

**MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF
LUFKIN, TEXAS HELD ON THE 19th DAY OF JULY, 2005**

On the 19th day of July 2005, 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
Don Langston	Councilmember, Ward No. 4
Jack Gorden, Jr.	Councilmember, Ward No. 5
Paul L. Parker	City Manager
Renee Thompson	City Secretary
Robert Flournoy	City Attorney
Keith Wright	Asst. City Manager/Public Works
Kenneth Williams	Asst. City Manager/Administrative Services
David Koonce	Human Resource Director
Scott Marcotte	Asst. Police Chief
Dorothy Wilson	Director of Planning
Doug Wood	Finance Director
Jim Wehmeier	Economic Development Director
Sid Munlin	IT Director
Bill Cameron	City of Lufkin Webmaster
Jack Reggie	Solid Waste and Recycling Director
Ralph Bean	Concerned Black Men of Lufkin
Tommy Scherry	CenterPoint Energy – Area Manager – Lufkin

being present, and

Lynn Torres	Councilmember, Ward No. 3
Dennis Robertson	Councilmember, Ward No. 6

being absent, when the following business was transacted:

1. The meeting was opened with prayer by Abraham Riser, Jr., Chaplain, Marketplace Ministries.
2. Mayor Louis Bronaugh welcomed visitors present.
3. **APPROVAL OF MINUTES**

Minutes of the Regular Meeting on July 5, 2005 were approved on a motion by Councilmember Rose Faine Boyd, and seconded by Councilmember R. L. Kuykendall. A unanimous affirmative vote was recorded.

NEW BUSINESS:

4. PRESENTATION BY CONCERNED BLACK MEN OF LUFKIN, INC.

Mayor Louis Bronaugh stated that the next item was a presentation by the Concerned Black Men of Lufkin, Inc. City Manager Paul Parker stated that Ralph Bean was present to represent the Concerned Black Men of Lufkin, Inc.

Ralph Bean, representative of the Concerned Black Men of Lufkin, Inc., stated that this organization would like to thank the City Council for their continued support of the summer basketball camp that is held each year. Mr. Bean added that the Concerned Black Men have been in Lufkin for fifteen years and hold the youth basketball camp each year. Mr. Bean explained that the organization also encourages the attendees of the camp to continue reading while participating in the camp, teaches them basketball skills, and take them on a trip at the end of the camp as a reward. Mr. Bean added that the number of attendees have grown each year. Mr. Bean stated that fifty-two (52) young men and women had just returned from a WMBA game that was sponsored by the Concerned Black Men of Lufkin, Inc. and added that the group of youth had thoroughly enjoyed themselves.

Mr. Bean stated that on behalf of the Concerned Black Men of Lufkin, Inc., he would like to present each of the Council members a t-shirt from the camp. Mr. Bean stated that the camp had been named the "Don Boyd's Summer Youth Basketball Camp", in memory of Councilmember

Don Boyd who passed away in 2002. Mr. Bean added that the most important benefits of the camp are that parents know where their children are from 8:00 a.m. until 3:30 p.m. each day, they are provided both breakfast and lunch, and they receive a snack before they leave each day. Mr. Bean stated that someone needs to spend time with these children and added that the camp has been a success and that they look forward to next year and again thanked the Council for their support

5. PRESENTATION BY CENTERPOINT ENERGY CONCERNING PROPOSED RATE INCREASE

Mayor Louis Bronaugh stated that the next item was a presentation by CenterPoint Energy concerning a proposed rate increase. City Manager Paul Parker stated that Tommy Scherry was present to represent CenterPoint Energy and stated that Council had in their packet information, some additional supplements that would clarify the percentage increase that had been requested. City Manager Parker then asked Mr. Scherry to give the presentation to the City Council.

Tommy Scherry, representative for CenterPoint Energy, then stated that on October 13, 2004, CenterPoint Energy filed a statement of intent with the Railroad Commission of Texas to change the rates for customers in the unincorporated areas of the division. Mr. Scherry added that CenterPoint decided to make the commission filing because the rates in the unincorporated areas were the most seriously out of date and that commission sets the rates for the unincorporated areas and is also the ultimate regulatory authority for establishing rates on a division or statewide basis. Mr. Scherry stated that over a five (5) month period a Railroad Commission's hearing, the technical examiners fully reviewed the company's information. Mr. Scherry added that in addition to considering the testimony and exhibits, the examiners analyzed the underlying data, questioned company witnesses and personnel, and held a hearing on February 17, 2005. Mr. Scherry explained that based on the examiners report, the Railroad Commission of Texas approved the new division wide delivery rates and associated tariffs, which became effective in the unincorporated areas of the division on April 25, 2005. Mr. Scherry stated that the company is now requesting that the rates reviewed and approved by the Railroad Commission, also become effective in all of the various cities in which they operate.

