

**MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF LUFKIN,
TEXAS HELD ON THE 3rd DAY OF AUGUST 2004**

On the 3rd 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
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
Don Hannabas	Director of Parks and Leisure Services
Debbie Fitzgerald	Asst. Public Utilities Director
Larry Brazil	Chief of Police
Scott Marcotte	Asst. Chief of Police
Doug Wood	Director of Accounting

being present, and none being absent when the following business was transacted.

1. Meeting was opened with prayer by Reverend David Hunt, of the Eastview Pentecostal Church.
2. Mayor Louis Bronaugh welcomed visitors present.

3. APPROVAL OF MINUTES

Mayor Louis Bronaugh presented the Minutes of the Regular Meeting of the July 20th, 2004 Council Meeting and asked if there were any additions, deletions or corrections to those minutes. Councilmember Lynn Torres Moved that the minutes of the Regular Meeting of the July 20th, 2004 Council Meeting be approved, and the Motion was seconded by Councilmember Jack Gorden. A unanimous affirmative vote was recorded.

4. CONSIDER A PUBLIC HEARING CONCERNING – APPROVED - THE PROPOSED FISCAL YEAR 2004/2005 OPERATING BUDGET AND SET PUBLIC HEARINGS FOR AUGUST 17, 2004 AND SEPTEMBER 4, 2004 FOR THE PURPOSE OF RECEIVING INPUT ON THE 2004/2005 OPERATING BUDGET AND THE EFFECTIVE TAX RATE.

Mayor Bronaugh stated that this Public Hearing was just that; and anyone wishing to speak for or against the Budget, should step forward to the podium. Mayor Bronaugh again asked if there was anyone wishing to speak on this item, and after no response, the Public Hearing was closed by Mayor Bronaugh, who stated that he would continue to the next item on the Agenda.

City Manager Paul Parker stated that he would like to explain one item that he had handed out to the Council, and Council was required to vote on this action because the City exceeded the 103% tax rate and caused them to set the date for the two Public Hearings, which is required by law. Mr. Parker further stated that if Council would look at the report from the Appraisal District, that last year, the City's Tax Rate was .5585, and the effective Tax Rate is .5281, which is the same rate that would generate the same amount of money, minus growth with what the City had last year. City Manager Parker stated that the notice of Hearing Limit is .5439, which is a 103% level. Mr. Parker stated that the City's .5585 existing Tax Rate is above the Notice of Public Hearing Limit of .5439. City Manager Parker stated that well below the Roll Back Tax Rate was a .6298, but because the City is above the .5439, Council could consider this item and acknowledge that the Budget Rate exceeds the 103%, and therefore set the Public Hearings for August 17th and September 4th.

After no further questions or comments from Council, a Motion was made by Councilmember Dennis Robertson, and seconded by Councilmember Lynn Torres to approve the Effective Tax Rates and Notice of the Hearing Limits. A unanimous affirmative vote was recorded.

5. CONSIDER AWARDING A BID – TABLED - TO CARNEY ROOFING COMPANY INCORPORATED IN THE AMOUNT OF \$32,346 FOR A NEW EPDM ROOF FOR THE POLICE DEPARTMENT AND RESOLUTION TO AMEND THE 2003/2004 OPERATING BUDGET (BUDGET AMENDMENT NO. 8) FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS FROM THE GENERAL FUND BALANCE.

