

**MINUTES OF REGULAR MEETING OF THE CITY COUNCIL OF
THE CITY OF LUFKIN, TEXAS, HELD ON THE
1ST DAY OF OCTOBER, 1996 AT 5:00 P. M.**

On the 1st day of October, 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	Mayor
Don Boyd	Mayor pro tem
Percy Simond	Councilmember, Ward No. 1
Betty Jones	Councilmember, Ward No. 3
Jack Gorden, Jr.	Councilmember, Ward No. 5
Tucker Weems	Councilmember, Ward No. 6
C. G. Maclin	City Manager
Darryl Mayfield	Asst. City Manager/Finance
Stephen Abraham	Director of Planning
Bob Flournoy	City Attorney
Atha Stokes	City Secretary
Keith Wright	City Engineer

being present, and

Bob Bowman	Councilmember, Ward No. 4
------------	---------------------------

being absent when the following business was transacted.

1. Meeting was opened with prayer by Andy Stem, Youth Pastor, First Christian Church.
2. Mayor Bronaugh welcomed visitors present.

3. **APPROVAL OF MINUTES**

Motion was made by Councilmember Don Boyd and seconded by Councilmember Betty Jones that the minutes of the Called Meeting of September 13, 1996 and the Regular Meeting of September 17, 1996 be approved as presented. A unanimous affirmative vote was recorded.

4. **PUBLIC HEARING - ANNEXATION - UNITED PENTECOSTAL CHURCH - U.S. HIGHWAY 59 AND FM 819**

Mayor Bronaugh opened Public Hearing to consider request of Danny Russo of United Pentecostal Church to annex two acres of land approximately 29.3895 acres adjacent to the campground and generally located at the southwest corner of U S Highway 59 and FM 819.

There was no opposition to the request.

City Manager Maclin stated that staff has visited with Mr. Russo about a deed for dedication of right-of-way for FM 819. City Manager Maclin stated that the Texas Department of Transportation has indicated that they will be expanding the Farm-to-Market Road and staff has visited with Mr. Russo about the need of cooperative granting of the easement for the widening of the street. City Manager Maclin stated that otherwise the City would be faced with the potential of having to purchase that property that will now be the responsibility of the County since it is not in the City limits and Mr. Russo has indicated his willing to take this matter to his Board in November and can be completed prior to the City having the second reading of the

annexation Ordinance.

City Manager Maclin stated that he wanted to make Council aware that staff had requested Mr. Russo to take this back to his Board to avoid the City having a burden of purchase of right-of-way for the State, which is the City's requirement, through a contribution of that easement.

In response to question by Mayor Bronaugh, City Manager Maclin stated that he would have to check the TxDOT Maps for the acreage involved, but it is not a large amount.

Mayor Bronaugh closed Public Hearing.

5. ORDINANCE - APPROVED - SECOND READING - SPECIAL USE PERMIT - WHITE HOUSE DRIVE - AT&T WIRELESS COMMUNICATIONS - BOB STEINWEG

Mayor Bronaugh stated that the next item for consideration was Second Reading of an Ordinance to grant a Special Use Permit in a "RS" Residential Small District on approximately 30.823 acres of land located at 1310 White House Drive as requested by Bob Steinweg of AT&T Wireless Communications.

Motion was made by Councilmember Don Boyd and seconded by Councilmember Tucker Weems that Special Use Permit in a "RS" Residential Small District on approximately 30.823 acres of land located at 1310 White House Drive as requested by Bob Steinweg of AT&T Wireless Communications be approved on Second and Final Reading as presented. A unanimous affirmative vote was recorded.

6. PUBLIC WORKS FACILITY PLAN - DISCUSSED

Mayor Bronaugh stated that the next item was further consideration of the Public Works Facility Plan.

City Manager Maclin stated that since the retreat a year ago, staff and Council have been discussing the need in moving forward in the construction of a new Public Works facility and in a plan for the development of that facility in this immediate past year's budget, which ended yesterday, there were funds allocated for the purchase of the property. Purchase of that property was finalized during fiscal year 1995-'96. City Manager Maclin stated that Council had requested staff to further review the previous estimates provided by an architect/engineer to see what items and what elements of the construction project could be done in house by using City-force accounts for things such as site preparation, utility installation and parking lots. City Manager Maclin stated that in the process of these discussions staff had a couple of areas that they wanted to seek Council's input and consensus of opinion on. The first item is in the original plans that were made a year and half ago staff had looked at moving the Solid Waste Department from its current leased facility on the West Loop to the new Public Works location. City Manager Maclin that after further review staff would like to recommend Council's consideration that that facility be located adjacent to the Recycling facility off of FM 819. City Manager Maclin stated that the City does have an option from the Industrial Foundation for five additional acres of property at that location. City Manager Maclin stated that, in his opinion, it makes a lot of sense that these two facilities be located side by side (1) because they have the same superintendent that oversees both departments, and (2) they have mutual use of equipment (the same equipment that picks up garbage on Monday and Tuesday picks up recycling on Thursday and Friday). City Manager Maclin stated that it seems to be a logical conclusion that the Solid Waste facility and the Recycling facility be located side by side to gain some economies of scale in management from one location.

