

**MINUTES OF REGULAR MEETING OF THE CITY COUNCIL OF
THE CITY OF LUFKIN, TEXAS, HELD ON THE
20TH DAY OF AUGUST, 1996 AT 5:00 P. M.**

On the 20th 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
Percy Simond
Betty Jones
Jack Gorden, Jr.
Tucker Weems
C. G. Maclin
Darryl Mayfield
Stephen Abraham
Bob Flournoy
Atha Stokes

Mayor
Mayor pro tem
Councilmember, Ward No. 1
Councilmember, Ward No. 3
Councilmember, Ward No. 5
Councilmember, Ward No. 6
City Manager
Asst. City Manager/Finance
Director of Planning
City Attorney
City Secretary

being present, and

Bob Bowman

Councilmember, Ward No. 4

being absent when the following business was transacted.

1. Meeting was opened with prayer by Dr. Robert Schomp, Minister, First Christian Church.
2. Mayor Bronaugh welcomed visitors present, and recognized Junior League members Lisa Haglund, Debbie Arnold and Jan Bailey.

Mayor Bronaugh recognized Robert Keith Bickley, who was the recipient of a Silent Hero Certificate of Achievement in recognition of exemplary conduct in the field of emergency telecommunications and professionalism, dedication, a positive attitude and tireless efforts to serve the public, an inspiration to all those who strive for excellence. Mayor Bronaugh stated that when the Police Department was without a supervisor, Communication Operator Keith Bickley, stepped forward and took on the added responsibility of supervising 11 operators, seeing to it that the Communications Center, operated smoothly and efficiently. His expertise, dedication and unselfishness earned him this recognition from the Texas Advisory Commission on State Emergency Communication. Mayor Bronaugh presented the Certificate to Mr. Bickley.

3. APPROVAL OF MINUTES

Motion was made by Councilmember Don Boyd and seconded by Councilmember Tucker Weems that the minutes of the Regular Meeting of August 6, 1996 be approved as presented. A unanimous affirmative vote was recorded.

4. PUBLIC HEARING - BUDGET - FISCAL YEAR 1996-'97

Mayor Bronaugh opened Public Hearing to consider the budget for Fiscal Year 1996-'97.

Mr. Robbie Warren, who resides at 2130 Tulane Drive, stated that from time to time the City Council and School Board make reference to the fact that citizens are disinterested in what they are doing. Mr. Warren stated that he wanted to exhibit to the City Council his interest in what they are doing. Mr. Warren stated that what was printed in the newspaper cannot be a very detailed account of the budget,

and for that reason most of his questions will be out of ignorance.

Mr. Warren questioned a portion of the ad printed in the newspaper, and asked how, under General and Administrative costs, could a "cost" be a "revenue". In response City Manager Maclin stated that the City actually has three funds and they are the Utility Fund (where all the money from the water and sewer bill goes), the Solid Waste Fund (where all the expenses for garbage bills go) and the General Fund (where all the property taxes, sales taxes, franchise taxes and related revenues go). City Manager Maclin stated that there are certain elements of equipment, such as the main frame computer, City Hall, or other equipment that is in the General Fund, but is used by the other two funds. City Manager Maclin stated that under Government Accounting Principles, those other funds have to carry their fair share of the load, so there is a formula developed by the external auditors based on the amount of time or the amount of use of the items, where they come up with a percentage of how much that Utility Fund budget is or the Solid Waste Fund budget is, putting some of that overhead back in the General Fund. City Manager Maclin stated that it is a revenue in that it is an expense or an amount of money that comes from the other two funds, but it counts as revenue to the General Fund, so that the General Fund does not have to unfairly carry the whole load of the expenses related to something that that fund owned.

Mr. Warren asked if this was a situation to "rob Peter to pay Paul", with the budget showing an income or profit of \$1.2 million by taking that amount from other services. City Manager Maclin stated that this is a procedure required by the City's auditors. City Manager Maclin stated that an example would be if his salary as City Manager comes out of the General Fund (and 100% of it does), he spends time in the day-to-day operation of the City answering questions and problems related to the Water Department, or to the Garbage Department. City Manager Maclin stated that the auditors take a formula based on all the General Fund employees and all the General Fund equipment that those other two funds get the benefit from, and they determine, based on the total value and the amount of time spent, a percentage which is multiplied by the times that particular Department adds value to the Utility Fund, and that is what ends up coming into the line item Mr. Warren was referring to. City Manager Maclin stated that this procedure is not generated internally, but is done so by the auditors, who come in and review the City's books for accuracy and completeness, for compliance with State and Federal law. City Manager Maclin stated that he would be happy to show Mr. Warren in more detail how these figures are calculated.

