

MINUTES OF REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF
LUFKIN, TEXAS, HELD ON THE
2nd OF APRIL 2002

On the 2nd day of April 2002 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
Dennis Robertson
R. L. Kuykendall
Don Boyd
Lynn Torres
Jack Gorden, Jr.
C. G. Maclin
James Hager
Atha Stokes Martin
Bob Flournoy
Keith Wright
Stephen Abraham

Mayor
Mayor pro tem
Councilmember, Ward No. 1
Councilmember, Ward No. 2
Councilmember, Ward No. 3
Councilmember, Ward No. 5
City Manager
Asst. City Manager/Finance
City Secretary
City Attorney
City Engineer
Director of Planning

being present, and

Bob Bowman

Councilmember, Ward No. 4

being absent when the following business was transacted.

1. Rev. Rick Williams, Pastor, Carpenter's Way Church, opened meeting with prayer.
2. Mayor Bronaugh welcomed visitor's present and recognized members of the Mayors Committee for People with Disabilities. Representing the Mayor's Committee were Melita McCall, Cedric Buckley and Debbie Smith.

3. APPROVAL OF MINUTES

Minutes of the regular meeting of March 19, 2002 were approved on a motion by Councilmember Don Boyd and seconded by Councilmember Dennis Robertson. A unanimous affirmative vote was recorded.

4. BID – APPROVED – PICKUP TRUCK – WATER UTILITIES DEPARTMENT – TIPTON FORD

Mayor Bronaugh stated that the first item for consideration was bids for a pickup truck to be used in the Water Utilities Department.

City Manager Maclin stated that this was the item that staff requested that Council table while they clarified some bid specifications. Mr. Maclin stated that staff is bringing the bid back to Council today with those clarifications that is about \$2,000 less than the other bid staff had at last meeting. Mr. Maclin stated that staff is recommending the low bid of Lawrence Marshall Ford in the amount of \$21,164.

In response to question by Councilmember Robertson, Mr. Maclin stated the dealership delivers the vehicles to the City. Councilmember Robertson stated that he noticed that there was only \$41 difference between Lawrence Marshall Ford and Tipton Ford, which is more local and wondered whether or not there would be an advantage to having it more local. Mr. Maclin stated that the warranty would be provided through Ford Motor Company, which in the City's case would be Al Meyer.

Councilmember Gorden asked if this could be one of those instances where for \$41 we keep the business in East Texas. Mr. Flournoy stated that there is always the question of what is the lowest, best bid. Mr. Gorden stated that if it were legal to

approve the bid of Tipton he would like to do that. Mr. Flournoy stated that if Council believes that the lowest, best bid is the bid of Tipton Ford then they could approve this bid.

Motion was made by Councilmember Jack Gorden, Jr. and seconded by Councilmember Lynn Torres that Council approve the bid of Tipton Ford in the amount of \$21,205.75. A unanimous affirmative vote was recorded.

5. AMENDMENT – APPROVED – HOME PROGRAM CONTRACT - TDHCA

Mayor Bronaugh stated that the next item for consideration was an Amendment request to the HOME program contract with TDHCA.

City Manager Maclin stated that included in the Council packet is a memorandum from the Inspection Services Department along with a letter of explanation from Gary Traylor of Traylor & Associates, followed by a Resolution that reflects the modifications to match the HOME Program guidelines contract criteria. Mr. Maclin stated that staff is seeking Council's approval of this Resolution as amended.

Motion was made by Councilmember Don Boyd and seconded by Councilmember Jack Gorden, Jr. that Amendment to the HOME program contract with TDHCA be approved as presented. A unanimous affirmative vote was recorded.

6. AUTHORIZATION – APPROVED – LITTER CONTRACT – GOODWILL INDUSTRIES - TIBH

Mayor Bronaugh stated that the next item for consideration was authorization to enter into a contract with Goodwill Industries through TIBH for litter pickup in the parks.