City Manager Maclin stated that in the space that would be vacated by the Solid Waste facility, staff would like Council's consideration to relocate the City's Fleet

Maintenance facility (garage) off of Hill Street to this location also. City Manager Maclin stated that the reason being for that is they are the entity that does the routine service and repair work on all the backhoes, dump trucks, pickups, front end loaders, the equipment that is used by Water and Sewer, Streets, and Parks and Recreation. City Manager Maclin stated that in the future, when all three of these other departments are located at the Public Works facility time, money and energy would be saved by having the garage facility there also. City Manager Maclin stated that currently these departments are having to drive from their location on Martin Luther King over to Hill Street to receive routine service, maintenance or repair. City Manager Maclin stated that if they were already located on site that would improve efficiencies and save some time and effort by having them all at one location, which would then give staff the opportunity to consider after relocation of the fleet maintenance facility, the utilization of that property off of Hill Street, either to sell it and use the proceeds towards the project or reserve it for future park growth for Morris Frank Park, heading back eastward. City Manager Maclin stated that this could be another decision that could be part of the Parks Master Plan this spring in terms of whether or not there is a need for utilization of that property from a parks standpoint.

City Manager Maclin stated that basically staff is looking to Council today for some consensus of opinion on what they think about these changes in the basic plan.

City Manager Maclin stated that at this time he would ask Asst. City Manager Darryl Mayfield to review the sheets that were included in the Council packet relating to the cost estimates and savings or the reductions in cost estimates by utilization of City force account, and on the table is an additional sheet that gives cost estimates for relocating the Solid Waste Department from its current lease facility to the Recycling Center location off of FM 819.

Mr. Mayfield stated that staff had received a request to go back and look at the things that could be accomplished by City force account. Mr. Mayfield stated that on the page after the formal letter to Council is a breakdown of Phase I for water and sewer utilities relocation to the Public Works facility. Mr. Mayfield stated that the engineer and architect have pulled out some material costs and then shown that the installation for site clearing, site utilities, fencing, parking, street, and site lighting will be performed by the City. There will still be the material costs for these items. Mr. Mayfield stated that in the foregoing memo staff identified savings that will amount to \$317,900 if City forces are used for the installation. Mr. Mayfield stated that the facilities under the storage sheds and office warehouse and wash racks, has not changed based upon x-number of dollars per square foot. Mr. Mayfield stated that the storage sheds were down at \$22 per square foot. Mr. Mayfield stated that in the original information the office and warehouse square footage was a bit higher, at about \$30 per square foot. Mr. Mayfield stated that under Phase II of the Street Department area the materials for fencing and parking, the City would be doing the installation at a savings of \$21,000. Mr. Mayfield stated that if Council chooses for staff to go ahead and authorize the moving of Fleet Maintenance to the Public Works facility in place of Solid Waste there would be an additional savings of \$42,800. Mr. Mayfield stated that that would appear under Phase III - Fleet Maintenance, where the City would be doing some of the fencing and some of the parking, but does not address site clearing, which would be done under Phase I. Mr. Mayfield stated that Parks and Leisure Services would relocate to this facility at a savings of \$31,300, with the City purchasing materials to do the fencing and parking. Mr. Mayfield stated that staff is suggesting that Solid Waste be relocated to the Recycling Center and a copy of the architects/engineer estimates have been provided. Mr. Mayfield stated that relocating to Recycling is about \$100,000 less than putting Solid Waste into the new Public Works facility. Mr. Mayfield stated that the estimate as shown is \$791,500, and the former estimate for Solid Waste to relocate to the Public Works facility is \$834,500. Mr. Mayfield stated that the total project if undertaken in these several phases would amount to about \$3,396,500 if it was all looked at as one complete package. Mr. Mayfield stated that the engineers have suggested that the project be done in phases. Mr. Mayfield stated that as Mr.

Maclin has stated, staff is looking to Council for guidance in terms of financing. Mr. Mayfield stated that several different types of financing are open, as well as addressing some of the City forces work through the Decision Package process during next year's budget.