Mr. Warren stated that looking at the same newspaper article, under the General Fund revenue, it shows the actual revenue for the year 1994-'95 as \$301,000, and estimate that in 1995-'96 the City will collect \$292,755, a decrease of almost \$10,000. Mr. Warren stated that the estimated budget for 1996-'97 is \$283,000, which is another decrease of \$10,000, a \$20,000 decrease in fines over a two year period. In response to this statement, City Manager Maclin stated that this is conservative projecting. City Manager Maclin stated that when staff projects revenues from fines, from sales tax, or from franchise tax, they use a conservative revenue forecasting. City Manager Maclin stated that staff is very liberal in the estimation of expense and very conservative in the estimation of revenues, so that if for some reason sales tax receipts go down due to an unexpected turn down in the economy, the City is not left in the middle of the year having to re-do the budget. Mr. Warren stated that he did not think that this was justification to reduce the fines. Mr. Warren stated that if staff had a computer printout before them he would suggest that they had already collected fines in excess of what they have already budgeted for this year. City Manager Maclin stated that the collection of fines fluctuates from month to month, and during the time when the City receives the STEP funds from the Texas Department of Transportation, for specific accelerated enforcement of DWI or seatbelt violations, there will be an increase in tickets.

Mr. Warren stated that he read in the newspaper where the City received a \$110,000 grant to the Police Department this year. City Manager Maclin stated that the City is

in the second year of a three year grant under the COPPS Program, where the City is given a grant to hire seven new community policing officers, with 70% of their salaries being paid by the Federal grant. City Manager Maclin stated that basically this is a philosophy of trying to be conservative in the revenue estimates so there is no shortage before the end of the year. City Manager Maclin stated that if the money comes in above the estimate, then it gives the City a stronger financial position at the end of the year.

Mr. Warren stated that he was sure that the money would come in stronger than the estimated revenue. Mayor Bronaugh stated that if the revenue does come in stronger than the estimated amount, the City cannot spend the excess money without coming before Council. City Manager Maclin stated that if there is money left over at the end of the year, it is money carried to the next year for consideration at that time.

Mr. Warren stated that under General Government there is a figure of \$615,000 and underneath that is Administrative cost at \$294,000, and further down in Public Works there is Administration at \$140,000, and then General and Administrative costs (Water & Sewer) at \$1,133,000. Mr. Warren stated that the City's General and Administration costs is \$2,650,000, which is a lot for administration. City Manager Maclin stated that that covers a lot of different areas. Mr. Warren stated that out of that \$2,650,000, \$615,000 is for General Government. City Manager Maclin stated that he would provide a breakout of what totals up to this amount. City Manager Maclin stated that he would have copies of the newspaper ad made so that staff could follow along with Mr. Warren.

Asst. City Manager Mayfield stated that \$615,755 is the total budget for General Government, which included the auditors position last year. Mr. Mayfield stated that this year it includes monies for supplies, maintenance of equipment, and those basic things in General Government; the only salary is for the auditor. Mr. Mayfield stated that Mr. Warren mentioned the amount of \$1,133,000 for General and Administrative costs and that is an expenditure being seen for the Water & Sewer Fund. Mr. Warren asked why the general costs could not be separated out from the administrative costs on all of these items. Mr. Mayfield stated that General and Administrative costs of \$1,133,000 is the amount the City Manager was talking about that is attributable to water and sewer for services it receives from General Fund departments. Mr. Mayfield stated that Solid Waste receives about \$500,000 of G & A costs that they pay also to General Fund for services it receives from accounting, data processing and purchasing. Mr. Mayfield stated that General Government is a department within the General Fund that has a proposed budget this year of \$615,000. City Manager Maclin stated that the budget could be broken out line item by line item. City Manager Maclin stated that for example if the Water Department goes and lays a new water line down Tulane and they have to cut the street to do it, the Street Department will come back and repair that cut. That cut was not initiated by the Street Department, but by the Water Department, and that is why the Water Department has to pay the Street Department back for the services it rendered to repair the street.

Mr. Warren stated that he was wondering how he could separate General out from Administrative. Mr. Warren asked if the City Manager could say that the administrative costs for operating the City would be 15% or 16%. City Manager Maclin stated that the administrative definition is a little misleading in that it does not just include Administration, but includes all of the cost within that department, i. e., equipment, personnel, employee benefits, materials and supplies. City Manager Maclin stated that once again this goes back to the formula designed by the City's external auditor to determine the accountability of each department to that fund.

