

**MINUTES OF REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF
LUFKIN, TEXAS, HELD ON THE
4th OF MARCH 2003**

On the 4th day of March 2003 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	Mayor
Lynn Torres	Mayor pro tem
R. L. Kuykendall	Councilmember, Ward No. 1
Rose Faine Boyd	Councilmember, Ward No. 2
Bob Bowman	Councilmember, Ward No. 4
Jack Gorden, Jr.	Councilmember, Ward No. 5
Dennis Robertson	Councilmember, Ward No. 6
C. G. Maclin	City Manager
Atha Martin	City Secretary
Bob Flournoy	City Attorney
Keith Wright	City Engineer
Kenneth Williams	Director of Public Works
Stephen Abraham	Director of Planning

being present when the following business was transacted.

1. Meeting was opened with prayer by Rev. Frank Starr, Pastor, First Lutheran Church.
2. Mayor Bronaugh welcomed visitors present. Mayor pro tem Torres recognized LHS students who were present to fulfill their government class requirement by attending the Council meeting.

3. APPROVAL OF MINUTES

Minutes of the Regular Meeting of February 18, 2003 were approved on a motion by Councilmember Lynn Torres and seconded by Councilmember R. L. Kuykendall. A unanimous affirmative vote was recorded.

4. ORDINANCE – APPROVED – SECOND READING – SPECIAL USE PERMIT – OFF-PREMISE SIGN – CENTRAL BUSINESS ZONING DISTRICT – KEVIN JONES – SABINE INVESTMENT

Mayor Bronaugh stated that the next item for consideration was an Ordinance for approval of a Special Use Permit for an off-premise sign within a Central Business zoning district on a portion of an approximately 57.27 acre tract of land out of the J. A. Longario Survey (Abstract No. 34) as requested by Kevin Jones on behalf of Sabine Investment.

Motion was made by Councilmember Bob Bowman and seconded by Councilmember Jack Gorden, Jr. that Ordinance for a Special Use Permit for an off-premise sign within a Central Business zoning district on a portion of an approximately 57.27 acre tract of land out of the J. A. Longario Survey (Abstract No. 34) as requested by Kevin Jones on behalf of Sabine Investment be approved on First Reading as presented. A unanimous affirmative vote was recorded.

5. ORDINANCE – APPROVED – ANNUAL REPORT – COMPREHENSIVE PLAN

Mayor Bronaugh stated that the next item for consideration was the adoption of an Ordinance requiring an annual report by the Planning and Zoning Commission on the Comprehensive Plan and establishing procedures for amendments to the Comprehensive Plan.

City Manager Maclin stated that items # 5 and 6 were discussed by the City Council at the last meeting and Council agreed to place this item on the agenda as far as consideration of approval of the annual report specifically included in #6. Mr. Maclin stated that #5 actually comes to Council as a recommendation from the Planning & Zoning Commission recommending that the City Council adopt an Ordinance that requires this annual report from the Planning & Zoning Commission on the Comprehensive Plan and the procedures for making amendments to the Comprehensive Plan. Mr. Maclin stated that staff would like to seek Council's approval of this Ordinance on First Reading tonight and then item #6 would approve the annual report that was submitted to Council two weeks ago.

Motion was made by Councilmember Bob Bowman and seconded by Councilmember R. L. Kuykendall that Ordinance requiring an annual report by the Planning and Zoning Commission on the Comprehensive Plan and establishing procedures for amendments to the Comprehensive Plan be approved on First Reading as presented. A unanimous affirmative vote was recorded.

6. DISCUSSION OF PLANNING AND ZONING COMMISSION'S ANNUAL COMPREHENSIVE PLAN REPORT FOR 2002 – ORDINANCE ADOPTING AMENDMENTS

Mayor Bronaugh stated that the next item for consideration was discussion of the Planning and Zoning Commission's Annual Comprehensive Plan Report for 2002 and consider an Ordinance adopting amendments to the Comprehensive Plan.

Motion was made by Councilmember Rose Faine Boyd and seconded by Councilmember R. L. Kuykendall that Ordinance adopting Amendments to the Comprehensive Plan be approved as presented on First Reading. A unanimous affirmative vote was recorded.

7. AUDIT REPORT FOR 2002 – APPROVED – ALEXANDER LANKFORD & HIERS

Mayor Bronaugh stated that the next item for consideration was the audit for fiscal year 2002 presented by Richard Rudel of Alexander, Lankford & Hiers.

City Manager Maclin stated that the Finance Committee met last Tuesday and was able to hear the full report and go over the draft in detail. Mr. Maclin stated that staff has asked Mr. Rudel to come today and present an abbreviated version of the audit report and seek any questions from Council.