In response to question by Councilmember Gorden, City Manager Maclin stated that the land was bought last year, but funds for the Public Works facility were not allocated in this year's budget because this project did not rank high enough as a Decision Package. City Manager Maclin stated that Mr. Simond had requested that this item be on the agenda for discussion, and staff wanted to bring to Council the two suggestions for Solid Waste and the garage, so that our plan, when Council was ready to pursue it would be finalized.

In response to question by Councilmember Gorden, City Manager Maclin stated that the City only has access to five additional acres at the Recycling Center. Councilmember Gorden stated that it does make sense that the Solid Waste Department and the Recycling Center be grouped together. City Manager Maclin stated that staff might need to visit with the Industrial Foundation Board to see if more space is available.

In response to question by Councilmember Weems as to where the \$413,000 worth of labor would come from, City Manager Maclin stated that City employees would be used in the time that they would be using for other projects. City Manager Maclin stated that staff would try to find ways to minimize the impact to other ongoing projects. City Manager Maclin stated that it was significant for Council to understand that some projects during the course of the fiscal year would not get done if the time was spent doing this project.

Councilmember Jones stated that the Council had agreed that the priority this year would be the parks and Parks Master Plan, and she would have a problem in shifting from that. Councilmember Jones stated that she did not have a problem with the Public Works facility being done in phases but did not want to deviate from plans that have already been made.

Mayor Bronaugh stated that he would like to see staff put together some drawings for Council. City Manager Maclin presented a drawing of the original plan.

In response to question by Mayor Bronaugh, City Manager Maclin stated that if the remaining five acres at the Industrial Foundation property was utilized for the Solid Waste Department it would reduce the size of the composting area.

City Manager Maclin stated that in the current agreement the City has in writing with the Industrial Foundation when the Industrial Park was developed, all the City had option to was the first five acres.

In response to question by Councilmember Simond, City Manager Maclin stated that the lease agreement for the current Solid Waste building will expire in 1997, with an option for renewal for additional years at a higher price. City Manager Maclin stated that anticipated lease for additional years will run approximately \$5,800-\$6,000.

In response to question by Councilmember Simond, Mr. Mayfield stated that in earlier discussions with the City's financial advisor, the City could look at some type of bonds (water and sewer) to basically do the water utilities portion, or could look at a combination of water and sewer and tax. Mr. Mayfield stated that the financial advisor suggested that staff might want to structure the financing so that it is not carried as a tax burden. Mr. Mayfield stated that also there is consideration for the City's installation work done through a Decision Package that would be presented by the City Engineer during next year's budget process.

Councilmember Simond stated that the Council is "masters of procrastination" in

putting things off. Councilmember Simond stated that if the City had not received the \$600,000 EDA grant for the Webber Street project we would have had to pay that amount. Councilmember Simond stated that it had been said that even if the City did not receive the grant the project would go forward anyway. Councilmember Simond stated that he thought it was strange that no one objected to the fact that the City would be building a street and water lines for Pilgrim's Pride. City Manager Maclin stated that there are least a dozen other businesses that would benefit from the street and the City's interest was in trying to create jobs. Mayor Bronaugh stated that the City had been working on the Webber Street project for eight years. Councilmember Simond stated that his point is that the City would be paying \$600,000 of the taxpayers money to build a street for Pilgrim's Pride. Councilmember Simond stated that the bottom line is that Webber Street was built for Pilgrim's Pride and the City got a grant to do it. Councilmember Simond stated that if the City had not received the grant, we would have had to pay it and no one would have said a word. City Manager Maclin stated that staff had discussed the EDA grant as a possibility and was optimistic of our chances of getting the grant, and now it has become a reality.

Mayor Bronaugh stated that no decision was being sought at this time. City Manager Maclin stated that there are different ways in spreading out the costs, either spreading it out through using general fund revenues, or water and sewer revenues or solid waste revenues or spreading it out through the use of combination bonds. City Manager Maclin stated that as Mr. Mayfield stated earlier, we would be well within legal opportunity to use a combination of a small tax increase, a small water and sewer increase, and a small garbage increase to help amortize the bonds to build the facility. City Manager Maclin stated that this is a unique situation that the City could issue a combination of tax and revenue bonds, a combination that would spread the burden over three funds and not have it taken from one fund.

Councilmember Weems stated that this is a good project, and it should utilize and save the City money, it makes good sense to have it all together. Councilmember Weems stated that Council needs something to look at as to how this project will be financed, our options along that line, and to make sure that we are not taking from some other project that has already been approved. Councilmember Weems stated that if the City Manager and his staff would come back to Council with these items it would be a lot more favorable as to how it will be financed. Councilmember Weems stated that with the termination of the lease of the Solid Waste department coming up in 1997, the quicker the project starts the better, but Council needs to look at the financing.

