

MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF
LUFKIN, TEXAS HELD ON THE 20th DAY OF JULY, 2004

On the 20th day of July 2004, 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 Bronaugh	Mayor
Rose Faine Boyd	Mayor pro tem
R. L. Kuykendall	Councilmember, Ward No. 1
Lynn Torres	Councilmember, Ward No. 3
Don Langston	Councilmember, Ward No. 4
Paul L. Parker	City Manager
Nellie Matthews	Acting City Secretary
Robert Flournoy	City Attorney
David Koonce	Director of Human Resources
Kenneth Williams	Director of Public Works
Don Hannabas	Director of Parks and Leisure Services
Debbie Fitzgerald	Asst. Public Utilities Director
Doug Wood	Director of Accounting
Steve Poskey	Director of Street Department
Dick Long	Valley View Consultants

being present, and

Jack Gorden, Jr.	Councilmember, Ward No. 5
Dennis Robertson	Councilmember, Ward No. 6
Renee Thompson	City Secretary

being absent when the following business was transacted.

1. Meeting was opened with prayer by Reverend Robert Bush, First Nazarene Church.
2. Mayor Louis Bronaugh welcomed visitors present.
3. **APPROVAL OF MINUTES**

Mayor Louis Bronaugh presented the Minutes of the Regular Meeting of the City Council on July 6th, 2004 and asked if there were any additions, deletions or corrections to those minutes. Mayor Louis Bronaugh noted that item number eight (#8) had some missing words. Acting City Secretary Nellie Matthews and City Manager Paul Parker elaborated by explaining that the missing words were "Tax Resolution". Acting City Secretary Nellie Matthews then added that she would make note of the proper wording and would correct the minutes. Councilmember Lynn Torres moved the minutes of the Regular Meeting of the City Council on July 6th, 2004 be approved with that correction and the motion was seconded by Councilmember Rose Faine Boyd. A unanimous affirmative vote was recorded.

4. **PRESENTATION OF PROPOSED DRAFT BUDGET 2004/2005 – PRESENTED TO CITY COUNCIL FOR THEIR REVIEW.**

Mayor Bronaugh stated that the next item for consideration was the presentation of the 2004/2005 Operating Budget. City Manager Paul Parker stated there would not be a great detail presented on the budget, unless the Council had specific questions. City Manager Paul Parker stated that the Council had previously attended two (2) Budget Workshops to go over the Budget in its formation stage. City Manager Paul Parker stated the Proposed Draft Budget for the 2004/2005 Fiscal Year was being presented to the Council for their consideration. City Manager Paul Parker added that as the Council was well aware, they would have two (2) Public Hearings to deliberate on the Budget in more detail. City Manager Paul Parker further stated that the City Manager's letter at the beginning of the Budget should reflect all of the major changes or deviations from the 2004/2005 Budget as compared to the 2003/2004 Budget. City Manager Paul Parker again stated that this letter should highlight all of the changes and that he would be happy to answer any questions the Council may have had regarding the budget.

Mayor Louis Bronaugh asked if there were any comments from City Council. City Manager Paul Parker added that if there were no comments relating to the Budget, that Dick

Long, of Valley View Consultants, and who is the Financial Advisor to the City of Lufkin, was present in the audience to answer any questions. City Manager Paul Parker asked Dick Long to brief the Council on the financial condition of the City as it relates to the investments that are reflected in this Budget.

Dick Long stated that part of the briefing he was giving was a requirement of the City's Investment Policy, stating that he was required to do a quarterly update on the Portfolio to the Council. Mr. Long then commented that for those who pay attention to the news, on June 30th Alan Greenspan and his group, the Federal Open Market Committee, decided to shift directions and begin increasing rates. Mr. Long further stated that the Federal Open Market Committee went from one percent (1%) to one and a quarter percent (1 ¼%), and that as the market anticipated that move through the spring, and now into the summer, the City started to shift its portfolio. Dick Long stated that if you looked at previous quarterly reports, the City would have big chunks of money in the Local Government Investment Pools, such as TexPool and TexSTAR. Mr. Long stated that if you get into the current portfolio the City, it is at about a fifty/fifty (50-50) balance now, as they have reduced the amount of money in the Local Government Pools and put more of it into securities. Mr. Long further stated that by taking that shift, the City has taken advantage of increased yields that are available, adding that the City would probably continue to do a little more of that as we progress through the summer.