Mayor Louis Bronaugh stated that the next item for consideration would be to consider awarding a bid to the Carney Roofing Company, Inc. in the amount of \$32,346 for an EPDM Roof for the Police Department, and Resolutions to amend the 2003/2004 Operating Budget for the Appropriation of Funds from the General Fund Balance. City Manager Paul Parker stated that the Police Department has had a severe roof problem which has manifested through the recent heavy rains, to the point that the City nearly had damage to the 911 System. City Manager Parker further stated that in some of the offices, the ceiling tile has actually fallen and collapsed on the rooms, such as the Evidence Rooms. Fortunately no evidence was lost, but the Police Department has had problems throughout this time from the excessive rain. City Manager Parker stated that in the last couple of years, the City has done a patching job, trying to eliminate the problem, but the roof was beyond the ability to patch. City Manager Parker further stated that there was not money budgeted for roof replacement, but anticipating the problem, the Police Department took bids on the EPDM mechanically attached roof, in which they received two bids. City Manager Parker stated that the first bid was Carney Roofing Company, in the amount of \$32,346; and the second bid was from Jaco Construction, which was for a different type of roof material with a fifteen (15) year warranty. City Manager Parker stated that the first bid with Carney Roofing Company only had a five (5) year warranty, which was being recommended to award the contract of \$32,346. City Manager Parker further stated that it had been brought to his attention that the five (5) year would not be sufficient warranty for a roof of that nature, and that if Council desired, the City could hold that item and go back to the original contractor and see if working through an addendum, the City could get an extension of additional time frame, if that would be the desire of the Council. City Manager Parker stated that he did not know if Council would think that ten (10) to fifteen (15) would be more acceptable in that area, than the five (5). City Manager Parker further stated that he thought there was some concern by Council that a five (5) year would not be sufficient for that type of roof to be put on. In response to City Manager Parker's question that did the City ever discussed anything over a five (5) year warranty, Scott Marcotte, Assistant Police Chief who handled the bidding, responded that no, they did not. Mayor Bronaugh asked Chief Marcotte how old was the present roof, in which Asst. Chief Marcotte responded by asking Police Chief Larry Brazil if he knew. Chief Brazil responded that it had been replaced sometime in the mid 90's. Chief Brazil further stated that he was the Assistant Chief then, and there was a warranty on it, and it was replaced for nothing, back in '95, he thought. City Manager Parker asked Chief Brazil if the warranty expired regarding the roof that was replaced in the mid 90's, and was that why the City wasn't able to go back to it, and Chief Brazil responded that they replaced it one time. Councilmember Rose Faine Boyd asked Chief Brazil if that was the same company they had now, and Chief Brazil responded that he wasn't sure. Assistant Chief Marcotte stated that the bid was actually for the EPDM mechanically attached roof from Carney, in which they came in with the bid for that particular roof. Asst. Chief Marcotte went on to state that Jaco came back with the type roof with the fifteen year warranty, and the Dura-Last Roof, which was the higher of the two. Asst. Chief Marcotte further stated that they really did not bid the EPDM, but instead a different style of roof, which was the difference. Asst. Chief Marcotte stated that he thought that style roof came with a manufacturer's warranty of fifteen (15) years, as opposed to Carney's EPDM rubberized roof which they warrant. Chief Marcotte further stated that it would not be a problem for him to go back to them and ask if they could do better on the warranty and make it longer, if that would be the Council's pleasure. In response to Councilmember R. L. Kuykendall's question of is the EPDM a well known type of roofing, and Asst. Asst. Chief Marcotte stated they were pretty well known and popular, and from the literature he has read, they are recommendable. Asst. Chief Marcotte further stated that Jaco is currently putting on this type at an airport; they've also done some at some school districts in Lufkin, and other places. Councilmember Lynn Torres stated that obviously this is a pressing issue; however, she would like to see something that offers a warranty longer than five years. Councilmember Lynn Torres stated that she understands that between now and the next Council meeting, that it might be enough time to research it; however, she felt that if the City waits much longer than that, then it may be more damage to happen. City Manager Parker responded that the City has been very fortunate in avoiding a situation that could have been very damaging, for an example, on the first night that he was here the Police Department came very close in losing their 911 equipment, as water was coming in the roof at Dispatch pretty heavy. City Manager Parker commended the staff in being proactive in keeping things dry and maintained during the incident, as they could have had some pretty costly and severe damages otherwise. In response to Councilmember R. L. Kuykendall's question of how long can they wait on this, City Manager Parker stated that probably for the two-week span until the next Council meeting, based on the historical weather of the month of August. City Manager Paul Parker stated that each day is taking a chance should the City get another heavy rain. City Manager Parker further stated that the Police Department has taken action to move things around, and it is just a matter of not getting another leak until a new roof could be put on. City Manager Parker further stated that in light of Council's concern, he felt that the City could approach Carney Roofing on additional warranty; however, asked Council to bear in mind that it involves a Change Order for additional funds. Councilmember Lynn Torres raised the question if it would give the City adequate time to come up with a Plan B, should they perhaps say that five (5) years is about all they could do, and Councilmember Don Langston responded that that was not uncommon in the roofing business, as they could come up with a five,

ten, or fifteen year warranty. Councilmember Jack Gorden asked the question if Jaco just put the rubberized material on top of what is there, and Councilmember Don Langston responded that yes, it goes over the existing roof, with Councilmember Jack Gorden responding that those are excellent systems, and raised the question if it costs a lot more money. Councilmember Don Langston responded that in defense of the system, he felt it was probably about right for a fifteen system. Asst. Chief Marcotte stated that in the literature it states that a person with the Texas Dept. of Corrections had a Jaco roof put on their particular unit, and the person over that particular unit said they had over a 150 exhaust fans on top of the roof, where there was constant vibrations, and whereas the roof they formerly had always leaked, when they got the Jaco roof, it has not leaked in the six years they've had it. Councilmember Lynn Torres responded that in visiting the High School, you could see the example of the same, in which the only problem with that is that you do have limits to what you could do to it. Councilmember Lynn Torres further stated that the situation the High School is in now, they want to put in a commercial kitchen, and they are not allowed to cut through the roof, as it would invalidate the warranty. In response, Councilmember Don Langston stated that that could be done as long as the original installer does the cutting; however, the point in this case is that five years was probably a little short. Councilmember Don Langston commented that there was enough difference between the two warranties to investigate a ten year warranty at least, and if there is a lot of equipment on the roof, it would be his hope that the City has investigated access to that equipment, because just putting a single ply roof down and walking on it, is not an answer. Mr. Langston further stated that it would need roof pads and access to that equipment to protect it, which would be pointed out with a longer warranted roof due to the manufacturer pointing that out to the buyer.

Councilmember Don Langston then made a Motion to move that they table this item with the intent of investigating the cost difference for a minimum ten (10) year warranted roof for the Police Department. The Motion was seconded by Councilmember R. L. Kuykendall, followed by a unanimous affirmative vote being recorded.

6. CONSIDER A RESOLUTION – APPROVED - AUTHORIZING AN ADMENDMENT TO THE 2003/2004 OPERATING BUDGET AMENDMENT (BUDGET AMENDMENT NO. 9) PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE WATER/WASTE WATER OPERATING FUND AND PROVIDING AN EFFECTIVE DATE.