City Manager Maclin stated that TIBH was Texas Industries for the Blind and Handicapped. Mr. Maclin stated that this is something that the City had the opportunity through State law to take bids directly from Goodwill because they have legislation with the State of Texas that allows the City to contract directly with them. Mr. Maclin stated that the City has been utilizing their services for litter pickup in the parks for approximately six years. Mr. Maclin stated that staff is recommending that Council award this bid in the amount of \$12,444.96. Mr. Maclin stated that this would provide services for litter pickup in Morris Frank Park, Ellen Trout Park, Winston Park, Jones Park, and Chambers Park.

In response to question by Councilmember Robertson as to whether this is 40 consecutive days, Mr. Maclin stated that the 40 days is spelt out in Morris Frank to coincide with baseball season. Mr. Maclin stated that the remainder is the summer months for the other parks. Mr. Maclin stated that the intensity of the litter in Morris Frank is directly proportional to the number of softball/baseball games played.

In response to question by Councilmember Robertson, Mr. Maclin stated that the "cleaning" referred to cleaning up the litter.

Motion was made by Councilmember Dennis Robertson and seconded by Councilmember Lynn Torres that staff be authorized to enter into a contract in the amount of \$12,444.96 with Goodwill Industries, through TIBH, for litter pickup in the parks. A unanimous affirmative vote was recorded.

6. BIDS – APPROVED – RADIO FREQUENCY METER READING SYSTEM – HUGHES METERS

Mayor Bronaugh stated that the next item for consideration was bids for Radio Frequency Meter Reading System.

City Manager Maclin stated that included in the Council packet is a fairly lengthy, but thorough and detailed memo from Assistant City Manager Hager that gives some very important background information leading up to this recommendation. Mr. Maclin stated that this is something that staff went to bid on several months ago and has tried to thoroughly investigate this area. Mr. Maclin stated that last summer Council

approved some allocations of funds in the Utility Fund to allow staff to begin to move towards electronic meter reading. Mr. Maclin stated that the long-term goal for the use of this equipment would be for staff to be able to reduce the time and improve the accuracy in the reading of the meters. Mr. Maclin stated that in this case this would be for the 1200 connections in the Burke System and as we can afford it through subsequent budget years begin to add more areas of the City until we have all 14,000 meters utilizing this type of technology, whereby the frequency of the meter is read by a computer in a vehicle that drives down the street. Mr. Maclin stated that as shown in the memo there is multiple technologies available, multiple meter brands that work with these programs as well as the software issues. Mr. Maclin stated that some of the other issues include the type of reader device, the type of battery, the cost of battery replacement, the length of warranty, etc.

City Manager Maclin stated that he would like to ask Drew Squyres from Utility Collections to give Council an executive summary overview of how staff came to their deduction and conclusion as a staff to recommend to Council the bid of Hughes Supply in the amount of \$176,738.

Drew Squyres, Director of Utility Collections, stated that he was present to recommend the review committee's recommendation of the radio frequency automated reading system. Mr. Squyres stated that this is a process that has been very lengthy. Mr. Squyres stated that he wanted to express his appreciation to the review committee: Andy Hankins, James Hager, David Cochran, and Keith Wright.

Mr. Squyres stated that the system is divided up into two main groups, and that is absolute encoder, which reads right off the register and is a guaranteed read, and the pulse system. Mr. Squyres stated the pulse system is connected to the meter itself and counts the pulse as the water goes through. Mr. Squyres stated that as the research progressed the committee felt more comfortable with the absolute encoder and that is one of the committee's recommendations.

In response to question by Councilmember Robertson in regard to the pulse system, Mr. Squyres stated that you would have to program the initial read and then it counts the fluctuations inside the meter and sends a signal for each pulse that translates into gallons. Mr. Squyres stated that the information goes into a transponder located at the top of the meter lid and is stored there. Mr. Wright stated that he would term it as a "dumb" system since it really does not know what the meter is reading other than what you have entered into it. Mr. Wright stated that if communications is interrupted between the meter and the transponder it doesn't know that communications has been disrupted, it is sending you the previous meter reading. Mr. Wright stated that with the absolute encoder system, if it loses its signal, it couldn't get a reading so it responds with a "no read" to the computer. Mr. Wright stated that way we would know that we have a problem versus not knowing whether we have a problem or not.