Mr. Warren stated that if he understood Mr. Maclin right, if the City buys a new fire truck, that is Administrative costs. City Manager Maclin stated that the Fire Department does not have that big a "hit" in Water and Sewer, but in the Street Department if the City bought a new dump truck, theoretically a portion of that

truck could be charged back to Administration, which is just a generic term that is used, because it is not really Administration. City Manager Maclin stated that he would be happy to provide this information to Mr. Warren on a line item basis for each department. Mr. Mayfield stated that the percentage for Administration is charged by department. City Manager Maclin stated that he would provide Mr. Warren with a copy of the entire budget.

Mr. Warren asked what survey or study was used to determine how many citizens would use the Azalea Trail. City Manager Maclin stated that the origin of the Azalea Trail is what is known as the Texas Outdoor Recreation Plan. City Manager Maclin stated that every five years the Texas Parks and Wildlife does a survey of regions and communities all over the State of Texas, and they use the results of that survey to determine the priority of applications. City Manager Maclin stated that the City applied for a grant to build the Azalea Trail and add enhancements to Grace Dunn Richardson Park. City Manager Maclin stated that the answer to Mr. Warren's question is, public input. Mr. Warren stated that from what he read in the newspaper the City got \$700,000 in the way of a grant, and other funds from TLL Temple Foundation, and may or may not have received funds from Grace Richardson, and that the City will bear the rest of the costs. Mr. Warren stated that the City will be stuck with maintaining the park next year. City Manager Maclin stated that that was taken into account when the City made the application for the grant the first time five years ago. Mr. Warren asked what was used to estimate how many people would use the Azalea Trail. City Manager Maclin stated that the numbers originally came from a survey that was sent to the citizens who live in East Texas, and that was used to determine what are the needs of the citizens in East Texas by the Texas Parks and Wildlife. City Manager Maclin stated that if the City expects to be funded in a grant it has to conform to those items that are deemed the highest priority by the citizens of East Texas. City Manager Maclin stated that the City has received a lot of input and inquiries from citizens who are looking forward to the Trail being opened. Mr. Warren stated that he had no particular point to make on this.

Mr. Warren stated that the City just announced a rate increase on water and announced a \$1.55 increase due to mistakes that were made last year, if he reads his paper correctly. Mr. Warren stated that increases in the cost of living concerns people on fixed incomes always. Mr. Warren stated that he had a friend who meticulously keeps records, and the Council may be interested to know that all of his water, sewer and garbage in the year 1985, eleven years ago was \$25.72 for the month of July. Mr. Warren stated that for the month of July in 1986 it was \$37.00. Mr. Warren stated that in July, 1996 it was \$85.00, in eleven years his bills have almost quadrupled. Mr. Warren stated that now, the City is going to add some more on to the utility bills for next year. Mr. Warren stated that it is very revealing about the last three years - in 1994 the bill was \$57.56, in 1995 it was \$81.51 and in 1996 it was \$85.25, quadrupled in eleven years time. Mr. Warren stated that he was not particularly making a point, but it is a point of interest.

Mr. Warren thanked Council for their time. Mayor Bronaugh stated that the Council was interested in what Mr. Warren thinks and what he has to say. Mayor Bronaugh stated that in this particular budget Council and staff spent a lot of time in preparation.

Councilmember Weems asked if staff could furnish Mr. Warren with a copy of the budget.

Mayor Bronaugh closed Public Hearing.

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

Mayor Bronaugh stated that the first item for consideration was Second Reading of

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

Motion was made by Councilmember Don Boyd and seconded by Councilmember Betty Jones that Ordinance for street closure of approximately 153 feet at the end of Moore Street generally located behind Memorial Hospital west of Bynum Street as requested by George Watts IV on behalf of Pineywoods Medical Development Corp. be approved on Second and Final Reading as presented. A unanimous affirmative vote was recorded.

6. AMENDMENT TO TRAFFIC ORDINANCE - APPROVED - FIRST READING - PARKING IN CITY OF LUFKIN

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

Mayor Bronaugh stated that one of the Councilmembers was absent at the last meeting when this item was heard, and a vote was taken and the motion failed for a lack of four votes. Mayor Bronaugh stated that the City Charter states that for an item to pass or fail it must have four votes.

City Manager Maclin stated that at last meeting there was not a consensus of opinion of whether the \$25 fine after the third violation was an appropriate amount. Mayor Bronaugh stated that the request was that the Ordinance be amended to the first fine \$5, the second fine \$10, and the third fine \$25. City Manager Maclin stated that the amended motion was \$5/\$10 and \$15.