City Manager Maclin stated that staff was not seeking approval on this project today or for staff to give final answers on the project, but was giving Council an update and bringing together these two ideas that were a deviation from the original plan.

In response to question by Councilmember Boyd, City Manager Maclin stated that the City owns approximately 30 acres at the facility on Martin Luther King Dr. City Manager Maclin stated that selling this property would be one of the options as far as selling some of the existing sites to gain cash to apply to this site.

City Manager Maclin stated that staff would bring this back to Council in about three months.

7. ORDINANCE - APPROVED - FIRST READING - ZONE CHANGE - RESIDENTIAL SMALL SINGLE FAMILY TO LOCAL BUSINESS - KURTH AVENUE - ANNIE JEWEL ROYLE

Mayor Bronaugh stated that the next item for consideration was request of Annie Jewel Royle to change the zoning from "RS" Residential Small Single Family to "LB" Local Business on approximately a 0.943 acre tract of land located at 307 Kurth Avenue.

Janice Ann Rowe was present to represent the request of her mother, Annie Jewel Royle.

City Manager Maclin stated that included in the Council packet is a memorandum from the Planning Department and the recommendation from the Planning & Zoning Commission by unanimous vote to approve this zone change request.

There was no opposition present.

Motion was made by Councilmember Don Boyd and seconded by Councilmember Tucker Weems that Ordinance to change the zoning from "RS" Residential Small Single Family to "LB" Local Business on approximately a 0.943 acre tract of land located at 307 Kurth Avenue as requested by Annie Jewel Royle be approved on First Reading as presented. A unanimous affirmative vote was recorded.

8. ORDINANCE - APPROVED - FIRST READING - ZONE CHANGE - RESIDENTIAL LARGE SINGLE FAMILY TO NEIGHBORHOOD RETAIL - PERSHING AVENUE - ROBERT TAYLOR

Mayor Bronaugh stated that the next item for consideration was request of Robert Taylor to change the zoning from "RL" Residential Large Single Family to "NR" Neighborhood Retail on approximately a 0.17 acre tract of land located at 1103 Pershing Avenue.

City Manager Maclin stated that included in the Council packet is a memorandum from the Planning Department that gives an explanation of this request. City Manager Maclin stated that this request came to P&Z, and the Council sent it back to them for further review of the Comprehensive Plan. City Manager Maclin stated that the P&Z Commission recommends that the Comprehensive Plan be amended as shown in the packet and the request for the zone change be approved as requested.

There was no opposition present.

Don Duran was present to represent Mr. Taylor.

Councilmember Jones stated that after reading the minutes of the P&Z Commission meeting she had questions about the parking. Mr. Duren stated that there are some guidelines that the applicant has to adhere to. Mr. Abraham, Director of Planning, stated that when the applicant comes to get their building permit the building department checks to see that the applicant has the proper amount of parking as required by the City's Zoning Ordinance; this is taken care of at the time of the site plan approval. In response to question by Councilmember Jones, Mr. Abraham stated that this is off-street parking and it requires one space for every 200 square feet of area.

Motion was made by Councilmember Betty Jones and seconded by Councilmember Don Boyd that the Ordinance to change the zoning from "RL" Residential Large Single Family to "NR" Neighborhood Retail on approximately a 0.17 acre tract of land located at 1103 Pershing Avenue as requested by Robert Taylor be approved on First Reading as presented. A unanimous affirmative vote was recorded.

9. HABITAT FOR HUMANITY REQUEST - APPROVED - EXEMPTION OF BUILDING FEES

Mayor Bronaugh stated that the next item for consideration was request of Habitat of Humanity for exemption of building fees. Mayor Bronaugh stated that Attorney John Stover had written a letter to the Mayor's office requesting this exemption.

Mr. Stover stated that some time early last year a group got together and started working again to get a Habitat for Humanity affiliate in Angelina County; last

September the group incorporated a non-profit corporation Habitat for Humanity of Angelina County, Inc.; June of this year the group received official status from Habitat International in Georgia to be a fully authorized and empowered Habitat affiliate. Mr. Stover stated that in July the group selected their first family, Viola Wiggins and her two children. Mr. Stover stated that the ground breaking had taken place in August.