Mr. Squyres stated that in addition to that, one of their concerns would be if you were in a pulse system, you have your initial read, and as you come back and read it the following month and it fails somewhere during the month and instead of registering 5,000 gallons it registers 2,000, there will not be any signal to the meter reader or to the billing department that there is a problem. Mr. Squyres stated that it would just look like someone's consumption failed. The following month when it shows "0" you would have the first indication that there could be a problem. Mr. Squyres stated that actually it could be three months before you realize that there is a problem, whereas on the absolute encoder system if it doesn't read then it sends back a signal that there is no read there. Mr. Squyres stated that he would know more quickly that there is a problem that needs to be responded to. Mr. Squyres stated that that is one of the most essential issues of the absolute encoder system as opposed to the pulse system. Mr. Squyres stated that this was a major consideration, therefore, early on the committee decided to look only at the absolute encoder system. Mr. Squyres stated that one of the first "cuts" was to eliminate consideration of the pulse system. Mr. Squyres stated that another issue related to that was that they wanted to avoid FCC license, regulations and expenses. Mr. Squyres stated that only one vendor was involved in FCC license requirements.

In response to question by Mayor Bronaugh, Mr. Squyres stated that the MIU is attached to the existing meters. Mr. Squyres stated that there are two ways to read the meters and that is to drive by or walk by. Mr. Squyres stated that the drive by feature is what they are most interested in. Mr. Squyres stated that the City has historically used one of three meters and the most of the meters being used now are Badger or Neptune. Mr. Squyres stated that Badger and Neptune represent 90% of the market nationally. Mr. Squyres stated that the life of a meter is generally 10 years. Mr. Squyres stated that he had not talked to anyone who had 10 years experience with this unit yet. Mr. Squyres stated that on the Neptune system that the committee is recommending there is a five year 100% warranty.

In response to question by Councilmember Gorden, Mr. Squyres stated that he expected the meter reading devices to last competitively with the meter.

In response to question by Councilmember Gorden, Mr. Hager stated that the pay back would be a little longer and this system will eventually eliminate personnel. Mr. Hager stated that that would be the pay back. Councilmember Gorden stated that when Council approved the initial \$195,000 to start this process there was some semi-definite assumptions made time wise on this system. Mr. Maclin stated that the reason staff chose the Burke system is because of the lack of density and it is spread out over a lot larger square miles than typical meter readings inside the City. Mr. Maclin stated that staff felt like the advantages in terms of the timesavings would be greater initially in the non-dense areas than would be in the dense areas. Mr. Maclin stated that staff's goal in their request through the budget process when it was presented to Council was to let staff run this for a year and make sure that we think it is as good as it says it is and give us a chance to use this 1200 meters in the Burke area as a pilot project. Mr. Maclin stated that if it proves the results that staff thinks it will, then staff would come back to Council during the budget process and set up over the next four or five years an allocation of funds to divide the City up into four quadrants. Mr. Maclin stated that the other thing working to our advantage is that as this technology gets more and more in the market place the price will continue to come down. Mr. Maclin stated that staff's goal was to use this as a pilot project and if it produces the results and the accuracy and the timing staff thinks it will, then staff would come back to Council to justify approaching conquering a quarter of the City at a time.

Mr. Hager stated that this initial purchase includes the hardware and software that is necessary. Mr. Hager stated that the next purchase would be the hardware, which is typically the transponders and batteries and some meters as may be necessary. Mr. Hager stated that staff's hope would be to not spend more than \$400-500,000 on this system. Mr. Hager stated that if staff gets this all in place there is a savings of roughly \$90,000 in personnel costs in going to this system calculated over a five-year payback. Mr. Hager stated that staff has investigated the cost of battery replacement versus the warranty that the recommendation provides and believe that it is a good product with a good warranty.