Wayne Haglund, Main Street Board member, stated that he wanted to tell the Council that a great deal of work and consideration of the Main Street Board, who represent a significant number of the downtown property owners has gone into this Ordinance with a lot of work by the City staff. Mr. Haglund stated that there are only about 31 parking spaces on the block where his office is, on Lufkin Avenue between First and Second Streets, and his staff accounts for 12 automobiles. Mr. Haglund stated that if his office staff parked on that block (and they don't) they would take up a significant portion of the block. Mr. Haglund stated that the Main Street Board is trying to provide an incentive through this Ordinance and are asking the help of the Council. Mr. Haglund stated that if the people sitting on the Council's staff parked directly in front of their business and took your customers spaces, you would probably want to fix that.

In response to question by Councilmember Gorden, Dawn Glover stated that she could not quote an exact percentage of the Downtown Association that represent the property owners. Ms. Glover stated that 75% of their members currently own property or a business downtown. Ms. Glover stated that the membership, those who pay annual dues to support the Main Street Program, come from all over the community and are not necessarily involved in downtown. Councilmember Gorden asked what percentage of the downtown property owners does the Main Street Board represent. Ms. Glover stated that a little less than half of the property owners downtown are members of the Downtown Association. Ms. Glover stated that all of the property owners have received a minimum of a dozen pieces of mail over the past 10 or 12 months on this particular subject. Ms. Glover stated that these people have been invited and encouraged to participate in the decision making process. Ms. Glover stated that many of them have taken advantage of the opportunity.

Councilmember Jones stated that she had concerns at last meeting, and wondered if the Judge could be given some leeway to impose the fine up to \$25. Councilmember Jones stated that if there is a situation where somebody is trying to subvert the Ordinance, then he can impose the maximum fine. City Attorney Flournoy stated that the way the Ordinance is written it is pretty specific and the

Judge does not have that discretion. Councilmember Boyd stated that the \$25 does not go into effect until a person violates the Ordinance three times. Councilmember Gorden stated that it appeared to him that the Judge would have the discretion to dismiss a fine. Councilmember Jones stated that if the Ordinance said "up to \$25" the Judge could use his authority to use his judgment in each situation. Councilmember Jones stated that at last meeting she was concerned about elderly people who were not alert to the signs and different parking times.

Mayor Bronaugh stated that if the Judge were allowed to dismiss a \$25 fine, it would put him in a position where he would theoretically be making a decision on all third violations.

Mayor Bronaugh stated that every sign post in downtown will have a uniform message which describes the \$5/\$10/\$25 fine for first, second, third offense, and to also let a person know if it is a 90 minute zone or a two hour zone.

Mr. Flournoy stated that Council could make a provision in the Ordinance that would require the person committing the third offense to go before the Judge. Mr. Flournoy stated that it might be a problem getting a person to admit to three violations.

Councilmember Gorden stated that he would assume that most of the people receiving these tickets would be people who worked downtown. Mr. Haglund stated that Mr. Simond and Mr. Gorden were not present at the last meeting when he gave the example of how people take the first five parking spaces and move the cars up one space every three hours to avoid getting a ticket.

LeeAnn Rankin-Mayfield stated that she has a client who works downtown and her employer told her that he would allow her to move her car every hour and a half in order to park in front of the business.

In response to question by Councilmember Jones, Ms. Rankin-Mayfield stated that the change in time will help her business but a client will have to move their cars in between her services and the services of the beauty shop. Ms. Rankin-Mayfield stated that the closest free parking is on Angelina Street a block away from her nail salon. Mayor Bronaugh stated that people walk almost that far when they park at the Mall. Ms. Rankin-Mayfield stated that someone who is barefoot would not want to walk that far.

Motion was made by Councilmember Don Boyd and seconded by Councilmember Jack Gorden, Jr. that Amendment to the Traffic Ordinance regulating parking in the City of Lufkin be approved on First Reading with fines designated at \$5/\$10/\$25. A unanimous affirmative vote was recorded.

Councilmember Gorden suggested that Council be given a report in April, 1997 as to how enforcement of this Ordinance is working.

7. PUBLIC WORKS MAINTENANCE FACILITY - DISCUSSED

Mayor Bronaugh stated that the next item for further consideration was the development and construction of a new maintenance facility for Public Works.