Mr. Stover stated that some months ago the City applied to the Texas Department of Housing and Community Affairs for a program they have for homeowner down payment assistance in the amount of \$5,000 per home to assist in the purchase of low income housing. Mr. Stover stated that Habitat was included in that request and the City has now obtained \$25,000 at \$5,000 a piece for five houses to be used by the qualified home purchasers. Mr. Stover stated that Habitat does not give houses away, it sells them to the homeowners. Mr. Stover stated that locally the group has been able to raise a lot of funds and have gotten very strong support from the building community with time, materials and money. Mr. Stover stated that when they came to the City to get their building permits, they were told that more money was needed for the permits. Mr. Stover stated that he is present to request that the Council waive those permit fees. Mr. Stover stated that it seems somewhat ironic to take money that the City gave them, and then turn around and have to give some of it back to the City. Mr. Stover stated that after talking about these \$700,000-\$800,000 projects this project might not be a big issue. Mr. Stover stated that he does not know exactly how much the request of the fees are but the sewer tap fee, the water tap fee and the building permit fee is \$480. Mr. Stover stated that Habitat was holding their hand out asking Council to waive these fees. Mr. Stover stated that he anticipates that as soon as the house is finished they are working on now, they will start a house in Diboll, but will be back to build another house in Lufkin next year. Mr. Stover stated that they are not looking at building dozens of house at one time because it is just not practical.

In response to question by Mayor Bronaugh, Mr. Stover stated that he did know whether other cities across the nation waived their fees but he did know that there was a lot of difference between dealing with the City of Lufkin and dealing with the City of Austin. Mr. Stover stated that in a lot of places Habitat is building there are no such fees to begin with.

Councilmember Simond stated that in Forsyth, Georgia there are no fees.

Councilmember Simond stated that the Habitat for Humanity Program and the Hospice Program were two of the best programs around in his opinion that any City could have. Councilmember Simond stated that he hoped that the Council would waive these fees.

Councilmember Gorden stated that Mr. Stover has a good point saying that the City has given money to this and now they are being asked to give some of it back to us through these fees, and he wanted Council to consider what they will be doing (by waiving the fees). Councilmember Gorden stated that the City is very fortunate to have a program like this available to the citizens, but from an on-going program there will be other groups making requests such as this, and he would assume by saying that we will do this for Habitat, we will do it for other groups that are trying to do affordable housing. Councilmember Gorden stated that, in his opinion, Council would have a hard time saying that they would not do this for anybody else, so whatever that means to Council, it needs to be discussed. Councilmember Gorden stated that the City paid \$12,500 out-of-pocket expense as a match for the grant, and they (the City) have been very supportive up to this point. Councilmember Gorden stated that Council probably should approve the waiving of these fees, but he wanted everyone to know what the City has already done for the program.

Mayor Bronaugh stated that other groups have come before Council with proposals for "affordable housing", but they were for profit.

Mr. Stover stated that this request can be fully distinguished from any future applicant.

In response to question by Mayor Bronaugh as to whether or not the City has charged fees for other programs, Mr. Mayfield stated that what Mr. Williams has done over the last number of years has been to work on rehab housing through the HOME Program which the Council approved allowing them to pass a Resolution and not charge those fees. Mr. Mayfield stated that on any remodeling done on a rehab house there are building fees and not necessarily water and sewer tap fees, those are only charged for a new house or building currently not on the system. Mr. Mayfield stated that Mr. Stover is saying that they are going to build a building not on the City's system which will require permit tap fees for water and sewer, and the building permit fee. Keith Wright, City Engineer, stated that the only thing that would concern him is that as long as water and sewer are there, that is not a significant cost, but if the City runs into situations where houses are being approved where water and sewer have to be extended to that point, the City could incur some significant costs. In response to question by Mayor Bronaugh, Mr. Wright stated that normally the service is run up to the applicant's property line, but some property widths as far as where the sewer line is to go is greater than others, a few hundred feet possibly. Mayor Bronaugh stated that from the tap to the house will be the responsibility of Habitat.

City Manager Maclin stated that Pineywoods R C & D have been awarded a grant to build ten homes in Lufkin and ten in Nacogdoches, and the grant they received was for down payment assistance as well as interim financing assistance. City Manager Maclin stated that he would assume that they would seek anything they could do to cut costs.

In response to question by Councilmember Gorden, Mr. Stover stated that Pineywoods R C & D gave Habitat the lot they are building on, and they have other lots that Habitat hopes to receive as well.

Councilmember Simond stated that \$480, in his opinion, is an insignificant amount of money and it astounds him that Council has taken this much time to consider \$480. Mayor Bronaugh stated that there is the possibility that this same request will come to Council again and it needed to be discussed. Councilmember Boyd stated that Council could take each case on its own merit. Councilmember Simond stated that the City is making \$475 profit on the fees because it probably doesn't take more than \$5 to give out the permits. Councilmember Gorden stated that he did not want to leave the impression that he was against this request, but that, in his opinion, it should be thoroughly discussed considering that there could be ramifications that could come from it.

Motion was made by Councilmember Don Boyd and seconded by Councilmember Percy Simond that the request of Habitat for Humanity for exemption of building fees (\$480) be approved as requested. A unanimous affirmative vote was recorded.