Mayor Louis Bronaugh stated that the next item for consideration would be to consider a Resolution authorizing an Amendment to the 2003/2004 Operating Budget Amendment Nine (9), providing for the Supplemental Appropriations of Funds in the Waste Water Operating Fund and providing an effective date. City Manager Paul Parker stated that if they would recall that a couple of meetings ago, the City had an extensive revision to the budget minimizing a lot of costs in line items. In the process, inadvertently two items were placed in that were not suppose to be in the reduction, and staff is simply asking Council to reinstate those funds from the Fund Balance. City Manager Parker reiterated that this was not a new Appropriation; this was just more of an accounting problem that they put two items in that multiple task that were not supposed to be included. Mayor Bronaugh asked if this was Amendment number Nine (9), and Mr. Parker confirmed, that yes it was, and further stated that Amendment number Nine (9), just basically reinstates that particular Fund that was taken out at the last meeting.

A Motion was made by Councilmember Jack Gorden to consider a Resolution authorizing an Amendment to the 2003/2004 Operating Budget Amendment Nine (9), providing for the Supplemental Appropriations of Funds in the Waste Water Operating Fund and providing an effective date. The motion was seconded by Councilmember Don Langston, followed by a unanimous affirmative vote being recorded.

7. CONSIDER AUTHORIZING THE FIRE DEPARTMENT – APPROVED - TO APPLY FOR A GRANT THROUGH THE TEXAS DEPARTMENT OF HEALTH FOR AN AMBULANCE REMOUNT FOR THE TOTAL COST OF \$52,000 WITH THE CITY OF LUFKIN'S MATCHING PORTION BEING \$26,000.

Mayor Louis Bronaugh stated that the next item for consideration would be to consider authorizing the Fire Department to apply for a Grant through the Texas Department of Health for an Ambulance Remount for the total cost of \$52,000 with the City of Lufkin's matching portion being 50% or \$26,000. City Manager Paul Parker stated that last year a similar Grant had been approved that the Fire Department did some remounting in an existing ambulance. City Manager Parker stated that although Council is probably already familiar with the process, this is where the good box portion is taken off and is replaced with a new chassis motor, followed by reinstating the box. City Manager Parker further stated that according to Chief Prewitt that gives the Fire Department in essence the same equivalent of the new \$125,000 ambulance for the price of \$52,000, which if approved, the City would only be responsible for \$26,000 of that purchase. City Manager Parker stated that if the Grant is approved, it would be an overall savings, in lieu of buying a new ambulance, of about a \$100,000 difference in the cost of that Remount. City Manager Parker stated that the City feels that it would be beneficial to apply for this Grant in the case of the chassis and motor. Councilmember Don Langston raised the question of in the past, what did the City do with the old chassis and motor in this type of

case, did it go for a trade in? City Manager Parker responded that the City has an auction each year, unless it is unusable. Fire Chief Pete Prewitt stated that they either do it that way as Mr. Parker stated, or they trade it in on another Remount, but that either is fine as it is not worth much at that point. Councilmember Jack Gorden asked the question if this had been budgeted. Chief Pete Prewitt responded that no, they had not, due to the fact that they had been trying to keep their budget as “bare bones” as possible. Chief Pete Prewitt further stated that they didn’t know at the time if they were going to have an opportunity for the Grant, as it wasn’t yet a certainty, and they did not budget for it. City Manager Parker stated that the Fire Department did budget for a new Fire Truck, and as discussed with Council earlier, that if that Grant wasn’t approved, they would use a portion of that for a new Ambulance. City Manager Parker went on to state that if they did not get the new Fire Truck, and got the Remount, they would have a lot more budgeted than what they needed; and if they happen to get both of them, then they would be short \$26,000. City Manager Parker stated that they are not yet certain if they will get either one of the Grants; however, in that case, they would have enough money in the budget to either do a Remount on their own or buy a new Ambulance with the money they set aside for the new Fire Truck. City Manager Parker stated that they have a plan, but it’s “good news/bad news”, because if they get both Grants, they will be \$26,000 short, but they will be well ahead on Capital equipment that they couldn’t afford otherwise.

A Motion was made by Councilmember Lynn Torres to authorize the Fire Department to apply for the Grants, with the Motion being seconded by Councilmember Jack Gorden. A unanimous affirmative vote was recorded.