City Manager Maclin stated that Mr. Simond had specifically requested that staff give an update on the Public Works facility, and give Council another opportunity to discuss the facility in detail. City Manager Maclin stated that the facility was discussed at the Retreat somewhat extensively and Council was presented architectural renderings and numbers from the architect/engineer. City Manager Maclin stated that once staff got into the budget process they discovered that the project would be more expensive than the original estimate that Mr. Wesch had started with some time back. City Manager Maclin stated that included in the packet is a memo from the Assistant City Manager Mr. Mayfield giving Council an

executive summary of where the City is including some background information and finally a recommendation. City Manager Maclin stated that what staff is seeking from Council tonight is a little more time to (1) fully incorporate a new budget that reflects the utilization of a City force account using City employees and City equipment to reduce the cost of many of the budgeted items. City Manager Maclin stated that the price that was in the budget from the architect/engineer to provide utilities to the site was full price and if City employees were used we would only be out the cost of materials. City Manager Maclin stated that the same is true for site preparation and parking lot construction. City Manager Maclin stated that staff would like to finish revising the budget to reflect utilization of City staff, equipment and employees for reducing some of the costs. City Manager Maclin stated that the second thing staff would like Council to consider is when this was first discussed there was talk of the relocation of Solid Waste, Water Utilities, Street Department and Park and Recreation to this new site, south of Feagin Street. City Manager Maclin stated that in the meantime staff has received more input from Department Heads, and have had a better chance to discuss this from a long term standpoint and think that there is merit for consideration of a couple of changes (1) to locate the Solid Waste Department adjacent to the Recycling Department. City Manager Maclin stated these departments use a lot of the same equipment, the same trucks, same supervision for both departments from the same individual. City Manager Maclin stated that the City does have an option for five additional acres at the South Park Industrial Park on FM 819 adjacent to the Recycling Center. City Manager Maclin stated that if these two departments could be located side by side, in his opinion, there is some economies of scale and some supervision management efficiencies that could be obtained by the two department being side by side. City Manager Maclin stated that the second thing is that the space that would be vacant then from Solid Waste now going to the facility on Feagin, staff would want to consider the relocation of the City garage, the maintenance facility that is currently located at Hill and Windsor. City Manager Maclin stated that if the Water Department, Street Department, and Parks and Recreation Department all located at this new Public Works facility, it makes logical sense that the garage facility should be there to provide maintenance on all the equipment (dump truck, backhoes, bulldozers, etc.). City Manager Maclin stated that if the Garage facility is also located at the Public Works facility, the City could consider selling that property, approximately five acres as a way of gaining some cash to be spent on the new Public Works facility. City Manager Maclin stated that the property could also be looked at as future growth for Morris Frank Park. City Manager Maclin stated that the property where the City facilities are off of Martin Luther King could also be looked at for selling. City Manager Maclin stated that at this time appraisals are being put together so that it can all be brought back to Council for consideration - how many acres the City has for sale, what the appraised value of the property is, and utilize this as part of the decision making process. City Manager Maclin stated that staff would like to bring this item back for the September 17th meeting agenda for further discussion.

Councilmember Simond stated that he was surprised to hear the City Manager tell him that at the end of the lease on the Solid Waste facility the lease would double. Councilmember Simond stated that doubling the lease to \$78,000 a year is unacceptable to him. Councilmember Simond stated that this would be a change that would save the City some money. Councilmember Simond stated that, in his opinion, some people were scared off with the architect's original proposal of \$5 million. Councilmember Simond stated that he was confident in the City employees' ability to do whatever work is needed on this project.

8. REQUEST - TABLED - ICE CREAM VENDING - CITY STREETS - ERNIE THORNHILL

Mayor Bronaugh stated that the next item for consideration was a request from Ernie Thornhill concerning ice cream vending on City streets.

Mr. Thornhill stated that he was aware that the City had an Ordinance in place that

was concerned with safety. Mr. Thornhill stated that he and his company are also concerned first and foremost with safety. Mr. Thornhill stated that he would welcome questions from the Councilmembers.

In response to question by Councilmember Jones, Mr. Thornhill stated that one of his rules was to never stop to make a sale on a thorough traffic street. Mr. Thornhill stated that his company only sells in residential neighborhood, and is currently selling in Nacogdoches, Hudson, and Huntington. Mr. Thornhill stated that he makes 75 cents profit off the sale of an ice cream bar and there is no way that a child would be endangered for a 75 cent sale. Mr. Thornhill stated that he has a stand in the Lufkin Mall and is a distributor for Good Humor, Dreyers, Popsicle and Klondike. Mr. Thornhill stated that he also does wholesaling to convenience stores, stores as small as Lancewood to as large as the Fifth Wheel Truck Stop. Mr. Thornhill stated that they are a very professional business, and his partner holds an MBA from Texas A & M University. Mr. Thornhill stated that he pays sales tax on every purchase, hold all permits, and carries the proper insurance through State Farm. Mr. Thornhill stated that the ability to bring responsibility in ice cream vending to the streets of Lufkin would add so much stability to his business.

