

**MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF
LUFKIN, TEXAS HELD ON THE 7TH DAY OF SEPTEMBER, 2004**

On the 7th day of September 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
Keith Wright	City Engineer
Kenneth Williams	Director of Public Works
David Koonce	Director of Human Resources
Steve Poskey	Street Department, Superintendent
Debbie Fitzgerald	Asst. Public Utilities Director
Doug Wood	Director of Accounting
Dwayne Thornhill	Solid Waste, Foreman of Commercial Division
Diana Russell	Purchasing Agent
Carl Ray Polk	
J. P. McDonald	

None being absent when the following business was transacted.

1. Meeting was opened with prayer by Father Douglas Tucker, St. Cyprian's Episcopal 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 17, 2004 were approved on a motion by Councilmember Dennis Robertson, and seconded by Councilmember Jack Gorden. A unanimous affirmative vote was recorded.

4. SECOND READING OF THE APPROPRIATION ORDINANCE TO ADOPT THE BUDGET- APPROVED - FISCAL YEAR BEGINNING OCTOBER 1, 2004 AND ENDING SEPTEMBER 30, 2005.

Mayor Louis Bronaugh stated that the next item for consideration was the second reading of the Appropriation Ordinance to adopt the Budget for Fiscal Year beginning October 1, 2004 and ending September 30, 2005. City Manager Paul Parker stated that the City Council had several work sessions to go through the proposed budget and have had the draft budget to ask questions in the past and staff would be willing to answer any questions that Council may have concerning the proposed budget. There were no questions and Councilmember Lynn Torres moved to adopt the Budget for Fiscal Year beginning October 1, 2004 and ending September 30, 2005. Councilmember Rose Faine Boyd seconded the motion and a unanimous affirmative vote was recorded.

5. SECOND READING OF THE ORDINANCE AMENDING CHAPTER 51.111 OF THE CODE OF ORDINANCES OF THE CITY OF LUFKIN, TEXAS - APPROVED - MAKING CERTAIN CHANGES IN THE SEWER RATES, REPEALING ALL ORDINANCES IN CONFLICT THEREWITH; AND PROVIDING AN EFFECTIVE DATE

Mayor Louis Bronaugh stated that the next item for consideration was the second reading of the Ordinance amending Chapter 51.111 of the Code of Ordinances of the City of Lufkin, Texas; making certain changes in the Sewer Rates, repealing all ordinances in conflict therewith; and providing an effective date. City Manager Paul Parker stated three years ago the City of Lufkin had a complete study of the sewer rates that indicated an increase in

industrial and commercial rates was required. City Manager Paul Parker stated that the City Council decided to spread the increase over a five (5) year period instead of placing all of the burden at one time on the industrial and commercial users. City Manager Parker added that this year was the third year of the five year arrangement and would increase some sewer rates for some industrial and commercial users. City Manager Parker reminded the Council that the plan was to affect different users on different years and is part of the Master Plan that was adopted three (3) years ago. City Manager Parker added that there will be two (2) more years if the City of Lufkin continues with that plan before its completion.

Councilmember Don Langston commented that he felt it would be appropriate when looking five (5) years down the road to look into what is going on with rate structures throughout the area and that he would like to be apprised of where the City of Lufkin stands in relation to other municipalities of the same approximate size.

Councilmember Lynn Torres moved to approve the second reading of the Ordinance amending Chapter 51.111 of the Code of Ordinances of the City of Lufkin, Texas; making certain changes in the Sewer Rates; repealing all ordinances in conflict therewith; and providing an effective date. Councilmember Dennis Robertson seconded the motion. A unanimous affirmative vote was recorded.

6. **SECOND 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 that the next item for consideration was the second 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; making a change in the Residential, Commercial, Irrigation, Industrial, and Wholesale Water Rates; repealing all Ordinances in conflict therewith; and providing an effective date. Councilmember Don Langston reiterated that he would again like to see the City of Lufkin continuously update that study to make sure the City is in line with other municipalities of similar size.