Mr. Stover introduced Habitat for Humanity's Executive Director, Susan Baggely.

Mr. Stover stated that he would also like to make a personal comment. Mr. Stover stated that some of the Council know him personally and know that he has worked with governmental agencies all over the state, and he wanted Council to know that the City of Lufkin has one of the best professional staffs that he has ever dealt with anywhere in the State of Texas.

Mr. Stover stated that workers will be at the site of this Habitat house every Saturday, and no skill levels are required. Mr. Stover invited Council to come out and work, or simply to come out and look at the progress of the project.

10. EMPLOYEE HANDBOOK REVISIONS - APPROVED

Mayor Bronaugh stated that the next item for consideration was revisions to the City of Lufkin Employee Handbook.

City Manager Maclin stated that the book that was attached to Council's packet has a cover letter from the Director of Personnel, Mr. Little, and gives an overview of the changes that were made. City Manager Maclin stated that throughout the course of the year staff receives questions or interpretations and constantly looks for ways to make the employee handbook be more effective and meet the needs of the City employees and the needs of the citizens. City Manager Maclin stated that, as mentioned in his Council newsletter he sent yesterday, he would respectfully request that Council not consider Section 6.4 on page 18, the Adoption Leave Policy. City Manager Maclin stated that draft copies of the handbook were distributed to employees last week and the only issue that has come out of that is some questions and concerns relating to the adoption policy and he would request that Council allow him to bring this policy back to Council in about a month for further discussion.

Mr. Little stated that the Employees Handbook was last published in its entirety in 1991 and since that time there have been several corrections and additions through policy changes. Mr. Little stated that he had incorporated into the handbook every time there is a conflict between Civil Service Law and the Employee Handbook. Mr. Little stated that what he has tried to do more than anything else is to make the handbook more clear for the employees.

In response to question by Councilmember Boyd concerning Re-employment, Section B, Mr. Little stated that the practice of the policy about employees not being eligible for employment for one year after they leave voluntarily has been in force for many years. Mr. Little stated that one of the reasons for this policy is that there have been a large number of people who were leaving, staying gone for a week and coming back. Mr. Little stated that one individual had left and been reinstated five different times, and the amount of time and cost it takes to replace the employee is not cost effective. Mr. Little stated that the policy now is, prior to an employee leaving the City employment, they are counseled about the policy and the effect it will have on their re-employment. Mr. Little stated that in some instances it has been possible to convince people that they are making a rash decision about leaving and they decide to stay. Councilmember Boyd stated that there are exceptions to every situation, and in his opinion, the City will be penalizing someone who is trying to improve their situations. Mayor Bronaugh stated that this policy was passed in 1986. Councilmember Boyd stated that he had never seen it before in the handbook, and wanted to know why it was being pointed out this time, if it has been going on before. Councilmember Boyd stated that he knew of people who had been hired and fired two or three times and still were able to come back. Councilmember Boyd stated that this Policy may have been in effect but the City has not been going by it. Mr. Little stated that there is documentation in his department that this has been a practice by the City since 1986. Mr. Little stated that since he has been employed by the City he has followed this policy. Councilmember Boyd disagreed.

Councilmember Boyd stated that on page 10 of the handbook (Termination Notices), it says "employment voluntary termination and resignation must be received by employer at least two weeks prior to the last day of work.....in case there is no two weeks notice, it will result in an employees disqualification for any payment or accrued but unused recognized, qualified benefits." Councilmember Boyd stated that, in his opinion, in some unmitigated circumstances you cannot always give two weeks notice, and asked if Mr. Little was taking that into consideration. Mr. Little stated that the handbook includes a statement throughout the book saying that these are "guidelines, and are subject to change, and subject to interpretation." Mr. Little stated that the problem within the City now is with people walking in on Monday and telling their supervisor, who has them scheduled to work, that this is their last

day but will be back on Friday to pick up their paycheck. Councilmember Boyd stated that that might be true in some instances, but not overall. Mr. Little stated that there is an exception to every rule.

Councilmember Simond stated that he was concerned with the Grievance Procedure where it states that the City Manager has the last word on a person's appeal, and if he turns it down, its over. City Manager Maclin stated that he is the last person to appeal to within the City organization. Councilmember Simond stated that he believes that Mr. Maclin will be fair, but it bothers him that if he was a City employee in the trenches and either Mr. Mayfield or Mr. Wright tells him that he is fired and he has to appeal to the City Manager who has the final decision over them. City Manager Maclin stated that the employee also has access to the Grievance Committee, and he as City Manager has never overturned a recommendation of the Grievance Committee in the history of this Policy. City Manager Maclin stated that in the future if Lufkin has a different City Manager, Council would have ultimate control over this part of the policy.