Mr. Squyres stated that a lot of cities, small and large, are going to this system and are being driven by the fact that they have a large personnel turnover every year. Mr. Squyres stated that he is very happy with the quality of the meter readers in the City thanks to Andy Hankins, who has done a good job in training the meter readers, and maintaining very accurate reads. Mr. Squyres stated that the City's meter readers are currently using a hand held device, which has improved the reading system greatly. Mr. Squyres stated that staff's motivation is getting the readings in a timely matter regardless of what the weather is.

In response to question by Councilmember Robertson, Mr. Squyres stated that the City has three meter readers at this time.

Mr. Wright passed around a picture of what the absolute encoder device would look like.

In response to question by Councilmember Gorden, Mr. Squyres stated that City forces would install the devices. Mr. Wright stated that the installation should take only a few minutes per meter. Mr. Wright stated that he has a meter changing crew in place.

Mr. Wright stated that staff would ask that any motion be contingent upon a 100 meter trial period that is required in the specifications. Mr. Wright stated that they need to prove this system to us that it would work and contingent upon the devices passing the trial, the City would purchase the system. Mr. Hager stated that staff did check out the references and the company they are recommending has responded with 52 references and Mr. Squyres called and checked a number of them. Mr. Hager stated that another question for consideration was, would it interface with our software that we currently own and the answer to that is "yes". Mr. Hager stated that the Hughes product has more customers at this point and has been in the ground for over two years. Mr. Hager stated that this technology relatively has been around a long time, but the problem is that the price has been prohibitive.

Councilmember Gorden asked if the warranty included water infiltration problems. Mr. Squyres stated that on the five-year warranty on the battery there is water infiltration on that. Mr. Hager stated that the whole system is designed to be water-tight. Mr. Hager stated that one of the primary considerations for the staff being interested in this particular product rather than the other is in the way the battery gets changed out. Mr. Hager stated that the Hughes product has a battery guarantee of five years at 100%.

Councilmember Gorden asked if something were to happen to the Hughes Company would a different company have the technology that would be transferable as far as reading equipment, etc. Mr. Squyres stated that you would have to replace the transponders, but the meters could stay the same. Mr. Hager stated that one of the things about the R900 system that they guarantee the City if they go out of business is that we would get their source code, which means that we can then have their system reprogrammed to a new system. Mr. Hager stated that they are a pretty stable company. Mr. Hager stated that you would want to write into the contract that in the event that something happens you would get the source code and this bid does include that.

Motion was made by Councilmember Lynn Torres and seconded by Councilmember Jack Gorden, Jr. that the bid of Hughes Meters in the amount of \$176,738, which has been determined as the best bid, be approved contingent upon the 100 meter test trial. A unanimous affirmative vote was recorded.

8. CALENDAR NOTATIONS FROM MAYOR, COUNCILMEMBERS, AND CITY MANAGER


City Manager Maclin stated that the date that had been set as the Council Retreat date is also the same date as the TML Region 16 dinner meeting at Crown Colony and the next date for consideration would be May 20th.

City Manager Maclin stated that next week on the 9th and 10th Moody's and Standard and Poor's would be coming to Lufkin for a bond rating visit. Mr. Maclin stated that at the next meeting on the 16th we would have the sale of the bonds for the Capital Improvements and the street bond program. Mr. Maclin stated that the Finance Committee is invited to attend the bond rating meetings.

City Manager Maclin stated that on Monday, April 15th, at the Civic Center the City would be hosting a Public Funds Investment Seminar. Mr. Maclin stated that the instructor on April 15th would be Dick Long, who is the City's Investment Counsel. Mr. Maclin stated that on May 1st the remaining hours of the class would be held at the Civic Center and Corrine Steeger would be the instructor.

City Manager Maclin stated that the First Friday luncheon would be this Friday.

9. There being no further business for consideration, meeting adjourned at 5:50 p.m.


Louis Bronaugh
Mayor

ATTEST:


Atha Stokes Martin - City Secretary