Councilmember Jack Gorden asked if all of the asbestos pipe replacement was completed. City Manager Paul Parker stated that this is the fifth (5th) year of the fee structure and the Engineering Department has the design complete on most of the remaining areas. City Engineer Keith Wright stated that approximately fifty percent (50%) has been completed and approximately ninety percent (90%) is ready to go forward and will be started right after the first of 2005 for construction.

Councilmember R. L. Kuykendall moved to approve on second 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. Councilmember Dennis Robertson seconded the motion. A unanimous affirmative vote was recorded.

7. **FIRST READING OF THE ORDINANCE LEVYING TAXES FOR THE USE AND SUPPORT OF THE MUNICIPAL GOVERNMENT OF THE CITY OF LUFKIN – APPROVED – PROVIDING FOR THE DEBT SERVICE FUND FOR THE FISCAL YEAR 2005 AND APPORTIONING EACH LEVY FOR THE SPECIFIC PURPOSE**

Mayor Louis Bronaugh stated that the next item for consideration was the 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. City Manager Paul Parker stated this is the first reading on the Tax Ordinance that would leave the City of Lufkin's tax rate at \$0.5585 on each \$100 valuation of property.

Councilmember Lynn Torres moved to approve the 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. Councilmember Rose Faine Boyd seconded the motion. A unanimous affirmative vote was recorded.

8. ADOPTION OF THE BY-LAWS – APPROVED – OF THE LUFKIN ECONOMIC DEVELOPMENT CORPORATION

Mayor Louis Bronaugh stated that the next item for consideration was the adoption of the By-Laws of the Lufkin Economic Development Corporation. City Manager Paul Parker stated that the Council had previously adopted the Articles of Incorporation of the Lufkin Economic Development Corporation and had asked the By-Laws be brought back for consideration. City Manager stated that the 4-B Economic Corporation had adopted the By-Laws that were submitted to the Council for deliberation. City Manager Parker added that Councilmember Dennis Robertson had asked about the section in the By-Laws that talked about the membership of the Committee being from inside the City limits or its extraterritorial jurisdiction. City Manager Parker then asked City Attorney Bob Flournoy to give the Council the results of his research about this section.

City Attorney Bob Flournoy acknowledged that for cities that have a population of 20,000 or less the Committee can be made of residents of the city and its extraterritorial jurisdiction and for cities with a population of 20,000 or greater the Committee must be made up of residents of the City. City Attorney Flournoy stated that he had amended the By-Laws to take out the part about the extraterritorial jurisdiction.

The City Council, Mayor and City Manager then discussed the operation of the Corporation and Board, their duties, notice of meetings, public hearings for appropriation of funding, and training of Board Members. Mayor Louis Bronaugh suggested that the City of Lufkin may want to offer to be the host of some of that training.

Councilmember Don Langston moved to adopt the By-Laws of the 4-B Lufkin Economic Development Corporation with the words “or its extraterritorial jurisdiction” struck from Article II, Section 1.0 “b” as it relates to the Director’s residency and in Article II, Section 3.0 “a” the word “without” be changed to “with”, as it refers to the notice to the Directors of Regular Meetings. Jack Gorden seconded the motion. A unanimous affirmative vote was recorded.

9. BID FOR THE RECONSTRUCTION OF THE PARK LANE CULVERT – APPROVED – FOR STREET DEPARTMENT

Mayor Louis Bronaugh stated that the next item for consideration was the reconstruction of the Park Lane culvert. City Manager Paul Parker stated that the low bid on the Park Lane Reconstruction Project was Ajax Equipment Company with a bid of \$74,900. City Manager Parker reminded the Council that the City of Lufkin had previous difficulties with the contractor on the Angelina Street Project. City Manager Parker explained that since Ajax Equipment Company is the low bidder on this project the City Staff wants to have a clear understanding with them the importance of completing this project on time to avoid any damages or problems in the future. City Manager Paul Parker added that Staff wanted to point out to Council that Staff will be dealing with the Contractor and during the preconstruction process there would be a clear understanding that liquidating damages will be assessed if this project overruns the time allocated, which is sixty (60) days.