Dick Long reiterated that the Portfolio was yielding about 1.40%, versus the Pools that prior to Greenspan's move, were yielding about 1.05%. Mr. Long added that the City is picking up about thirty (30) to thirty-five (35) basis points in yield. Dick Long stated that when condensed down into numbers, it is worth about \$100,000 to \$120,000 a year in interest earnings. Mr. Long added that on a quarterly basis, getting the Finance Committee together has good economic value to the City by doing some things differently in the Portfolio.

Mayor Louis Bronaugh thanked Dick Long for his presentation and asked if there were any questions or comments from the Council. Mayor Bronaugh then stated that he felt the Council would agree with him that City Manager Paul Parker has done an excellent job in his first month of service to the City of Lufkin, including the Budget, and thanked City Manager Paul Parker. Mayor Bronaugh then asked City Manager Parker to go over the Budget Calendar with him. Mayor Bronaugh reiterated with City Manager Parker that there would be a Public Hearing at the August 3rd, 2004 Council Meeting. City Manager Parker stated that the Final Budget Meeting would be in September and that there would actually be three (3) Council meetings where the public could have input and the Proposed Budget would be discussed in one format or another. Mayor Bronaugh added that there were two (2) Council members that were missing at the meeting. They were Councilmember Jack Gorden, and Councilmember Dennis Robertson, who were both out of the state. Mayor Bronaugh further stated there was however, a quorum present and that business would continue.

5. BID FOR CONCRETE RECONSTRUCTION - APPROVED - FOR PORTIONS OF SHADYBROOK DRIVE.

Mayor Louis Bronaugh stated that the next item for consideration would be a bid for concrete reconstruction for portions of Shadybrook Drive for the Street Department. City Manager Paul Parker stated that the City received a bid for \$22,000 from Allen Loggins and Sons to replace approximately one fourth (1/4) of Shadybrook Drive. City Manager Parker added that Shadybrook Drive is approximately a 400 foot by 23 foot (400' X 23') concrete street that has failures in the base. City Manager Parker stated that this bid would replace 109 linear foot sections. City Manager Parker stated that staff recommended to Council to accept the bid of \$22,000 from Allen Loggins and Sons.

Mayor Louis Bronaugh asked for comments or questions from the Council. Being none, Councilmember R. L. Kuykendall moved to approve the low bid from Allen Loggins and Sons, followed by a second motion by Councilmember Rose Faine Boyd. A unanimous affirmative vote was recorded.

6. BID FOR HOT MIX AND LIMESTONE BASE - APPROVED - FOR STREET DEPARTMENT.

Mayor Louis Bronaugh stated that the next item for consideration would be the bid for Hot Mix and Limestone base for the Street Department. City Manager Paul Parker stated that this was the City's annual bid for asphalt and that the City had received only one bid in the amount of \$35.50 per ton for Hot Mix Asphalt which was \$1.50 over the previous year's bid. City Manager Paul Parker added that the increase was related to the increase in fuel cost and

oil that is used in the makeup of asphalt. City Manager Parker stated that that was the first time that the City had taken a Limestone Base bid. City Manager Parker stated that the bid came in at \$16.50 per ton if the City picks it up and \$18.25 per ton if it is delivered. City Manager Parker stated that staff recommended to Council to accept the bids for the Limestone Base and the Hot Mix Asphalt from East Texas Asphalt.