In response to question by Councilmember Jones, Mr. Thornhill stated that he has not had any problems with safety in the other cities he sells in. Mr. Thornhill stated that he holds monthly safety meetings with all the drivers. He stated that he was a graduate of several driving schools and teaches the drivers personally. Mr. Thornhill stated that when he submits the drivers licenses records of their employees to State Farm they make them meet the same standards they would for insuring a driver. Mr. Thornhill stated that his drivers never drive more than five miles an hour on a residential street because they are watching for children and then it gives the children time to go in and get their money. Mr. Thornhill stated that his trucks are well marked with "Watch for Children" and "Caution, Frequent Stops" signs, and have flashing strobe lights on the trucks.

City Attorney Flournoy stated that the City has an Ordinance that does not allow selling from City streets. Mr. Flournoy stated that it applies to any sort of vending from the street. In response to question by Mayor Bronaugh, Mr. Flournoy stated that vendors such as Schwans park in driveways and the problem with the ice cream vendor is that he stops on the street to make a sale. Mr. Flournoy stated that the City's Ordinance does not permit sales on sidewalks either, but it has been allowed by special permit. Mr. Flournoy stated that the Espresso Station Coffee Shop received a Special Use Permit.

Mayor Bronaugh asked if Council would have to amend the present Ordinance or write a new Ordinance allowing vending on the streets. Mr. Flournoy stated that safety requirements would have to be addressed in the Ordinance with some input from the Police Department. Mr. Flournoy stated that staff might look at Ordinances from other cities that allow street vending.

In response to question by Councilmember Gorden, Mr. Flournoy stated that the City's Ordinance was passed in 1935. Mr. Flournoy stated that it appears that there was an Amendment to the Ordinance in 1972. Mr. Flournoy stated that a similar request came before Council in 1987.

In response to question by Councilmember Weems, Mr. Flournoy stated that door to door sales require different types of permits. Mr. Flournoy stated that Interstate Commerce does not require a permit, but itinerant vendors do require a permit.

Mr. Thornhill stated that in the City of Nacogdoches, which is the most rigid city he obtains permits in, he also has to submit his driver's social security numbers to the City Secretary and they are run through the Police Department for background checks on the drivers. Mr. Thornhill stated that one of the pluses of having a legitimate business in town is that they create established customers and are able to give better prices, which makes it difficult for fly-by-night people to come in and

make any money.

Motion was made by Councilmember Don Boyd and seconded by Councilmember Percy Simond that the City Attorney amend or rewrite the Ordinance for Solicitors/Itinerant Vendors. A unanimous affirmative vote was recorded

9. ORDINANCE - APPROVED - FIRST READING - ZONE CHANGE - SINGLE FAMILY, MIXED USE TO LIGHT MANUFACTURING - SPENCE STREET - JOSEPH WHITE

Mayor Bronaugh stated that the next item for consideration was a request by Joseph White to change the zoning from "SF/MX" Single Family, Mixed Use to "LM" Light Manufacturing on approximately a three (3) acre tract of land located at 2108 Spence Street.

City Manager Maclin stated that included in the Council packet is a letter of explanation from the Planning Department along with a recommendation by unanimous vote from the Planning & Zoning Commission to approve this request.

Motion was made by Councilmember Don Boyd and seconded by Councilmember Percy Simond, Jr. that Ordinance to change the zoning from "SF/MX" Single Family, Mixed Use to "LM" Light Manufacturing on approximately a three (3) acre tract of land located at 2108 Spence Street be approved on First Reading as presented. A unanimous affirmative vote was recorded.

10. ORDINANCE - APPROVED - FIRST READING - ZONE CHANGE - WHITE HOUSE DRIVE - MATTHEW BRADSHAW

Mayor Bronaugh stated that the next item for consideration was a request by Matthew Bradshaw to change the zoning from "LB" Local Business to "LB, SU" Local Business, Special Use on approximately 0.631 acres of land located at 102 White House Drive.

City Manager Maclin stated that included in the Council packet is an explanation and a recommendation of approval from the Planning & Zoning Commission with four conditions: (1) A maximum of 25 cars for retail purposes may be displayed on the lot at any time (2) The only repair and body work done on the premises will be done in relation to the sale of used cars stored on the lot (3) Current operations such as window tinting and car stereo installation shall be permitted, and (4) Any repair work in conjunction with the operation must be carried out in an enclosed building. City Manager Maclin stated that this request comes to Council from the Planning & Zoning Commission on a unanimous vote with those four stipulations.