8. CONSIDER MODIFYING – APPROVED - THE EXISTING FINANCIAL POLICY TO ALLOW FOR INTERNAL LEASE PURCHASE FINANCING.

Mayor Louis Bronaugh stated that the next item for consideration would be to consider modifying the existing Financial Policy to allow for internal Lease Purchasing Financing. City Manager Paul Parker stated this was a little bit different concept from what the City has used in the past, in that in the Lease Purchase, the Council and Mayor budgeted for the first year’s payment, then they Leased Financed for the next two years from a private, outside banking or financial source. City Manager Parker further stated that what they are basically suggesting is that the City has a fund that is reserved in the Sanitation Fund, and that the City use that to actually borrow from themselves, in essence. City Manager Parker stated that the interest rate is 2.9% under the current rate structure. City Manager Parker stated that this rate may go up before the City does the financing, but right now, it is 2.9%. City Manager Parker stated that the City has been borrowing or investing money for about 1.44% and what they are suggesting is that the City borrow from themselves and pay the Sanitation Fund back at 2%. City Manager Parker stated that this saves the General Fund because they are paying Sanitation less at 2% versus 2.9, but Sanitation makes more money because they are getting 2% instead of 1.44. City Manager Parker stated this makes more sense since we would be banking with ourselves, but we could save money on both ends, and Sanitation is not penalized at all, as they actually receive additional dollars from what they normally would. City Manager Parker stated that the General Fund would save because they would finance it in-house. City Manager Parker stated that the existing Financial Policy did not allow the City the ability to borrow from itself, but legally it would be no problem. City Manager Parker further stated that staff believes that in this case, both Funds would win and benefit. Councilmember Jack Gorden asked City Manager Parker if he was talking about the City’s Investment Policy, and City Manager Parker confirmed, that yes he was, that it was actually the City’s Financial Policy. Councilmember Jack Gorden stated that what comes to his mind about this is that if the Bond Rating people have an opinion on that, that if there was anything there to be a concern. City Manager Parker stated that he did not think that would be a concern, because technically, that money was all City money, and in essence, although he would not recommend doing that, the City Council could actually buy that whole equipment out of that Fund, as there would be nothing illegal or improper about that. City Manager Parker stated that that should not affect the City’s bonding capability. Councilmember Don Langston stated that he would think that being out of the Solid Waste Fund where we did not have obligations currently against that Fund such as water/waste water, that it shouldn’t have an effect. City Manager Parker stated that it would really become an internal inter-fund transfers more than anything. City Manager Parker stated that the only concern is that if things got real tight, and the City decided to forgo the payback, and he thought that would be where the Sanitation Fund management staff would bring that to our attention to make sure it is paid back. Councilmember Jack Gorden stated that although he would not want to impose on staff, he would like to request them to check on this before Council makes a decision on this. Councilmember Gorden further stated that he did not have a problem doing this, but he wants to make certain this does not turn out to be a problem in the future. City Manager Parker stated that Doug Wood, Accounting Director, may have already visited them about this. Mr. Wood stated that he has already discussed this with both the auditors and the city’s financial advisor, and the City of Lufkin would not be the only place doing this, as there were a few others. Mr. Wood further stated that he has talked with Mike Byrd of First Southwest, and he said doing this should cause no problems. Mr. Wood stated that the General Fund was saving a few dollars and the Solid Waste Depreciation Fund was making a few extra dollars. Councilmember Jack Gorden raised the question if Mr. Wood had a contact with one of the Rating Agencies, where Mr. Wood responded that no, he did not, but would be glad to contact one. Councilmember Gorden stated that he appreciated Mr. Byrd’s opinion on that, and if this happens to not sit well with the Rating Agencies, then he would request this be checked into

to make certain. Mr. Wood stated that this policy would not go into effect until next year, so there would be plenty of time to do any kind of research Council desired. City Manager Parker asked Mr. Gorden if he would like to table that item, with Mr. Gorden responding that if it is next year, as in the first of October, then yes, he would. City Manager Parker stated that staff would be glad to do that and verify the information. Mr. Parker stated that the City would probably have to go through Mike Byrd to get the contacts, and use him to do the research. Mr. Parker stated that he did not think that this should cause any problems. Councilmember Jack Gorden stated that a good while back, although it was not apples to apples, but a part of the City's poor Rating history in the past related to borrowing from one Fund to another within the City, and although this may not be the case, the City has worked too hard to get where they are with it now. City Manager Paul Parker stated that if Council would table this item, staff would get that information to them. Councilmember Don Langston asked what the balance of the Solid Waste Replacement Fund was. City Manager Parker responded that he wasn't sure of the exact amount off hand, but thought that with all the funds, it was around seven million dollars between the Depreciation and the Investments. In response to City Manager Parker's question of what this involves, Doug Wood stated that it was \$342,300. Councilmember Don Langston stated that if the City has a problem with the bonding company over that amount of money, he would certainly be disappointed in their bonding company. Councilmember Jack Gorden stated that it was not the amount, that it was the "technique" for lack of a better way to put it; it was just the concept or process of actually doing it. Councilmember Dennis Robertson stated that to him, it seemed like the bond rating company ought to look at it as a plus, because it appears the way the City has displayed this, they are going to save themselves some money by borrowing from our own funds that have the money there and the whole total thing comes out as a plus. Councilmember Robertson further stated that he wouldn't know why a bond company would have a problem with it, other than some technicality the City would want to make sure works. Councilmember Robertson stated that this looked like a good way the City could save a few dollars. Councilmember Rose Boyd asked if this would tie up \$342,000, with City Manager Parker responding it being \$342,300 over a two-year period. Councilmember Boyd confirmed with Mr. Parker that this amount would have to be kept in the Fund, and doing this shouldn't hurt us. Mr. Parker stated that the only problem they may have at all is checking to make sure they do budget that repayment both years, so they do not penalize the Solid Waste Fund. Mr. Parker further stated that this is gain money, by a little higher interest rate than they could on our average investments right now, and hopefully it would be a positive for both Funds from that standpoint. Councilmember Don Langston stated that it would be his hope that the City has some formal documentation of our intent. Accounting Director Doug Wood stated that that would be imbedded in the City's budget, just like it was in the External Lease Purchases now. Mr. Wood further stated that basically, the City's current financial policy states that using the Depreciation Fund does not include the ability to be the financing source for the General Fund Lease Purchase, and that there would be a couple of sentence changes in the policy, would all it would be. Councilmember Dennis Robertson asked Mr. Wood what would be the timing on the Lease Purchase, would it be a critical time frame to do this? Mr. Wood responded that the items they are budgeting are for the 2004/2005 budget and what they are going through now with the public hearings are the Fire Department fire truck, dump truck and the police cars, totaling a little over \$500,000. Mr. Wood stated that the City really didn't need the financing mechanism replaced until they actually go out to buy the items, which will be after October 1st. Mayor Louis Brounagh asked Councilmember Jack Gorden that back in the 1980's, if he remembered the lecture the City received about borrowing from the Revenue Generating Funds to balance the budget. Councilmember Jack Gorden responded that he thought that was a different deal, although it certainly made an impression. City Manager Parker stated that if the City did not have tax support to support the General Fund operations and you were using the revenue funds to supplement those for operational standpoints, that's where the Bonding company really has some severe concerns, because you are co-mingling funds from several sources, and don't have the backing of the tax rate to support that. City Manager Parker further stated that without knowing that, he would bet that they were using revenue funds, by the Water, Solid Waster and Sewer to supplement the General Fund; and that is when they have a real concern. City Manager Parker stated that this would be more of a Lease Payback arrangement. City Manager Parker stated that staff would be glad to check into this for Council by the next meeting.