Richard Rudel of Alexander, Lankford & Hiers stated that his firm performed an audit for the City's fiscal year end, which ended on September 30, 2002. Mr. Rudel stated that included in the Council's packet there was a letter labeled "Communication with Audit Committee." Mr. Rudel stated that this is a letter he went over with the Finance Committee that they wanted everyone on the Council to have as well. Mr. Rudel stated that on page 128 there is a Schedule of Findings and Questioned Cost and on that Schedule there is a Section A, which is called Summary of Auditor's Results. Mr. Rudel stated that as far as the City's financial statements they issued an unqualified opinion on Internal Control over financial reportings and there were no material weaknesses identified. Mr. Rudel stated that in regard to reportable conditions that were not considered to be material weaknesses there is none reported. Mr. Rudel stated that in regards to non-compliance material to financial statements there was none noted. Mr. Rudel stated that in regards to the City's federal awards programs on internal control over major programs, there were no material weaknesses identified. Mr. Rudel stated that in regards to reportable conditions that were not considered to be the material weaknesses, there were none reported. Mr. Rudel stated that the firm's audit report on compliance for major programs is an unqualified opinion, which is the highest you can receive. Mr. Rudel stated that in regards to audit findings disclosed and required to be reported in accordance with Section 510 (a) of Circular A-133, there were none to be reported. Mr. Rudel stated that the firm identified the City's major program through the U. S. Environmental Protection Agency which was a Capitalization Grant for drinking water as far as the State Revolving Fund. Mr. Rudel stated that these were the monies that were receipted and drawing down on the asbestos pipe replacement program. Mr. Rudel stated that the dollar threshold between a Type A

and Type B program for the City was \$300,000, and the City did qualify as a low-risk auditee.

Mr. Rudel stated that the audit report was prepared by the City, as far as the City's Accounting Department, this is the first year that they implemented GASB, which is Governmental Accounting Standards Board – Statement No. 34, which actually has a new reporting model. Mr. Rudel stated that in the new reporting model you will see two new statements, which basically focus on the accrual basis for the City as a whole.

Mr. Rudel stated that he would like to offer his thanks to all the employees of the City. Mr. Rudel stated that they worked a lot with the Engineering Department on the City streets and that was a significant amount of time.

Councilmember Bowman offered his compliments to the staff.

City Manager Maclin stated that it was noteworthy to recognize the fact that we are ahead of schedule in two areas on the GASB 34 reporting. Mr. Maclin stated that he particularly wanted to express his appreciation to all the Administrative staff and Department Heads, specifically Doug Wood and his Department as Director of Accounting who have provided the efforts to help complete this audit with no management letter. Mr. Maclin stated that the fact that the City has no management letter is one of the first of a clean opinion with no discrepancies, and that is quite an achievement on the part of the Accounting Department.

Motion was made by Councilmember Jack Gorden, Jr. and seconded by Councilmember R. L. Kuykendall that the audit report presented by Richard Rudel of Alexander Lankford & Hiers be approved as presented. A unanimous affirmative vote was recorded.

8. EXECUTIVE SESSION

Mayor Bronaugh recessed Regular Session at 5:15 p. m. and Councilmembers entered into Executive Session. Regular Session reconvened at 6:18 p. m. and Mayor Bronaugh stated that Council had discussed appointments to Boards and Commissions and real estate matters.

9. APPOINTMENTS – APPROVED – LUFKIN BOARD OF DEVELOPMENT

Motion was made by Councilmember Rose Faine Boyd and seconded by Lynn Torres that Jim Haley, Tom Brewer, Jim West, Brenda Anderson-Cole, Debbie Johnston, Kevin Smithhart and Salvator Soto be reappointed to the Lufkin Board of Development with staggered terms as presented. Motion passed with six affirmative votes.

10. CALENDAR NOTATIONS FROM MAYOR, COUNCILMEMBERS AND CITY MANAGER

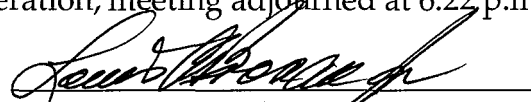
City Manager Maclin stated that the TML Region 16 meeting would be held on Thursday, March 20th at the Fredonia Hotel in Nacogdoches with Jack Colley being the guest speaker.

City Manager Maclin stated that on Thursday, May 15th the Undoing Racism Task Force and the City of Lufkin would be sponsoring a minority business fair at the Civic Center from 5:30 p.m. to 8:00 p.m.

11. There being no further business for consideration, meeting adjourned at 6:22 p.m.

ATTEST

Atha Martin – City Secretary


Louis A. Bronaugh – Mayor