Motion was made by Councilmember Don Boyd and seconded by Councilmember Tucker Weems that zone change from "LB" Local Business to "LB, SU" Local Business, Special Use on approximately 0.631 acres of land located at 102 White House Drive be approved as presented. A unanimous affirmative vote was recorded.

11. ORDINANCE - APPROVED - FIRST READING - GENERAL OBLIGATION BONDS, SERIES 1966

Mayor Bronaugh stated that the next item for consideration was First Reading of an Ordinance authorizing the issuance of City of Lufkin, Texas General Obligation Bonds, Series 1966.

City Manager Maclin stated that on the Council table is a copy of the official statement and a revision regarding bidding instructions. City Manager Maclin stated that this will complete the final issuance of street bonds approved by the citizens in May, 1994. City Manager Maclin stated that the first \$5 million of the \$8.65 million had been issued in 1994, and now the City is ready to issue the balance.

City Manager Maclin stated that staff will be coming to Council next month with a bid for recommendation on Paul Avenue and after the first of the year, Martin Luther King Drive and Tulane.

Joe Morrow, of First Southwest-Houston, stated that this is the culmination of a process that started a few weeks ago, this document was mailed out to prospective bond counsels throughout the nation and the City's bonds were very well accepted today into the market. Mr. Morrow stated that this is represented by the fact that the City attracted attention from the midwest, southeast, as well as quite a bit of attention from bond houses in the southwest, located here in Texas. Mr. Morrow stated that one of the reasons he believes the City was so well received is the Municipal Bond calendar which schedules competitive sales nationwide has been a little light at the end of this summer, which is primarily due to cities and school districts being in budget process and not many are coming to the market at this time. Mr. Morrow stated that as far as the market timing in the calendar sense of other bond issues coming to market, it was a very good time because of the lightness. Mr. Morrow stated that one of the second considerations is the calendar of City and school bonds has been particularly light. Mr. Morrow stated that this issue is also bank-qualified which attracts a lot of the large banks because they can purchase these bonds and hold them in their inventory and get a tax credit. Mr. Morrow stated that the City is an A rated credit and not many A rated credits have been coming to market. Mr. Morrow stated that financial institutions, like insurance companies, mutual funds and trusts companies, have restrictions where they cannot even buy any bond that does not have an underlying credit rating of an "A". Mr. Morrow stated that these factors led up to a very strong acceptance in the market today. Mr. Morrow stated that they received 10 bids.

Mr. Morrow gave the following bid results:

William R. Hough & Co.	5.16
Dean Witter Reynolds	5.139
Coastal Securities	5.132
Smith Barney	5.132
Morgan, Keegan & Co.	5.1127
Dane, Bosworth	5.118
Griffin, Kubik, Stephens & Thompson	5.12
Southwest Securities	5.0997
First Tennessee Bank	5.087
A. G. Edwards & Sons	5.074

Mr. Morrow stated that his recommendation to Council is to award the bid of A. G. Edwards & Sons at a rate of 5.074.

Motion was made by Councilmember Don Boyd and seconded by Councilmember Jack Gorden, Jr. to award the bid of A. G. Edwards & Sons at a rate of 5.07 and that First Reading of an Ordinance authorizing the issuance of City of Lufkin, Texas General Obligations Bonds, Series 1996 be approved on First Reading as presented. A unanimous affirmative vote was recorded.

12. ORDINANCE - APPROVED - APPROPRIATIONS 1996-'97

Mayor Bronaugh stated that the next item for consideration was First Reading of the Appropriations Ordinance for 1996-'97.

City Manager Maclin stated that included in the Council packet is the proposed draft Ordinance to reflect all of the expenditures of the various funds; General Fund, Water & Sewer Fund, Solid Waste Fund, plus the designation of the Civic Center, Ellen Trout Zoo, Special Recreation Fund, and Depreciation Fund. City Manager Maclin stated that basically this will reflect all of the expenditure aspects of the 1996-'97 budget draft.

Motion was made by Councilmember Tucker Weems and seconded by Councilmember Percy Simond that the Appropriations Ordinance be approved on First Reading as presented. A unanimous affirmative vote was recorded.

13. ORDINANCE - APPROVED - FIRST READING - TAX LEVYING ORDINANCE

Mayor Bronaugh stated that the next item for consideration was First Reading of the Tax Levying Ordinance for 1996-'97.

