

**MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF  
LUFKIN, TEXAS HELD ON THE 17<sup>TH</sup> DAY OF AUGUST, 2004**

On the 17th day of August 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
Jack Gorden, Jr.	Councilmember, Ward No. 5
Dennis Robertson	Councilmember, Ward No. 6
Paul L. Parker	City Manager
Renee Thompson	City Secretary
Robert Flournoy	City Attorney
David Koonce	Director of Human Resources
Kenneth Williams	Director of Public Works
Debbie Fitzgerald	Asst. Public Utilities Director
Doug Wood	Director of Accounting

None being absent when the following business was transacted.

1. Meeting was opened with prayer by Reverend Frank Starr, First Lutheran Church.
2. Mayor Louis Bronaugh welcomed visitors present. Councilmember Lynn Torres recognized LHS students who were present satisfying their government class requirement.

3. **APPROVAL OF MINUTES**

Minutes of the Regular Meeting of the August 3, 2004 were approved on a motion by Councilmember Lynn Torres, and seconded by Councilmember R.L. Kuykendall. A unanimous affirmative vote was recorded.

4. **BID FOR EPDM ROOF – APPROVED – FOR POLICE DEPARTMENT**

Mayor Louis Bronaugh stated that the next item for consideration was a bid from Carney Roofing Company in the amount of \$35,546.00 for a new EPDM roof for the Police Department and a Resolution to amend the 2003/2004 Operating Budget (Budget Amendment No. 8) providing for the supplemental appropriation of funds from the General Fund and added that this item had been tabled at the last City Council meeting. Manager Paul Parker stated that when this item when discussed at last meeting City Council brought up that we had a five year warranty on the initial bid and under the direction of the City Council, City staff went back to the low bidder, Carney Roofing Company, and Assistant Police Chief Scott Marcotte negotiated with Carney Roofing for a ten year warranty for an additional \$3200.00, that would bring the total price of the roof to \$35,546.00. City Manager Parker stated that the original supplement to the budget would remain at \$32,346 and remaining balance would come out of the FY2004 Operating Budget Building Fund. City Manager Paul Parker then stated that even though the two figures don't appear to match, the City Staff realized that this year's Budget could absorb the additional money needed for the 10 year warranty. City Manager Parker recommended to the City Council that we accept the amended contract with Carney Roofing with a ten year workmanship guarantee for the amount of \$35,546.00 and also the attached Budget Amendment.

Councilmember Dennis Robertson moved to accept the amended contract with Carney Roofing Company with the ten year warranty along with the Budget Amendment. The motion was seconded by Councilmember Rose Faine Boyd. A unanimous affirmative vote was recorded.

5. **MODIFICATION OF THE EXISTING FINANCIAL POLICY- APPROVED- TO  
ALLOW FOR INTERNAL LEASE PURCHASE FINANCING**

Mayor Louis Bronaugh stated that the next item for consideration would be to modify the existing Financial Policy to allow for internal lease purchase financing. City Manager Paul Parker stated that this item was also tabled at the last City Council Meeting and City Manager Parker explained that the City of Lufkin now borrows money at about 2.9% interest rate or

above with the rates going up and the City of Lufkin has been receiving about 1.44% interest on the money invested. City Manager Parker stated that City Staff recommends the City of Lufkin borrow money from the Sanitation Fund to fund the Capital Improvements for next year, primarily being the Police Cars and a dump truck and other items of that nature.

City Manger Parker stated that Council asked at the last meeting if this type of funding would affect the City of Lufkin's future Bond Rating by financing internally. City Manager Parker called attention to the email from Mike Byrd, who helped City staff with information. City Manager Parker stated information received from Standard and Poor's indicated that it would be a neutral credit event which wouldn't affect the Bond Rating either way. City Manager Parker added that Mike Byrd had gotten verbal comments back from Moody's but they would not ever give the City anything in writing. City Manager Parker then stated that due to conversations that the City staff had with Mike Byrd and Mike Byrd's conversations with investment counselors that this internal financing would have no effect on the City of Lufkin's Bond Rating. City Manager Parker then recommended that Council authorize the City Staff to change internal policies to allow the financing of this program internally. City Manager Parker indicated that by allowing this change the Sanitation Fund would be paid a higher interest rate and the City would also save money on the financing.

Councilmember Jack Gorden moved and Councilmember Don Langston seconded to modify the existing Financial Policy to allow for internal lease purchase financing. A unanimous affirmative vote was recorded.

6. **PUBLIC HEARING AND CONSIDERATION OF APPROPRIATION ORDINANCE TO ADOPT THE BUDGET – APPROVED – FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2004 AND ENDING SEPTEMBER 30, 2005.**

Mayor Louis Bronaugh stated that the next item for consideration would be to conduct a Public Hearing and consider the First Reading of an Appropriation Ordinance to adopt a Budget for the Fiscal Year beginning October 1, 2004 and ending September 30, 2005. City Manager Paul Parker then explained to the City Council that the City staff inadvertently posted the incorrect notice in the newspaper concerning the Tax Ordinance (agenda item #7), and stated that according to the State Law the Budget must be adopted first and then the Tax Rate. City Manager Parker explained that Council could go forward with the adoption of the

6. Budget and the Water and Sewer Ordinances, but the First Reading of the Tax Ordinance will be held on September 7, 2004 and the Final Reading will occur on September 21, 2004.