City Councilmember Jack Gorden made a Motion that this item be tabled until the next meeting, followed by a second by Councilmember Dennis Robertson. A unanimous affirmative vote was recorded.

9. CONSIDER AUTHORIZING – APPROVED - THE CITY OF LUFKIN SOLID WASTE DEPARTMENT TO PARTNER WITH GOODWILL TO REDUCE, REUSE, AND RECYCLE UNWANTED COMPUTER EQUIPMENT.

Mayor Louis Brounagh stated that the next item for consideration would be to consider authorizing the City of Lufkin Solid Waste Department to Partner with Goodwill to reduce, reuse, and recycle unwanted computer equipment. City Manager Paul Parker stated that this was a Grant application that Goodwill wanted to make, as they would actually make a Grant for \$10,000 to Dell Computers, and if it is received, it will be a way the City would partner with them in recycling and try to dispose of old computers. City Manager Parker further stated that this would start with one day "No Computer Should Go To Waste" kick-off event, and would continue. The City's exposure is through Melinda Kartye, Recycling Coordinator, working with them and waiving landfill fees associated with any discarded computer equipment. Ms. Kartye

stated that they had talked over the past year of having a Waste collection within the City, and they felt like this would be a good opportunity to partner with another Agency that would be more of a "good neighbor" type project that would be more like the "Tire Reclamation Day". Ms. Kartye further stated that they should know something on their Grant by September, and if for some reason they do not receive the Grant, then the Recycling Center will re-evaluate at that time. Ms. Kartye stated that the date for the event would be November 13th which is Texas Recycles Day, and they would like to coordinate around that time. Councilmember Dennis Robertson asked Ms. Kartye if there was going to be any publicity before that date, and Ms. Kartye responded that yes, that would be more of the Recycling Center's responsibility. In response to Councilmember Robertson's remark of waiting on throwing any old computers away before that time, Ms. Kartye explained that he could take them to Goodwill now if they are able to be refurbished, as they do have someone on hand that could work on the computers and make them restorable and try to resale them. Councilmember Robertson stated that the public should be made aware now that they are able to take them to Goodwill, and Ms. Kartye responded that they are just in the first process of asking permission to partnership with them, to try to get the publicity out and assist them in anyway that they can. City Councilmember Langston asked Ms. Kartye if the computers would be taken to Austin, and Ms. Kartye responded that the way it would work, pending the Grant, the Recycling Center would use some of those funds to rent trailers. Ms. Kartye stated that they have already negotiated a deal with their Austin office and they would actually be taking all their computers to the Austin store, and would save a lot of expense for the Recycling Center, than if they were to go and have an event of their own. Mayor Bronaugh stated that in Austin, Dell has a recycling program there and it is going very well. Ms. Kartye further stated that they are now breaking computers down, as there were a lot of different metals inside computers that can be recycled to meet needs, especially overseas. Ms. Kartye stated that there are other places these unwanted computers can be used for instead of going to the landfill.

Councilmember Lynn Torres stated that she felt it was a great program and made the Motion to approve the City partnering with Goodwill for recycling computers. The Motion was seconded by Councilmember Jack Gorden. A unanimous affirmative vote was recorded.

10. PRESENTATION BY THE LUFKIN CONVENTION/VISITORS BUREAU CONCERNING THE LCVB BUDGET WHICH IS FUNDED FROM THE HOTEL/MOTEL TAX RECEIPTS.

Mayor Louis Bronaugh stated that the next item for consideration would be a presentation by the Lufkin Convention Visitors Bureau concerning their budget from the Hotel/Motel Tax Receipts. City Manager Paul Parker stated that at the City's Budget Retreat earlier this year, Council had asked for some more information on the Annual update from the Chamber on the Tourism dollars and how they are allocated, along with the programs that were behind those dollars. Chamber President Jerry Huffman, and Lufkin Convention Visitors Bureau Director, Heather Kartye was present to review with Council what the LCVB does with their Tourism money. Ms. Kartye stated that she appreciated the opportunity to come before Council to tell them a little bit about exactly how they spend the Hotel/Motel Tax dollars. Ms. Kartye reviewed the copy of the Annual Year to Date report for the Visitors Convention Bureau by stating that currently, the LCVB operates under a special management contract between the City of Lufkin and the Angelina County Chamber of Commerce since 1976, creating a longstanding relationship. After reading the Mission Statement of the Visitors Convention Bureau, Ms. Kartye stated that for the 2003/2004 Fiscal Year, the LCVB budget totaled \$163,810; which, broken down, 65% budget of that budget goes toward the program; while 35% of that amount covers administration, which includes salaries, workmen's compensation insurance, etc. Ms. Kartye stated that more than 50% is spent on advertising, and they try to diversify those advertising dollars as much as they can. Much of that is spent on print advertising, such as their various brochures, in several East Texas Tourism Association publications, Billboards, purchase advertising specialties to go toward goody bags to give away at Travel Shows, Group Tours, Welcome Receptions, and many others. Ms. Kartye further stated that from these advertisements they receive Inquiries, which are requests for more information about Lufkin. So far, they have received 14,505 inquiries. New events they have participated in were the Fishing Tournaments, "The Cast Classic" and the "Fishers of Men". Based on figures from tournaments directors and lodging facilities, it was estimated that these had an economic impact of almost a million dollars in our community, and may be something they may want to consider and look more into in the future. The LCVB also has a website, www.visitlufkin.com, which provides visitors with any information on Lufkin's lodging facilities, events, and attractions. The LCVB dollars are also spent attending Travel Shows, in which they try to diversify that as much as they can. Ms. Kartye stated that they attend the McAllen International Travel Show and gives them an opportunity to market their area to winter Texans, along with the Women's Expo in Dallas. The LCVB also tries to market Lufkin in Tyler, Beaumont, Houston, and other surrounding areas as they feel like most of their tourists come from these driving distance to stay overnight. They also attend various seminars and conferences to try to stay up with the latest trends in travel and tourism. Ms. Kartye stated that the LCVB participates and helps out with numerous events in the community throughout the year. Some of these are the Neches River Rendezvous, Texas State Forest Festival, Piney Woods Purgatory, The Old Town Christmas, and promotes any other events that come to Lufkin that bring people to our lodging facilities. Ms. Kartye stated she felt like it was the LCVB's responsibility to market the area's lodging facilities and devise new ways to encourage out of town visitors to simply stay overnight in Lufkin. The bottom line is "heads and beds", endeavoring to bring people to Lufkin to stay overnight. These visitors not