The City Council, Mayor, City Attorney, and City Manager discussed the past history with Ajax Equipment Company and concerns with problems previously encountered during the Angelina Street Project.

Councilmember Jack Gorden moved to award the bid for the reconstruction of the Park Lane Culvert to the most qualified and second lowest bidder, Allen Loggins & Sons, Inc. for \$76,200. Councilmember Lynn Torres seconded the motion. The following vote was recorded:

Aye: Council Members Torres, Gorden, Langston, Kuykendall, Boyd, and Mayor Bronaugh

Nay: Councilmember Robertson

The motion carried with six affirmative votes.

10. RESOLUTION TO AMEND THE 2003/2004 OPERATING BUDGET (BUDGET AMENDMENT #10) – APPROVED – PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE WATER/WASTEWATER OPERATING AND DEPRECIATION FUND, AND PROVIDING AN EFFECTIVE DATE

Mayor Louis Bronaugh stated that the next item for consideration was the Resolution to amend the 2003/2004 Operating Budget (Budget Amendment #10) providing for the supplemental appropriation of funds in the Water/Wastewater Operating and Depreciation Fund, and providing an effective date. City Manager Paul Parker stated that this budget process was necessary to balance the different accounts at the end of the Budget Year. City Manager Parker added that there were no additional appropriations required but funds needed to be shifted to the appropriate areas. City Manager Parker stated that the Humason/Hopkins Project was originally budgeted at \$429,650 and needed to be amended to \$453,507; two dump trucks were originally budgeted at \$38,162 and actual cost was \$44,969; the in-plant pump repairs required were not originally budgeted but were emergency repairs at the Water/Wastewater Treatment Plant in the amount of \$6,310; and the repair of Wier baffles was originally budgeted at \$27,760 but actually cost \$80,115.94 due to the increased metal cost and additional work required to replace the baffles. City Manager Parker added that all of the projects could be funded by transferring funds within the Utilities Department and would not require additional allocation funding.

Councilmember Rose Faine Boyd moved to approve the Resolution to amend the 2003/2004 Operating Budget (Budget Amendment #10) providing for the supplemental appropriation of funds in the Water/Wastewater Operating and Depreciation Fund, and providing an effective date. Councilmember Don Langston seconded this motion. A unanimous affirmative vote was recorded.

11. BID FOR THE ELECTRONIC MESSAGE BOARD – APPROVED – FOR THE STREET DEPARTMENT

Mayor Louis Bronaugh stated that the next item for consideration was the bid for the Electronic Message Board for the Street Department. City Manager Paul Parker stated that a three-line electronic message board for use in traffic control or in emergency situations had been previously approved for purchase through the Department of Homeland Security grant funds. City Manager Parker added this would be especially beneficial to guide people to local shelters since the City of Lufkin is one of the Evacuation Routes during hurricanes. City Manager Paul Parker explained that the item was approved at \$19,995 for purchase but the actual bid came in at \$14,987.50. City Manager Parker stated Staff would recommend that Council authorize the purchase of the electronic message board for \$14,987.50.

Councilmember Jack Gorden asked City of Lufkin Staff to work harder at getting more than one bid when making purchases. City Manager Paul Parker assured Council that Staff will work harder to get notices and invitations for bids to as many vendors as possible using multiple methods such as the newspaper, internet, bid lists, etc. Councilmember Dennis Robertson moved to approve the purchase of an electronic message board for \$14,987.50 from United Rentals. Councilmember R. L. Kuykendall seconded the motion. A unanimous affirmative vote was recorded.