Councilmember Simond complimented Mr. Little regarding the Employee Handbook and stated that he was doing a good job as Personnel Director.

Motion was made by Councilmember Jack Gorden, Jr. and seconded by Councilmember Betty Jones that revisions to the City of Lufkin Employee Handbook be approved as Policy, effective October 1, 1996, with the exception of Section 6.4 (Adoption Leave).

The following vote was recorded:

Aye: Councilmembers Gorden, Jones, Weems, Simond and Mayor Bronaugh
Nay: Councilmember Boyd

Mayor Bronaugh stated that the motion passed with five affirmative votes.

11. BID - APPROVED - RESURFACING TENNIS COURTS - KIWANIS PARK - COURTS-N-STUFF

Mayor Bronaugh stated that the next item for consideration was bids for resurfacing the Kiwanis Tennis Courts.

City Manager Maclin stated that staff recommendation is to award the bid of Courts-N-Stuff in the amount of \$17,500.

In response to question by Mayor Bronaugh, City Manager Maclin stated that staff is trying to lump the courts at the end of one fiscal year with the beginning of the next fiscal year and put them together for more value of economies of scale that way.

In response to question by Councilmember Gorden, City Manager Maclin stated that there are eight tennis courts at Kiwanis.

In response to question by Councilmember Jones in regard to the funding, City Manager Maclin stated that at last meeting during the agenda item "Designated Fund Balance Designation ", there was money allocated in last year's and this year's budgets specifically for this but did not have quite enough to do the fifth court and requested Council to allocate some funds from the Special Recreation Fund, which is money that comes from the collection of fees, from participation in classes, and money above and beyond the cost of the instructors, etc. City Manager Maclin stated that \$6,000 will be taken out of last year's budget and Council designated \$6,000 out of this year's budget and \$5,500 that was designated out of the Special Recreation Fund at last meeting on September 15th.

Motion was made by Councilmember Don Boyd and seconded by Councilmember Jack Gorden, Jr. that bid of Courts-N-Stuff in the amount of \$17,500 be approved as

submitted. A unanimous affirmative vote was recorded.

12. BID - APPROVED - INVESTMENT BOND PROCEEDS

Mayor Bronaugh stated that the next item for consideration was bid proposals for investment bond proceeds.

City Manager Maclin stated that typically this would be something that would be handled through the City's Asset Manager, First Southwest, but this was a little different and staff wanted to bring it to Council's attention and seek Council's opinion and/or permission to pursue this. City Manager Maclin stated that this is known as a Flex Repurchase Agreement, and is a fully guaranteed, no risk, in fact, the specifications require that the margin value of collateral be equal to and maintained in a minimum of 103% of the outstanding balance of funds invested and the interest thereon. City Manager Maclin stated that there is no risk to the City, and may even be less risk than TexPool, which is only guaranteed at 99.5%. City Manager Maclin stated that this would provide for investment of the City's bond proceeds that we took delivery on last week for street bonds for MLK, Paul and Tulane Streets. City Manager Maclin stated that this would give the City an investment instrument to guarantee a fixed rate of return on the life of those funds, and there would be a draw schedule where each month as the contractor submitted their draw for construction costs, this could be pulled out of the bond proceeds and the remaining principal would continue to collect interest at the amount provided by the bidders. City Manager Maclin stated that staff would be opening this bid tomorrow morning, and what he is seeking from Council today is authorization for staff to proceed with the best bid if it is in the best interest of the City, if the rate comes in at a rate staff feels like would be attractive to guarantee and lock in interest rate for the life of the investment bonds. City Manager Maclin stated that he would be contacting the three members of the investment committee to make them aware of what the bid was and to seek their input and consensus of opinion before this is finalized.

City Manager Maclin stated staff performed a test bid on this last week and the bids came in at 5.44 and another test bid today, which came in at 5.46.

Councilmember Gorden stated that the City's current investment policy allows the use of this agreement, although in his opinion, there are some pros and cons to it. City Manager Maclin stated that the City has the right to reject all bids. Councilmember Gorden stated that on the plus side of the ledger it does guarantee a greater return on the bond funds for the period of time during construction for the unused portion of that money. Councilmember Gorden stated that one of the questions he had was, if interest rates are going up, why would staff lock the Council in like this, because a lot of people are saying that interest rates are going up. Councilmember Gorden stated that he personally does not think that it is Council's place to necessarily prognosticate what the interest rates are going to do with City funds when there is a chance they could down also and that means that the City would be paying the stated rate of the interest on the bond money but not have funds invested to cover some other things.