only affect the hotel/motel tax dollars but also other tax dollars. They have a positive impact on our economy as people come from out of town to shop and to eat at our restaurants, etc. Ms. Kartye stated that she felt it important of the LCVB to help promote and attract visitors to attractions in Lufkin and Angelina County to both locals and out of Towner's. Ms. Kartye stated that it is also the LCVB's responsibility to recruit conventions to Lufkin, and although Lufkin currently does not have a Convention Center per say, it is also their responsibility to assist in implementing a plan to build a new one in Lufkin.

Mayor Louis Bronaugh asked Ms. Kartye if the LCVB sponsors training for local businesses that deal directly with working with the public. Ms. Kartye replied that as part of National Tourism Week, they conduct hospitality training. Councilmember Dennis Robertson stated that Ms. Kartye had mentioned the LCVB was assisting in promote the Convention Center, and in this, did she have an idea of how many groups that might come to Lufkin if they had a Convention Center, as opposed to what Lufkin has right now. Ms. Kartye replied that many Organizations submit opportunities for various communities to submit bid proposals for conventions and events, and a lot of times we don't have the facilities necessary to even submit a bid to a lot of those conventions. Ms. Kartye stated that she could not give an exact number of how much they are missing out on, but talking to lodging facilities and other tourism businesses, we are missing out on quite a great deal. Councilmember Robertson asked if there were so many square feet and so many beds they want, and Ms. Kartye stated yes. Councilmember Robertson asked about some of the attractions mentioned they promoted, and suspected there was a lot of activity going on, and asked if these attractions currently gave her a running monthly list of those activities at those facilities or vice versa, or does she contact them. Ms. Kartye stated that the Lufkin Visitors Tourism Council is made up of lodging facilities and attractions and any other type of business that has a stake in tourism, in which they meet for the main purpose of getting everyone together in the same room and find out what is taking place in East Texas. Councilmember Robertson asked if the Azalea Trail had any brochures that were exhibited, in which Ms. Kartye replied that Rachel Emrick with the City attends these meetings and helps promote the Azalea Trail and everyone exchanges brochures among the attractions and facilities. Ms. Kartye stated that she wasn't sure if brochures were on exhibit at the Chamber, but there was an opportunity to do so. Councilmember Rose Boyd stated that it might be a good idea to keep some statistics so Council could have them when they start talking about the Convention Center again, about how many meetings she's had to turn down because we didn't have the facilities, and be specific about the amount. Councilmember Jack Gorden asked Ms. Kartye whether there is a trend for more regional types of meetings that might lend itself as a means of support. Ms. Kartye responded that she thought groups like the Rotary Club and Regional and State Associations are leaning more toward overnight destinations for their meetings. After no further comments, Mayor Bronaugh thanked Ms. Kartye for her dedicated work at the Lufkin Convention Visitors Bureau in promoting Lufkin and Angelina County.

11. PRESENTATION BY THE CITY OF LUFKIN INSPECTION DEPARTMENT CONCERNING A PROPOSED ORDINANCE TO ADOPT THE NATIONAL ELECTRICAL CODE.