Mr. Scherry then stated that he would be happy to address any questions that Council might have. City Manager Paul Parker stated that in the memo that Mr. Scherry had sent to the Council earlier, when talking about the environs, he was talking about the County. City Manager Parker added that the report showed what an average bill in Lufkin would be. City Manager Parker explained that based on 40 ccf the amount would go from \$45.47 to \$51.40. City Manager Parker stated that the increase in environs showed to be eighty-four (84) percent. Mr. Scherry then explained that the environs in Lufkin had not been increased in several years and were drastically out of date. Mr. Scherry added that the increase had gone into effect in April for the environs customers in the Lufkin area. Mr. Scherry stated that the gas customers within the city limits of Lufkin would not see that kind of percentage increase. City Manager Parker stated that the increase for those living within the city limits of Lufkin would be approximately 13.1% increase per residential customer.

Councilmember Don Langston asked for the date of the last PUC increase. Mr. Scherry stated that the rates had not been increased in Lufkin in approximately ten (10) years. Councilmember Jack Gorden asked if that was the same for the environs. Mr. Scherry stated that the environs had not had an increase in approximately twenty (20) years. Mr. Scherry added that CenterPoint is trying to move toward standardizing their rates across the East Texas/Beaumont area. Mr. Scherry stated that cities do have jurisdiction over their rates and that over the years there are differences in cities rates.

Mayor Louis Bronaugh asked why CenterPoint had waited twenty (20) years to increase the rates in the county. Mr. Scherry explained that the largest part of the customer's bill is the actual gas cost. Mr. Scherry added that the gas bill is made up of three (3) components. Mr. Scherry explained that the first component is the minimum base charge for the service provided. Mr. Scherry stated that the next component is the commodity or delivery charge that allows CenterPoint to recover their cost for the expenses they incur from the delivery of gas to the customer. Mr. Scherry then explained that the third component, which represents approximately two-thirds (2/3) of the bill, is the cost of the gas. Mr. Scherry then stated that the cost of the gas is a direct flow through cost and added that the cost to CenterPoint from the pipeline suppliers is what is passed along to the customers. Mr. Scherry stated that there is no profit built into that part of the bill but is a direct flow through cost. Mr. Scherry added that this is what has increased in recent years. City Manager Parker added that the increase is only on the base. City Manager Parker stated that the pass through cost would remain the same. Mr. Scherry stated that the pass through cost is dependent on the market and added that with CenterPoint, being the retailer, has to purchase a higher priced gas and then pass the cost along to the customer. Mr. Scherry added that CenterPoint would much rather purchase a lower priced gas because they know that the customer

is only interested in the bottom line check that is being written to CenterPoint Energy every month. City Manager Parker stated that when CenterPoint stated that they haven't raised rates, they are referring to base rates because rates have risen during the last several years. Mr. Scherry stated that it depends on how you define rates. Mr. Scherry explained that if you are just referring to your bill, then the cost has increased, but by technical definition the base rates have not been raised in ten (10) years. Mayor Louis Bronaugh pointed out that the citizens of Lufkin do not understand that their rates have not been increased by CenterPoint because they continue to see higher bills. Mr. Scherry stated that customer's overall gas bills have gone up during the past years, but CenterPoint has not increased the base rate during this time. Mr. Scherry explained that the direct flow through cost has increased and CenterPoint does not have any profit built into that flow through cost. Mr. Scherry added that the producers were doing really well, but explained that CenterPoint is on the distribution side of the business.

City Manager Parker stated that the base rate was what was commonly referred to as overhead or overall cost of running the system. Mr. Scherry stated that was correct and that it was basically the delivery expenses. Councilmember Don Langston asked what percent of a monthly bill would be the overhead or delivery charges. Mr. Scherry stated that would be approximately 60%. Councilmember R. L. Kuykendall asked Mr. Scherry how the company survived without raising its fees in twenty (20) years. Mr. Scherry stated that the company uses operating efficiencies, but now they have tried everything that they know to do and cannot cover the operating costs. Mr. Scherry added that there were small incremental increases in cost of service.