City Manager Maclin stated that this Ordinance sets the tax rate for 1996-'97 at the same rate the City had for this past year, which was .4869/\$100 valuation, and also sets the amount for Interest and Sinking to meet the City's debt requirements.

Motion was made by Councilmember Tucker Weems and seconded by Councilmember Percy Simond that First Reading of the Tax Levying Ordinance for 1996-'97 be approved as presented. A unanimous affirmative vote was recorded.

14. ORDINANCE - APPROVED - FIRST READING - WATER RATES REVISED - RESIDENTIAL/COMMERCIAL

Mayor Bronaugh stated that the next item for consideration was First Reading of an Ordinance to revise residential and commercial water rates.

City Manager Maclin stated that this Ordinance sets the water rates necessary to produce the revenue to support the Appropriations Ordinance and it represents approximately a 3.5% increase in rates.

Motion was made by Councilmember Tucker Weems and seconded by Councilmember Percy Simond that First Reading of Ordinance revising residential and commercial water rates be approved as presented. A unanimous affirmative vote was recorded.

15. ORDINANCE - APPROVED - FIRST READING - SEWER RATES REVISED

Mayor Bronaugh stated that the next item for consideration was First Reading of an Ordinance to revise sewer rates.

City Manager Maclin stated that this Ordinance includes the formula which was originally created in the late 1980's to meet EPA and TNRCC requirements, and establishes the cost per thousand to reflect expenditures as shown in item #12.

Motion was made by Councilmember Tucker Weems and seconded by Councilmember Percy Simond that First Reading of Ordinance revising sewer rates be approved on First Reading as presented. A unanimous affirmative vote was recorded.

16. ORDINANCE - APPROVED - FIRST READING - SOLID WASTE RATES

Mayor Bronaugh stated that the next item for consideration was First Reading of an Ordinance to revise solid waste rates.

City Manager Maclin stated that this will also set the rates to reflect the revenues needed to meet the Appropriations Ordinance and represents about a \$1.55 increase for residential rates and \$1.12 in non-compacted, and a little more for compacted, which represents a small percentage of customers. City Manager Maclin stated that it is appropriate to note that with the 5% reduction that was given last year in residential rate, that averaging last year's rates and this year's rates it comes up to 4 1/2% between the two years.

Motion was made by Councilmember Tucker Weems and seconded by Councilmember Percy Simond that First Reading of Ordinance revising solid waste

rates be approved as presented. A unanimous affirmative vote was recorded.

17. EXECUTIVE SESSION

Mayor Bronaugh recessed Regular Session at 6:20 p.m. to enter into Executive Session. Regular Session was reconvened at 7:30 p.m. and Mayor Bronaugh stated that personnel matters were discussed, and no decisions were made.

18. COMMENTS


Councilmember Weems stated that he would like to compliment the staff on their hard work on the budget preparation. Councilmember Weems stated that he would get together with Mr. Warren to discuss the budget further. Councilmember Weems stated that the Houston Chronicle had a real good article in their Sunday paper about the Ellen Trout Zoo.

Councilmember Simond stated that he noticed in the Councilmember's Newsletter that the City Manager is now riding with individual patrolmen, and, in his opinion, the City Manager was too valuable an employee to be riding in a patrol car.

Councilmember Gorden stated that he, too, appreciated staff's hard work on the budget. Councilmember Gorden stated that he would also like to repeat what Mr. Morrow of First Southwest said in that the City did receive an outstanding bond rating, and the people of Lufkin should be proud of the rating. Councilmember Gorden stated that Angelina College received a substantially higher rating on their recent bond sale.

City Manager Maclin stated that there will be a DETCOG meeting in Trinity County on Thursday, August 22, and a TML Region 16 meeting in Jasper on Thursday, August 29. City Manager Maclin stated that also Thursday, August 29 there is a Public Hearing meeting at City Hall that the Texas Department of Transportation is putting on relating to the Paul Avenue overpass. City Manager Maclin stated that the County Commissioners Court made some comments about wanting to look at the Tax Abatement Policy and the City will be hosting a meeting in City Hall on the 29th at 3:30 p.m. with representatives from Commissioners Court, the Junior College, the Chamber of Commerce and the City to discuss possible considerations to revise the Tax Abatement Policy. City Manager Maclin stated that the Policy is supposed to be reviewed every two years and whatever is decided, staff is to come back for formal action by the City Council. City Manager Maclin stated that he and Stephen Abraham and Dawn Glover will be representing the City from a current policy standpoint.

19. There being no further business for consideration, meeting adjourned at 7:40 p.m.


Louis A. Bronaugh - Mayor

ATTEST:


Atha Stokes - City Secretary