Mayor Louis Bronaugh stated that the next item for consideration is the presentation by the City of Lufkin Inspection Department concerning a Proposed Ordinance to adopt the National Electrical Code. City Manager Paul Parker stated that Beauford Chapman, Director of Inspection Services was available to give a presentation to change the Ordinance that governs that National Code as it relates to the City. City Manager Parker stated that tonight, they just wanted to give it to Council as information, as there was no action needed; and answer Council's concerns, and if Council concurs, place this on the next Council Meeting Agenda. Mr. Chapman stated that he would be thorough, but brief. Mr. Chapman stated that the current National Ordinance was adopted by Council on July 20, 1993. The Electrical Board performed a great job for the City and the citizens of this City, by writing an extensive and thorough Ordinance, which has served the City for eleven years now. The Ordinance adopted an Electrical Code, provided testing and licensing for electricians, provided for reciprocity between certain cities, and provided permitting fees. Mr. Chapman further stated that on May 5, 2003, the State Legislative passed House Bill #1487, which is known as the Texas Electrical Safety and Licensing Act. This law regulates licensing electricians within the State of Texas, as well as adopting the latest addition of the National Electrical Code, as the Electrical Code for the State of Texas. Mr. Chapman stated that this Law takes effect September 1, 2004. With the adoption of the State Electrical Law, Ordinances now in conflict with provisions of that law, therefore the proposed Electrical Ordinance revision will address both local requirements and the State Law. The proposed Ordinance confirms our previous adoption of the 2002 Electrical Code, which is the Electrical Code for the State of Texas as per House Bill 1487. Mr. Chapman further stated that it is to be also recognized that the State of Texas issued a electrical license, and provide issuance of electrical work, provides for phasing out of current, City of Lufkin issued electrical licenses. With this Ordinance major changes are: eliminate the office of electrical inspector, which is written in our Electrical Ordinance. Mr. Chapman stated that office would then fall to the responsibility of the Building official, just as the plumbing inspector falls under the responsibility of the Building official, in which the proposed Ordinance would also eliminate the Board of Electricians. Mr. Chapman stated that if you have no licensed electricians, then the Board is no longer needed or functional. It would also eliminate the City electrical licenses, and eliminate the reciprocal licensing of electricians between Cities, and also eliminate conflicting languages between City Ordinances and State Law. Mr. Chapman stated that he had met with the Electrical Board on July 12th and agreed the

new State Law basically eliminated the need for the current City Ordinance and the continuation of the Electrical Board. They also agreed with the proposed Electrical Ordinance revisions. Councilmember Don Langston commented to Mr. Chapman that if this indicates that the City of Lufkin is now in the Twentieth Century with licensing electricians on the State-wide basis, rather on a local basis, and was that the intent of that Law? Mr. Chapman concurred with Councilmember Langston's comment, and stated that the State has finally recognized that they need a State Licensing electricians just as in the early '90's they recognized the need for State licensing of HVAC mechanics, just as in the early '50's they recognized the need for State plumbers. Councilmember Don Langston asked Mr. Chapman if they have adopted in the 2002 Code, adopted locally any modifications to the Code that would be rescinded with this new Ordinance? Mr. Chapman responded that he could answer both those questions, to yes there are some exceptions to the National Electrical Code in our current Ordinance. Mr. Chapman further stated that in with the rewrite of the Ordinance they would maintain those exceptions. City Manager Paul Parker asked Mr. Chapman the question that they would not be eliminating the local options; they would still amend the National Code with the local options. City Manager Paul Parker confirmed with Mr. Chapman that they would not be eliminating local options but would still amend the National Code with the local options, and Mr. Chapman agreed. City Manager Paul Parker stated that the changes will not affect anything from an electrical standpoint as far as construction that's already been eliminated, or modified previously, and this is basically dealing with the licensing and how it relates to the Board and the functions within the department, and whose responsibility and so forth. City Manager Paul Parker further stated that several Cities still choose to do licensing's, such as in the Austin area, they are having real wars over having State license and City license. City Manager Paul Parker stated that he thought he agreed with Mr. Chapman and the Board present has concurred that it is probably in the best interest of the City to accept the State License, and that if you have the State License you are qualified to do business in the City of Lufkin. Mr. Chapman stated that the next Electrical Code is a minimum, just as all Codes are minimum codes, and our agreements to those are eight Amendments that they have adopted to that Code, and they are in excess of the minimum, which they could go an excess, but they cannot go less than the minimum requirements. Mayor Bronaugh asked the question if Mr. Chapman was the official Building Official, and Mr. Chapman responded, yes, that was correct, he was the designated Building Official. Mayor Bronaugh asked Mr. Chapman if it was being required to enforce the State Laws and police the licensing or violations of that licensing by the State of Texas. Mr. Chapman responded, no he was not, but stated that he was required to enforce the State law as it applies to our Ordinances through Home Rule. Mr. Chapman further stated that when someone comes in to get a permit, he was not required by State law to ensure that they have a State license; however, with the Ordinance being passed, when you pass the revised Ordinance then Council would tell him that he would have to ensure that that individual has their license; reiterating once again, that Council, not the State, would be telling them. City Manager Parker stated that Mr. Chapman would, with the Ordinance, would be checking to make sure everybody is licensed by the State before the City gives electrical permits, and Mr. Chapman responded, yes. Mr. Chapman stated that they would require them to produce their State license, their insurance certificate (that is required by State law) and a picture I. D. before they would issue a permit. Mayor Bronaugh asked Mr. Chapman that if he found some violation of the Electrical Code as he knew it, or the Plumbing Code, if he would write tickets. Mr. Chapman responded that if they find a violation of their Ordinance, which is the National Electrical Code, and any part of our Ordinance, they would address that with a particular builder (whether it is an electrician, plumber, etc.) if we could correct those items in an efficient manner, that would be where they would want to resolve the issue and move on. If for some reason they choose not to resolve that issue, then they would issue a Municipal Citation. Mr. Chapman stated that he would like to address the standpoint of the State license in that similar to plumbers and HVAC mechanics, if they choose not to work with the City on it, and they continue to violate the Ordinance, then they would report those individuals to the State Licensing Board of their profession. Mr. Chapman explained that they are not mandated by State Law to do that, as it is an option for them. Councilmember Dennis Robertson asked that in the changes presented regarding elimination of the Electrical Inspector position whether someone currently has that title. Mr. Chapman responded that he was the designated Electrical Inspector, even though he has Electrical Inspectors. Mr. Chapman stated that that title would be eliminated, and would then just basically be Building Official. Councilmember Robertson stated that going to section 3.01, regarding the title of the Electrical Inspector, Mr. Chapman stated that that was not an official title but that it would be one of his inspectors. Councilmember Robertson confirmed with Mr. Chapman would have someone to inspect that before issuance. Mr. Chapman responded that yes, they have a Master Electrician on his staff. Councilmember Robertson stated that it was confusing in stating that they were going to eliminate it and then say that they were going to have one.