12. RESOLUTION FORMALLY ADOPTING THE NATIONAL INTERAGENCY INCIDENT MANAGEMENT SYSTEM (NIMS) – APPROVED – FOR CITY OF LUFKIN EMERGENCY MANAGEMENT

Mayor Louis Bronaugh stated that the next item for consideration was the resolution formally adopting the National Interagency Incident Management System (NIMS). City Manager Paul Parker stated that the Department of Homeland Security by Presidential directive is requiring all cities and counties in the United States to formally adopt the National Interagency Incident Management System (NIMS). City Manager Parker added that NIMS is the Department of Homeland Security's name for Incident Command which the City of Lufkin has been using for six years and would allow the City to continue to receive Homeland Security funding.

Councilmember Dennis Robertson moved to approve the Resolution adopting the National Interagency Incident Management System (NIMS). Councilmember Jack Gorden seconded the motion. A unanimous affirmative vote was recorded.

13. BID FOR HEADWALLS ON HENDERSON STREET – TABLED – FOR STREET DEPARTMENT

Mayor Louis Bronaugh stated that the next item for consideration was the bid for the construction of Headwalls on Henderson Street. City Manager Paul Parker stated that Staff recommended that Council reject all submitted bids. City Manager Parker explained that the City of Lufkin received bids from Conway & Sons in the amount of \$15,549.39 and Lufkin Construction and Paving in the amount of \$23,500. City Manager Parker added that the City

of Lufkin received a letter from Rick Freeman with Everett Griffith, Jr. and Associates, Inc. the engineer for this project that recommended that these bids be rejected as they appeared to be approximately \$5,000 above the expected price.

City Council Members then discussed problems that could arise from rebidding the project, the design of the headwall, the purpose of the headwall, and alternatives for solving erosion problems in the area. City Engineer, Keith Wright, offered to go back and review the project, look at alternative designs, try to determine if the low bid was appropriate, and make a recommendation for rejection or acceptance of the low bid.

Councilmember Dennis Robertson moved to table this item until City Staff has had the opportunity to review the alternative of a new design and/or make a recommendation to Council to accept or reject the lowest bid. Councilmember Don Langston seconded the motion. A unanimous affirmative vote was recorded.

14. BID FOR THE SALE OF TWO (2) 1999 VOLVO EXPEDITORS W/FRONT END LOADERS – APPROVED – FOR SOLID WASTE DEPARTMENT

Mayor Louis Bronaugh stated that the next item for consideration was the bid for the sale of two (2) 1999 Volvo Expeditor w/Front End Loaders. City Manager Paul Parker stated that the City of Lufkin received two excellent bids for the sale of the two (2) 1999 Volvo Expeditors w/Front End Loaders. City Manager Parker explained that the two vehicles had high mileage and were high maintenance items.

Councilmember Rose Faine Boyd moved to accept the bid for the sale of the two (2) 1999 Volvo Expeditors w/Front End Loaders from Coyote Environmental for a total of \$114,354.02. Councilmember Dennis Robertson seconded the motion. A unanimous affirmative vote was recorded.

15. BID FOR FUEL FOR “ON-ROAD” VEHICLES – APPROVED – FOR CITY OF LUFKIN

Mayor Louis Bronaugh stated that the next item for consideration was the bid for fuel for “on-road” vehicles. City Manager Paul Parker stated that the City of Lufkin had three bidders for the annual fuel bid, all based on a profit above rack price. City Manager Parker added that the rack price of fuel changes weekly. City Manager Paul Parker stated that Okay Food Stores’ bid was \$.05 above rack price, Polk Oil bid \$.077 above rack price, and Fuelman bid \$.1350 above rack price, therefore Staff recommended awarding the contract for fuel for “on-road” vehicles to Okay Food Stores.

City Council, City Staff, and discussed and asked questions about electronic monitoring of purchases, past performance of Okay Food Stores, tracking of purchases, and stipulations on the fuel contract concerning the monitoring of purchases.