Mayor Louis Bronaugh asked the Council for comments or questions. Councilmember Don Langston moved to approve the bid from East Texas Asphalt for the Limestone Base and Hot Mix Asphalt, followed by Councilmember Lynn Torres seconding the motion. A unanimous affirmative vote was recorded.

7. **BID FOR ¾ TON EXTENDED CAB TRUCK WITH UTILITY BED – APPROVED – FOR SEWER REHAB DEPARTMENT.**

Mayor Louis Bronaugh stated that the next item for consideration would be the bid for a ¾ ton extended cab truck with a utility bed for the Sewer Rehab Department. City Manager Paul Parker stated that this item was a utility truck that was in the budget for this year, adding that the quotes were taken from BuyBoard for the replacement of a 1985 Dodge truck. City Manager Parker stated that staff recommended to Council to accept the bid from BuyBoard for the truck replacement for the amount of \$23,979.

Mayor Bronaugh asked for comments or questions from the Council. Councilmember Rose Faine Boyd moved to approve the bid from BuyBoard for the ¾ ton extended cab truck with utility bed, with the motion being seconded by Councilmember Lynn Torres. A unanimous affirmative vote was recorded.

8. **BID FOR GRAVITY SLUDGE THICKENER AND RESOLUTION – APPROVED – AUTHORIZING AN AMENDMENT TO THE 2003/2004 OPERATING BUDGET (BUDGET AMENDMENT NO. 5) AND PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE WATER/WASTEWATER RENEWAL AND REPLACEMENT FUND.**

Mayor Louis Bronaugh stated that the next item for consideration would be the bid for the gravity sludge thickener for the Wastewater Treatment Plant and Resolution to amend the 2003/2004 Operating Budget (Budget Amendment No. 5) and providing for the supplemental appropriation of funds in Water/Wastewater Renewal and Replacement Fund and providing an effective date. City Manager Paul Parker stated that this project was budgeted last year but was budgeted at \$75,000. City Manager Parker stated that if the Council approves the bid it would require an additional appropriation of \$40,359. City Manager Parker added that the low bid for this project was from McKinney and Moore. City Manager Parker stated that the primary reason for the increase in cost for this project over what was budgeted was the rapid increase in cost of steel that has occurred this year. City Manager Parker also stated that a lot of the rehabilitation project involves the steel that is within the thickener. City Manager Parker stated that the staff recommended the Council accept the bid from McKinney and Moore in the amount of \$115,359, adding that this would require an additional Resolution to amend the 2003/2004 Operating Budget for \$40,359 from the Water/Wastewater Renewal and Replacement Fund.

Mayor Louis Bronaugh asked for questions or comments from the Council. Councilmember Lynn Torres moved that the bid for the gravity sludge thickener from McKinney and Moore and the Resolution appropriating funds in the Water/Wastewater Renewal and Replacement Fund be approved. Councilmember Rose Faine Boyd seconded the motion. A unanimous affirmative vote was recorded.

9. **BID TO CLEAN AND PAINT GROUND STORAGE #2 TANK AND RESOLUTION - APPROVED – AUTHORIZING AN AMMENDMENT TO THE 2003/2004 OPERATING BUDGET (BUDGET AMENDMENT NO. 7) AND PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE WATER/WASTEWATER RENEWAL AND REPLACEMENT FUND.**

Mayor Louis Bronaugh stated that the next item for consideration would be the bid for cleaning and painting the Ground Storage #2 Tank for the Water Treatment Plant and the Resolution to amend the 2003/2004 Operating Budget (Budget Amendment No. 7) and providing for the supplemental appropriation of funds in the Water/Wastewater Renewal and Replacement Fund and providing an effective date. City Manager Paul Parker stated that this was a mandate that was recently received from TCEQ in one of their recent inspections. City Manager Parker stated that TCEQ mandated that the City has to rehabilitate this storage facility. City Manager Parker stated that bids were taken and the low bid was from Williams