City Manager Maclin stated that this gives the City the flexibility, even though we have established an anticipated draw schedule for construction on Paul, Tulane and MLK if the contractor goes faster and we need to make the draws quicker, we could do that without any penalty, otherwise if the contractor gets bad weather and slows the job down the City is still guaranteed with the locked interest rate.

Motion was made by Councilmember Percy Simond and seconded by Councilmember Don Boyd authorizing staff to proceed with bids on the Repurchase Agreement predicated on what the rate is when the bids are opened and that it is in the best interest of the City. A unanimous affirmative vote was recorded.

Councilmember Weems stated that he wanted to make sure that this Repurchase

Agreement meets the needs of the City's Investment Portfolio.

Mayor Bronaugh stated that he would like to make one comment before Council recessed into Executive Session. Mayor Bronaugh stated that in the FYI section of the Council packet is a letter from the Texas Department of Housing and Community Affairs stating that they were pleased to have been involved in a successful program of the programmatic close-out review and wished to commend the City of Lufkin on their professionalism displayed in the administration of this program. (The Urgent Needs Grant).

13. EXECUTIVE SESSION

Mayor Bronaugh recessed Regular Session at 6:20 p.m. to enter into Executive Session. Regular Session was reconvened at 7:11 p.m., and Mayor Bronaugh stated that attorney/client matters, real estate matters, dilapidated houses and the demolition of dilapidated houses were discussed.

City Attorney Flournoy recommended that the following dilapidated houses be demolished:

1. 420 Lubbock Street
2. 721 North Avenue
3. 2104 Atkinson
4. Wilson Street left of 1407
5. 1801-1803 South First
6. 430 Fargo
7. 945 Walker Quarters

Motion was made by Councilmember Percy Simond and seconded by Councilmember Jack Gorden, Jr. that dilapidated houses recommended by the City Attorney for demolition be approved as presented. A unanimous affirmative vote was recorded.

14. LETTER OF ENGAGEMENT - APPROVED - CITY ATTORNEY - BOB FLOURNOY

City Manager Maclin stated that when the staff and Council reviewed going to an engagement letter versus an hourly rate for the City Attorney, it had been discussed since we had no real reference point in determining what the annual fees would be that the Council would want to review this arrangement at the end of the first quarter of the budget, which will be in January. City Manager Maclin stated that the review will reveal at that time whether we are within budgeted allocations or not and Council could address that at that time. City Attorney Flournoy stated that he did not know how the new system would work, but we had been under the other system for so long it really did not take into consideration the additional needs of the City and this will give an idea of what we need to do.

Councilmember Jones stated that she had some questions on clarification on how these charges will be made and whether or not Council is comfortable on how these things will be charged, and she would also look at the agreement again at the end of the quarter.

Mayor Bronaugh stated that this agreement would become effective as of today, October 1, 1996. Councilmember Boyd asked that an itemized statement of expenses be available to Councilmembers.

Motion was made by Councilmember Percy Simond and seconded by Councilmember Jack Gorden, Jr. that letter of engagement from the City Attorney be accepted with the understanding that it be re-considered at the end of the first quarter. A unanimous affirmative vote was recorded.

15. PARKS MASTER PLAN ADVISORY COMMITTEE - APPOINTEES APPROVED

Motion was made by Councilmember Jack Gorden, Jr. and seconded by Councilmember Don Boyd that Pam Fletcher, John Giles, Trey Henderson, Sid Medford, Hector Rojas, Lela Simmons, Peggylu Watkins, Tim Hale and Dennis Robertson be appointed to the Parks Master Plan Advisory Committee. A unanimous affirmative vote was recorded.

16. APPOINTMENT - APPROVED - HVAC BOARD - TOM PAXSON

Motion was made by Councilmember Don Boyd and seconded by Councilmember Tucker Weems that Tom Paxson be reappointed to the HVAC Board. A unanimous affirmative vote was recorded.

17. COMMENTS

City Manager Maclin reminded Councilmembers that there will be a reception on Thursday morning at 10:00 a.m. honoring Keith Wright the City's newly appointed Engineer.

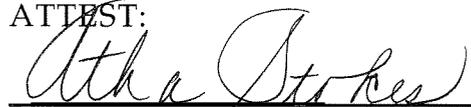
City Manager Maclin stated that First Friday's luncheon will be Charlie Wilson's farewell, and will be held at the Civic Center.

Mayor Bronaugh reminded Councilmembers that the Main Street Gala will be this Saturday night at 7:00 p.m.

18. There being no further business for consideration, meeting adjourned at 7:25 p.m.


Louis A. Bronaugh - Mayor

ATTEST:


Atha Stokes - City Secretary