Councilmember Don Langston moved to approve the bid from Okay Food Stores contingent that they meet the criteria for the electronic reporting system that the City of Lufkin advertised. Councilmember Jack Gorden seconded the motion. A unanimous affirmative vote was recorded.

16. BID FOR “BULK STORAGE” FUEL – APPROVED – FOR CITY OF LUFKIN

Mayor Louis Bronaugh stated that the next item for consideration was the bid for “bulk storage” fuel. City Manager Paul Parker stated that this item was for the bulk storage tanks and bids were from the price differential (profit) and were received from H & W Petroleum Company for \$.0990 per gallon and J. A. M. Distributing Company for \$.1500 per gallon. City Manager Parker stated that Staff recommended the contract be awarded to the low bidder, H & W Petroleum Company.

Councilmember R. L. Kuykendall moved to approve the bid for “bulk storage” fuel to H & W Petroleum Company. Councilmember Dennis Robertson seconded the motion. A unanimous affirmative vote was recorded.

17. LEASING BACK THE PROPERTY AT 214 HOUSE STREET (MURRAY PROPERTY- APPROVED – TO THE MUSEUM OF EAST TEXAS

Mayor Louis Bronaugh stated that the next item for consideration was leasing back the property at 214 House Street (Murray Property) to the Museum of East Texas. City Manager Paul Parker stated that Council had recently authorized the acceptance of this property from a

donor that purchased the property to put in the name of the City of Lufkin with the intention of it being utilized by the Museum of East Texas. City Manager Parker added that the City presently owns the property and facilities that house the Museum of East Texas. City Manager Parker reminded Council that once the property was received by the City of Lufkin, the City agreed to demolish the existing structure on the property. City Manager Paul Parker stated that City Staff recommended approval of amending the City's agreement with the Museum of East Texas to include this property within the existing lease.

J. P. McDonald, of the Museum of East Texas, reminded the Council that the Museum of East put up fifty percent (50%) of the money used to purchase the property. Councilmember Lynn Torres moved to approve leasing back the property located at 214 House Street (Murray Property) to the Museum of East Texas. Councilmember Rose Faine Boyd seconded the motion. A unanimous affirmative vote was recorded.

18. City Manager Paul Parker welcomed Keith Wright, City Engineer, back to the City of Lufkin. City Manager Parker also congratulated Assistant Public Utilities Director, Debbie Fitzgerald, for doing a great job as she stepped in during the interim period. City Manager Paul Parker also commended the Finance Department and all of the City Department Heads on the Fiscal Year 2005 Budget preparation.

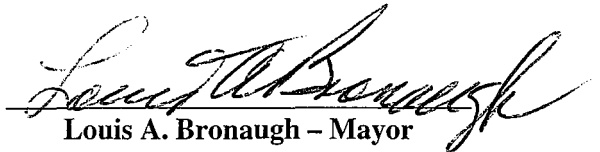
19. **EXECUTIVE SESSION**

Mayor Louis Bronaugh recessed the Regular Session at 6:53 p.m. to enter into Executive Session.

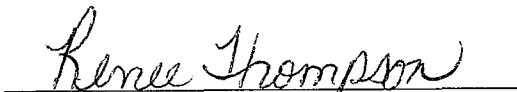
In accordance with the Texas Government Code Section 551.071 (2) Consultation with City Attorney on any Regular Session item requiring confidential attorney/client privileges necessitated by the deliberation of discussion or said item (as needed), and appointments to Boards and Commissions may be discussed.

Mayor Louis Bronaugh reconvened the Regular Session at 7:48 p.m. and stated that Council discussed appointments to Boards and Committees and attorney/client privileges and no decisions had been made in the Executive Session.

20. City Manager Paul Parker stated that Staff would verify the dates for the TML Conference and get back with Council on anything relating to this event.
21. There being no further business for consideration, the meeting adjourned at 7:49 p.m.


Louis A. Bronaugh – Mayor

ATTEST:


Renee Thompson – City Secretary