Pollution Control Department the 15-20 year old clarifiers will be replaced at a cost of \$285,000 for two clarifiers with bond money, along with the ground storage tank and the new water well. Included in this budget is a dump truck.

City Manager Maclin stated that in the Water Production area, this budget proposes under the Depreciation packages, to repair water wells #5 and #9, and to do some storage tank maintenance and aerator repairs.

City Manager Maclin stated that in the Utility Fund area of expenses 13% goes for water production, 1% for the water pollution plant and 2% for water utilities and distribution, only about 6% for water collections, 23% for debt retirement, and 15% for bad debt and contingency. In the Utility Fund \$100,000 is for contingency, \$150,000 for General Fund Contingency and \$50,000 in the Solid Waste Fund

contingency fund for emergencies that may come up during the year.

City Manager Maclin stated that in order to do everything that he has just talked about it will take about a 3.5% increase to cover the debt retirements. City Manager Maclin stated that primarily for the issuance of \$2.8 to \$3 million worth of debt to pay for the ground storage tank, the water well and the clarifiers, translates to the minimum billing customer is 25 cents a month, for sewer service 27 cents a month, for a total of 52 cents per month for water and sewer rate increases.

City Manager Maclin stated that as far as revenues, 53% comes from the sale of water, 44% comes from the sale of sewer, and about 3% from investments in that fund.

City Manager Maclin stated that in the Solid Waste Fund some new vehicles will be purchased through the depreciation program. By the end of next summer these vehicles will be three years old and they are depreciating. City Manager Maclin stated that the City needs to get on a program to where we buy one to two a year so that we will not have to buy seven of them like we did two years ago. The proposal is to replace two of the residential automated units, two of the commercial units and one of the rear loaders used for picking up brush and trash. City Manager Maclin stated that the depreciation program saves the citizen money by putting money up front so that the City does not have to borrow the money and pay interest on it at a later date.

City Manager Maclin stated that last year the City was able to pass along to the citizen a 5% reduction in residential garbage rates.

City Manager Maclin stated that in the Recycling Department there are plans to replace the tub grinder and purchase a rubber tire loader.

City Manager Maclin stated that there will have to be an increase in the Solid Waste Department in order to meet the depreciation and increased volume at the landfill, which equals about \$1.55 increase to the residential customer and \$1.12 per cubic yard increase in compacted garbage for the commercial customer.

City Manager Maclin stated that in the Hotel/Motel Tax Fund the Board of Development has made recommendations to increase the marketing advertisement budget within the tourism that is contracted with the Chamber of Commerce and to increase the Forestry Museum allocation so they can increase the hours they are open to the public.

City Manager Maclin stated that when he started out with the budget presentation he started with an olympic theme that the athletes in Atlanta worked together as a team in order to accomplish their goals of going for the "gold", and the City staff is likewise going for the "goal" of meeting the needs of the citizens. City Manager Maclin stated that all of the Department Heads, the Accounting staff and Administration have all done their part to produce this budget document for Council presentation today.

Mayor Bronaugh complimented City Manager Maclin on the budget presentation.

Motion was made by Councilmember Bob Bowman and seconded by Councilmember Tucker Weems setting August 20, 1996 as the date for the final presentation of the budget and First Reading of the Ordinance, and September 3 for Second Reading of the Ordinance approving the budget, and setting the tax rate. A unanimous affirmative vote was recorded.

### 13. EXECUTIVE SESSION

Mayor Bronaugh recessed Regular Session at 6:12 p.m. to enter into Executive Session. Regular Session was reconvened at 7:25 p.m. and Mayor Bronaugh

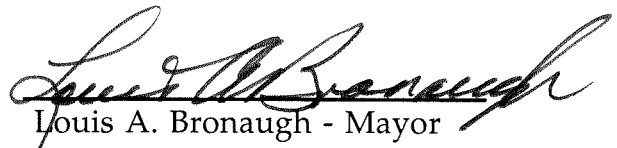
stated that personnel matters, appointments to Boards and Commissions and legal matters had been discussed, and no decisions had been made.

#### 14. COMMENTS

City Manager Maclin announced that Keith Wright, who was in the audience, will officially assume the duties of City Engineer October 1. Mr. Wright will be transitioning the next 45 days between his job at the Wastewater Treatment Plant and the position of City Engineer. City Manager Maclin stated that the City has received several qualified applications for the position of Public Works Director.

Mayor Bronaugh stated that 150 people will be receiving their citizenship on August 16 at 10:00 a.m. at the Angelina College Fine Arts Center. Mayor Bronaugh stated that this is the first time since 1905 that the naturalization ceremony has been held in East Texas. Mayor Bronaugh encouraged Councilmembers to attend the ceremony.

15. There being no further business for consideration, meeting adjourned at 7:30 p.m.

  
Louis A. Bronaugh - Mayor

ATTEST:

  
Atha Stokes - City Secretary