Painting and Sandblasting for \$115,000. City Manager Parker added that this project was not originally budgeted in this year's budget but was required when TCEQ did their inspections. City Manager Parker stated that staff recommended to Council to award the contract to Williams Painting and Sandblasting in the amount of \$115,000 and appropriating the required funds from the Water/Wastewater Renewal and Replacement Fund. In response to Mayor Bronaugh's question of when this was last done, Debbie Fitzgerald, Assistant Director of Public Utilities, replied that this particular tank had probably last been done approximately ten (10) years ago. Councilmember Lynn Torres asked if references had been checked on this particular company since she had noticed that this company had never done work for the City of Lufkin. Debbie Fitzgerald replied that references had not been checked because she was waiting to see what Council decided, but that she would be sure and check the references. Ms. Fitzgerald added that this company had not done any work for the City of Lufkin and she did not know of any work that they had done in this area, so she would be checking references. Ms. Fitzgerald added that two of the other tanks had been done approximately six (6) years ago and this particular tank had not been done so when TCEQ did their inspection they said the City needed to get it sandblasted and painted. Mayor Bronaugh asked if TCEQ checked the tanks ever so often. Ms. Fitzgerald replied that they check both inside and out and that they have a diver that goes inside and looks at all of the seams and welds.

Mayor Bronaugh then asked Council if there were any other questions. Councilmember Lynn Torres moved that the bid to clean and paint ground storage #2 tank from Williams Painting and Sandblasting be approved, providing they provide references, and to approve the Resolution appropriating funds in the Water/Wastewater Renewal and Replacement Fund. Councilmember R. L. Kuykendall seconded the motion. A unanimous affirmative vote was recorded.

10. RESOLUTION TO APPROVE GRANT APPLICATION – APPROVED – FOR SOLID WASTE EDUCATIONAL PROGRAM.

Mayor Louis Bronaugh stated the next item for consideration would be the Resolution to approve the grant application for the Solid Waste Educational Program. City Manager Paul Parker stated that this is a repeat application that the City of Lufkin has made in the past. City Manager Parker stated that last year the City was successful in getting a grant from DETCOG in the amount of \$40,000 for the use in our Regional Solid Waste Recycling Program. City Manager Parker added that this year the staff is wanting permission from the Council to apply for a \$20,000 grant which would be used to support educational activities, paid advertisement, literature, and video equipment to promote recycling within the City. City Manager Parker further stated that if the Council approves, the City would submit the Application, citing that there was no match involved and confirmed that statement with Kenneth Williams, Director of Public Works. Mayor Bronaugh added that he was in a meeting in Natchez, Mississippi last week with the City Manager of San Augustine, and that the City appreciated greatly the recycling trailer which was taken to San Augustine from the City of Lufkin. Mayor Bronaugh stated that the City Manager of San Augustine said the people of San Augustine were responding to the Recycling Program and were bringing the trailer back full. Kenneth Williams, Director of Public Works stated that San Augustine had been really enthusiastic about the Recycling Program, along with Jasper and other cities. Mr. Williams further stated the equipment used (the Recycling trailer and truck) for this program was bought with the last grant. Mr. Williams commented that the City is putting the truck and trailer to good use and putting them to work.

Mayor Louis Bronaugh asked Council were any comments or questions. Councilmember Rose Faine Boyd moved to approve the submittal of the grant application to DETCOG for the Solid Waste Educational Program, with the motion being seconded by Councilmember R. L. Kuykendall. A unanimous affirmative vote was recorded.

11. BID FOR FEDERALLY MANDATED ADA REQUIREMENT CONSTRUCTION PROJECT AND RESOLUTION – APPROVED – AUTHORIZING AN AMENDMENT TO THE 2003/2004 OPERATING BUDGET (BUDGET AMENDMENT NO. 6) AND PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS.