Mayor Bronaugh then opened the Public Hearing concerning the Budget for Fiscal Year beginning October 1, 2004 and ending September 30, 2005, at 5:10 p.m. Mayor Bronaugh then asked the audience for comments or anyone wishing to speak about this Budget. Mayor Bronaugh again asked those attending the Council Meeting if there was anyone who wanted to speak concerning the Budget. Mayor Bronaugh then closed the Public Hearing at 5:11 p.m.

City Manager Paul Parker then added that a correction needed to be made to the Budget. City Manager Parker explained Councilmember Dennis Robertson brought to attention to the City Staff that in the City Council's Budget Detail the terminology was left in concerning the money that had been set aside for the Lufkin/Angelina Economic Development Corporation. City Manager Parker explained that money was the \$30,000 that was given to the Partnership before the 4-B Corporation was formed. City Manager Parker also explained that the \$30,000 had been deducted from the line item but they money was never subtracted from the total. City Manager Parker stated that the total from all of the funds reads as \$140,337 and should read \$110,337 with no money allocated for the Partnership. City Manager Parker added that the addendums would be made to the final Budget that would eliminate the \$30,000 from the total.

Councilmember Dennis Robertson brought to the attention of the Mayor and Council that in the Fiscal Year 2004's Budget the Council agreed to use \$60,000 out of the Zoo Fund for the General Fund and then the same amount was taken from the Zoo Fund to enhance the General Fund. Councilmember Robertson then stated that he would like to make sure the Zoo Fund be untouched during next year's budget planning as that fund was originally set up to go toward the building fund at the Zoo. City Manager Paul Parker explained that when the City of Lufkin raised the admission rates at the Zoo, the old admission money was earmarked for the future expansion in the Capital Fund and the additional money was set aside to use in the General Fund. City Manager Parker explained that he understood Councilmember Dennis Robertson to say that the City of Lufkin should revisit the allocation of Zoo Fund when the budget planning is done in the next fiscal year. Councilmember Robertson agreed and stated that the Zoo is an important visitor attraction for this area and that he would like to see the money left in the Zoo fund to enable them to keep the Zoo first class.

Councilmember R. L. Kuykendall moved and Councilmember Lynn Torres seconded to pass on the first reading the Appropriation Ordinance to adopt the Budget for Fiscal Year beginning October 1, 2004 and ending September 30, 2005. A unanimous affirmative vote was recorded.

7. **TABLE AGENDA ITEM #7 – APPROVED – UNTIL SEPTEMBER 7, 2004 MEETING**

Mayor Louis Bronaugh stated the Chair was open to table the Agenda Item #7 (Consider first reading of the Ordinance levying taxes for the use and support of the Municipal Government of the City of Lufkin and providing for the Debt Service Fund for the Fiscal Year 2005 and apportioning each levy for the specific purpose) until September 7, 2004. Councilmember Lynn Torres moved and Councilmember Rose Boyd seconded to table Agenda Item #7. A unanimous affirmative vote was recorded.

8. **FIRST READING OF ORDINANCE AMENDING CHAPTER 51.111 – APPROVED – OF THE CODE OF ORDINANCES OF THE CITY OF LUFKIN, TEXAS; MAKING CERTAIN CHANGES TO THE SEWER RATES; REPEALING ALL ORDINANCES IN CONFLICT THEREWITH; AND PROVIDING AN EFFECTIVE DATE**

Mayor Louis Bronaugh stated the next item for consideration was to consider on First Reading the Ordinance amending Chapter 51.111 of the Code of Ordinances of the City of Lufkin, Texas; making certain changes to the Sewer Rates and repealing all Ordinances in conflict therewith; and providing an Effective Date. City Manager Paul Parker stated that this is the third year of the Sewer Rate increase that the City Council adopted in the Five Year Sewer Increase Proposal.

Councilmember Rose Faine Boyd moved and Councilmember Dennis Robertson seconded to approve on the First Reading the Ordinance amending Chapter 51.111 of the Code of Ordinances of the City of Lufkin, Texas, making certain changes to the Sewer Rates; repealing all Ordinances in conflict therewith; and providing an Effective Date. A unanimous affirmative vote was recorded.

9. **FIRST READING OF ORDINANCE AMENDING CHAPTER 52.15 (A), (1), (2), (3), (B), (1), (2), (3), (C), (1), (2), (3), (D), (1), (2), AND (E) OF THE CODE OF ORDINANCES OF THE CITY OF LUFKIN, TEXAS – APPROVED – MAKING A CHANGE IN THE RESIDENTIAL, COMMERCIAL, IRRIGATION, INDUSTRIAL AND WHOLESALE WATER RATES; REPEALING ALL ORDINANCES IN CONFLICT THEREWITH; AND PROVIDING AN EFFECTIVE DATE**

Mayor Louis Bronaugh stated the next item for consideration was to consider on First Reading the Ordinance amending Chapter 52.15 (A), (1), (2), (3), (B), (1), (2), (3), (C), (1), (2), (3), (D), (1), (2), and (E) of the Code of Ordinances of the City of Lufkin, making a change in the Residential, Commercial, Irrigation, Industrial and Wholesale Water Rates; repealing all Ordinances in conflict therewith; and providing an Effective Date. City Manager Paul Parker reminded the Council that this is the last year of the Five Year Program of the Water Rate Increases to replace the asbestos pipe and indicated that it will be a 2% increase in the Water Rates unless Council decides to readjust the Rates to complete the Asbestos Pipe Program.