After no further discussion, Mayor Bronaugh asked Council their pleasure regarding this item, in which City Manager Parker responded that if there was no further direction from the Council, what Staff would do is place an action item on the next Agenda to adopt an Ordinance that would do the changes that are outlined in the presentation tonight. Mayor Bronaugh stated that there being no objections from the Council, this would be placed on the next Agenda.

12. CONSIDER ACCEPTANCE – APPROVED - OF HOUSE AND LOT AT 214 HOUSE STREET.

Mayor Bronaugh stated that the next item on the Agenda was to consider acceptance of a house and lot on House Street. City Manager Paul Parker asked City Attorney, Bob Flournoy to bring Council up to date on this item. Mr. Flournoy stated that he thought the City was aware that the City owns the property and facilities that house the Museum of East Texas, and also owns the block of land directly across from the Civic Center. Mr. Flournoy stated that there is one piece of property that the City doesn't own in that, in which it is this house, and is the Murray home, on the far corner of the property. Mr. Flournoy further stated that there was an anonymous donor from the Museum that has agreed to buy the building and lot and donate it to the City. Mr. Flournoy stated that the only thing the City would be required to do was simple to demolish the house and move it off. Mr. Flournoy stated that this would give the City full ownership of those two blocks, and ultimately the Museum may need the property, but right now there was no immediate need for it. Mr. Flournoy stated that J. P. McDonald, Director of the Museum of East Texas, was present should there be any questions regarding this donation at no cost to the City but the removal of the building. Councilmember Dennis Robertson asked Mr. Flournoy if there were any stipulations on the donation, and Mr. Flournoy responded that no, other than that the City remove the building, which already needs to be demolished anyway. Mr. Flournoy further stated that the County has agreed to accept the debris at no cost. Councilmember Jack Gorden stated that the City certainly needed to thank this anonymous donor, where Ms. J. P. McDonald responded that yes, they did, and not to forget that the Museum of East Texas is putting up half of the proceeds, and doing their part. Ms. McDonald stated that they do actually need the land, as it would enable them to look to long range planning for future growth. On another note, Mayor Bronaugh stated that he would like to take this opportunity to thank Ms. McDonald and her staff at the Museum of East Texas for cleaning and tending to the City's Western Art collection housed at City Hall, and asked the public to look for title cards on each one of the fifty Western Art Exhibit around City Hall.

City Councilmember Lynn Torres made a Motion to approve the acceptance of the house and lot on House Street. The Motion was seconded by Councilmember Dennis Robertson. A unanimous affirmative vote was recorded.

Mayor Bronaugh stated that ended the formal Agenda, and would like make an announcement at this time that today is National Day Out for the Neighborhood Association in Lufkin. The Jefferson Street Neighborhood Association is having a cover dish supper at the Rock House at Chambers Park, and NERNA, the Northeast Neighborhood Association has an ice cream social at the Winston Park. Mayor Bronaugh stated that anyone who would like to go by and visit with them, they are welcome.

13. EXECUTIVE SESSION

In accordance with the Texas Government Code Section 551.071 (2), Consultation with City Attorney on any Regular Session Agenda item requiring confidential, Attorney/Client advices necessitated by the deliberation of discussion or said items (as needed); Board appointments, and demolition of dilapidated houses may be discussed.

Mayor Louis Bronaugh recessed the Regular Session at 6:11 p.m. to enter into Executive session. Regular Session reconvened at 6:30 p.m. Mayor Bronaugh stated that Council had personnel issues and Legal and/or Attorney Client privileges, with no decisions made.

Mayor Louis Bronaugh asked City Manager Paul Parker if he had information to add, and City Manager Parker stated that information in the back of their packet, Lake Striker water is available for sale, and a memo is included in their packet. City Manager Parker stated that he didn't think that at this time it would be in the City's best interest to proceed, but he did want Council to have it for background information. If there would be any interest, then they could go forth with it, but right now, the City has sufficient groundwater to meet their needs and would probably be best to go to Sam Rayburn and spending money in that area. Also for Council's information, on the Kit McConnico project, the City found out that they were short on linear footage, which would affect their bottom line budget, costing another \$37,262 to the overall project, and the City wanted to keep Council apprised as they go. This situation has been handled in-house, and obviously it was something they had to complete, due to having to connect sewer to that area.

14. CALENDAR NOTATIONS

Mayor Bronaugh stated that First Friday was coming up, and took a name count on who would be attending. City Manager stated that just for Council's information, the City did fill the job for the City Engineer position, which was Keith Wright. City Manager Parker stated that they would re-instate Mr. Wright with his previous position as far as benefits and so forth and would be as though he had been on a leave of

absence during this time. City Manager Parker further stated that they look forward to having Mr. Wright back with the City.

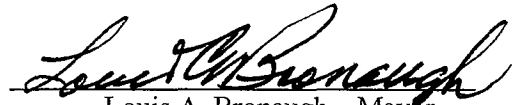
15. ADJOURN

There being no further business for consideration, the meeting adjourned at 6:43 p.m.

ATTEST:



Renee Thompson – City Secretary



Louis A. Brounagh – Mayor