Mayor Louis Bronaugh stated that the next item for consideration would be the bid for the Federally mandated ADA requirement Construction Project and Resolution to amend the 2003/2004 Operating Budget (Budget Amendment No. 6) and providing for the supplemental appropriation of funds from the General Fund Balance. City Manager Paul Parker stated that the City received a mandate to bring the Civic Center into compliance with the Americans with Disabilities Act. City Manager Parker stated that the original estimate for this project was \$27,000, but the base bid was for \$62,600 and would bring the City into

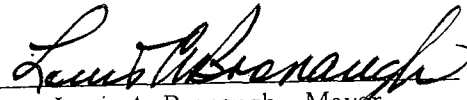
compliance with the ADA law. City Manager Parker added that there were numerous bid alternates included in the bid, and that staff is recommending two (2) of the alternates that go along with the project, but are not specifically ADA requirements. City Manager Parker further stated that the alternates recommended were items number four (No. 4) and number nine (No. 9). City Manager Parker stated that item number four (No. 4) was to replace and install vinyl covering in the entire restroom area and number nine (No. 9) was to professionally clean and repair all of the existing ceramic floors and base. City Manager Parker added that even if the repairs were done without these alternate bid items, the City would still be in compliance with the ADA requirements, but the appearance and aesthetics to the public would be detrimental. City Manager Parker stated that staff would recommend to Council to award the contract including alternates number four and nine (No. 4 & 9) in the amount of \$73,000, which would require a budget amendment of \$46,000 from the General Fund to the Civic Center Fund.

Mayor Louis Bronaugh asked if there were comments or questions from Council. Councilmember Lynn Torres moved that the bid from Louis Williams to modify parking, restrooms, and concession area at the Lufkin Pitser Garrison Civic Center to comply with the Americans with Disabilities Act be accepted. Council Member Torres further included in the motion bid alternates number four and nine (No. 4 & 9) and the Resolution authorizing an amendment to the 2003/2004 Operating Budget (Budget Amendment No. 6) for \$46,000 to provide for the supplemental appropriation of funds from the General Fund to the Civic Center Fund. Councilmember Rose Faine Boyd seconded the motion. Mayor Louis Bronaugh asked if this bid was awarded due to it being the only bid. City Manager Paul Parker stated that there were three (3) bids involved. City Manager Paul Parker stated that Timberline Construction had a base bid of \$71,000, Cox Contractors had a base bid of \$78,980, and Louis Williams had a base bid of \$62,600. A unanimous affirmative vote was recorded.


12. EXECUTIVE SESSION

Mayor Louis Bronaugh recessed the Regular Session at 5:27 p.m. to enter into Executive session. Regular Session reconvened at 6:30 p.m. Mayor Bronaugh stated that Council had discussed demolition of dilapidated houses, personnel issues and Legal and/or Attorney Client privileges, with no decisions made.

13. Mayor Louis Bronaugh asked City Manager Paul Parker if he had any calendar notations, and being none, Mayor Bronaugh stated that DETCOG would be on Thursday of that week. Mayor Bronaugh added that Councilmember R. L. Kuykendall, Councilmembers Jack Gorden and Dennis Robertson, along with Mayor Bronaugh, would be unable to attend this meeting, and they would be giving their proxies to Ella Austin.
14. Councilmember Lynn Torres asked about the list of dilapidated houses from City Attorney Bob Flournoy that were to be demolished. Mayor Bronaugh then asked City Attorney Flournoy how many houses were on the list. City Attorney Flournoy stated that there were six houses that Code Enforcement recommends for demolition, then gave a list of the properties. They were: 311 Homer, 118 Forest Park, 125 Margaret, 106 Collins, 1313 Helen Street, and one at 3402 Nerren Street. City Attorney Flournoy added that in all of the cases the houses were beyond repair and in many cases there were substantial taxes due on them. Councilmember R. L. Kuykendall moved to proceed with the demolition of the dilapidated houses, and Councilmember Rose Faine Boyd seconded the motion. A unanimous affirmative vote was recorded.
15. There being no further business for consideration, the meeting adjourned at 6:33 p.m.


Louis A. Bronaugh – Mayor

ATTEST:


Renee Thompson – City Secretary