Councilmember Lynn Torres moved and Councilmember Jack Gorden seconded to approve on the First Reading the Ordinance amending Chapter 52.15 (A), (1), (2), (3), (B), (1), (2), (3), (C), (1), (2), (3), (D), (1), (2), and (E) of the Code of Ordinances of the City of Lufkin, Texas; making a change in the Residential, Commercial, Irrigation, Industrial and Wholesale Water Rates; repealing all Ordinances in conflict therewith; and providing an effective date. A unanimous affirmative vote was recorded.

10. **CONSIDER FIRST READING OF THE ORDINANCE ESTABLISHING RULES, REGULATIONS, AND SPECIFICATIONS FOR ELECTRICAL WORK IN THE CITY OF LUFKIN – APPROVED – PROVIDING FOR PERMITS AND INSPECTIONS, AND ADOPTION OF THE NATIONAL ELECTRICAL CODE AND REPEALING ALL ORDINANCES IN CONFLICT THEREWITH; AND ESTABLISHING AN EFFECTIVE DATE**

Mayor Louis Bronaugh stated that the next item for consideration was the First Reading of the Ordinance Establishing Rules, Regulations, and Specifications for Electrical Work in the City of Lufkin, providing for Permits and Inspections, and adoption of the National Electrical Code and repealing all Ordinances in conflict therewith; and establishing an Effective Date.

10. City Manager Paul Parker stated that in the last City Council Meeting, Beauford Chapman, Director of Inspection Services discussed this item in a non-voting matter. City Manager Parker added that this Ordinance reflects recent State Law and does away with our local licensing and also the Local Licensing Board.

Councilmember Dennis Robertson moved and Councilmember Don Langston seconded to approve on First Reading the Ordinance Establishing Rules, Regulations, and Specifications for Electrical Work in the City of Lufkin, providing for Permits and Inspections, and adoption of the National Electrical Code and repealing all Ordinances in conflict therewith, and establishing an Effective Date. A unanimous affirmative vote was recorded.

11. CONSIDERED ALLOCATING AND ESTABLISHING AN ADMINISTRATIVE BUDGET- APPROVED - FOR THE HOMELAND SECURITY GRANT

Mayor Louis Bronaugh stated that the next item for consideration was allocating and establishing an Administrative Budget for the Homeland Security Grant. City Manager Paul Parker stated that Council had previously approved and accepted a Grant in the amount of \$277,504 for the Homeland Security Program. City Manager Parker explained that this Budget breaks down how the Staff desires to utilize this money.

Councilmember R. L. Kuykendall moved and Councilmember Rose Faine Boyd seconded to approve allocating and establishing an Administrative Budget for the Homeland Security Grant. A unanimous affirmative vote was recorded.

12. EXECUTIVE SESSION

Mayor Louis Bronaugh recessed the Regular Session at 5:25 p.m. to enter into Executive Session.

In accordance with the Texas Government Code Section 551.071 (2) Consultation with City Attorney on any Regular Session item requiring confidential attorney/client privileges necessitated by the deliberation of discussion or said item (as needed); acquisition of real estate, demolition of dilapidated houses, and personnel may be discussed.


Mayor Louis Bronaugh reconvened the Regular Session at 6:07 p.m. and stated that Council discussed appointment to Boards and Commissions and attorney/client privileges and no decisions had been made in the Executive Session.

13. City Manager brought to the Council's attention that the increased Sanitation/Solid Waste rates from the County in the packets and also reminded the Council that the City of Lufkin will be doing Civil Service testing for the Fire Entrance on September 23, 2004. Mayor Louis Bronaugh reminded the Council that before the next regularly scheduled Council Meeting there would be a DETCOG Meeting. Mayor Bronaugh reminded Council to let the City Secretary know who would be attending the meeting on August 26, 2004. City Manager Paul Parker reminded the Council of the Texas Water Utilities Meeting to be held on Thursday, August 27, 2004 at 6:30 p.m. at the Civic Center and to get with Debbie Fitzgerald about who would be attending. Mayor Bronaugh added that the TML Conference will be October 27, 28, 29, 2004 and the City of Lufkin representatives have been entered into the lottery for Hotel reservations. Mayor Bronaugh also reminded Council that had previously agreed to limit travel to two (2) conferences for the year. Mayor Bronaugh stated
13. that this would include one (1) out of state and one (1) in state or two (2) in state and no out-of state to help reduce expenses and help on the Budget.

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

  
Louis A. Bronaugh - Mayor

ATTEST:

  
Renee Thompson - City Secretary