Councilmember Jack Gorden asked Mr. Scherry if he could assure the City Council that no entity or municipality in this system would receive a lower rate than Lufkin. Mr. Scherry stated that he could assure the City of this and added that there is a coalition of cities that are reviewing the rates. Mr. Scherry explained that if the City of Lufkin does not choose to participate in this coalition, the City would still receive the division wide standard rate. Mr. Scherry added that CenterPoint did not anticipate that anything would be uncovered or reviewed that would show the increase should be smaller. Mr. Scherry stated that the City of Lufkin would get the benefit of whatever the lowest rate would be. Councilmember Gorden confirmed that each entity would pay the same rate. Mr. Scherry stated that the rates would move toward standard rates in the East Texas/Beaumont Division. Councilmember R. L. Kuykendall asked if the bottom line would be whatever the Railroad Commission decides will happen. Mr. Scherry stated that cities have jurisdiction over the rates, but the Railroad Commission has the final authority if there are any appeals. Mr. Scherry added that he would make known any findings or information from the Railroad Commission proceeding available to the City Council for review. Mr. Scherry stated that CenterPoint wanted to be completely transparent and stated that the City of Lufkin has a couple of options. Mr. Scherry explained that the first option would be that the City not do anything and the new rates would go into effect in August. Mr. Scherry added that the next option would be if the City of Lufkin decided to suspend the rates for ninety (90) days, until the Council could further review the proposal for the rate increase. Mr. Scherry stated that after the ninety (90) days, the new rates would go into effect unless the City of Lufkin moves forward with a formal protest or hearing.

6. PUBLIC HEARING AND ADOPTION OF A RESOLUTION SUSPENDING THE OPERATION OF PROPOSED RATE SCHEDULES AND REVISED SERVICE CHARGES FILED BY CENTERPOINT ENERGY – APPROVED - FOR A PERIOD OF NINETY (90) DAYS BEYOND THE DATE OF WHICH THE RATE WOULD OTHERWISE BE EFFECTIVE

Mayor Louis Bronaugh stated that the next item for consideration was to conduct a Public Hearing and consider adopting a Resolution suspending the operation of proposed rate schedules and revised service charges filed by CenterPoint Energy for a period of ninety (90) days beyond the date of which the rate would otherwise be effective. City Manager Paul Parker stated that the Council had discussed this subject, but that he wanted to highlight some things that Tommy Scherry brought to the attention of the City Council. City Manager Parker explained that the Council has the authority to suspend the proposed rates for ninety (90) days to allow additional time to research the proposal or decide if the City of Lufkin wants to join the coalition. City Manager Parker stated that if Council does not take action, then the proposed rates would become effective August 4, 2005. City Manager Parker added that Staff's recommendation to Council would be to pass the Resolution to suspend the proposed rate increase for a period of ninety (90) days to study the rate structure and look at the prospect of joining the coalition. City Manager Parker stated that in the past when deregulation first came to pass in the electrical industry, a large portion of northeast Texas was under AEP SWEPCO Pool. City Manager Parker added that because a lot of coal was mined in that area and the electrical generation plants were in that area, they would have had to raise prices to bring in competition if they were to be unregulated. City Manager Parker stated that this did not make sense, so the area formed a coalition and went to the PUC and pleaded the case to stay regulated. City Manager Parker explained that northeast Texas

is still regulated. City Manager Parker added that the basis for a coalition got its foothold during this time and was led by the City of Longview. City Manager Parker stated that the City of Longview is again looking to form a similar coalition to review the CenterPoint proposal and evaluate the validity of the proposal. City Manager Parker again stated that Staff would recommend delaying or suspending the rate increase to give the Council time to review the possibilities of joining the coalition or any other options the City of Lufkin may want.

Councilmember Don Langston asked City Manager Parker if the City of Lufkin anticipated getting a report from the group up north. City Manager Parker stated that he did anticipate a report and added that the same attorney out of Austin, that led the efforts with TXU, and another gentlemen from the City of Beaumont, that had worked with the City of Houston on gas rates, and a third individual, that a group of northeast Texas cities had hired as a consultant, were being considered to determine if there is enough information to bring back to the coalition. City Manager Parker added that this group may review it and determine that CenterPoint's request is adequate. City Manager Parker stated that there is no guarantee that they will find CenterPoint's rates to be unjustifiable. City Manager Parker explained that if the coalition does get into a rate filing case with the Railroad Commission there would be legal fees attached, but these are generally awarded back as part of the final bill.

Councilmember Jack Gorden asked City Manager Parker what Tyler is currently dealing with. City Manager Parker explained that the City of Tyler challenged CenterPoint on the price of gas on the stock market and is unrelated to what this coalition is reviewing. City Manager Parker added that the City of Tyler lost their case. Councilmember Rose Faine Boyd asked if the City of Lufkin decided to suspend the rate increase, would the rate be retroactive to August. City Manager Parker explained that it would go into effect at that point and would not be retroactive. City Manager Parker added that the worst case scenario would be that the citizens of the City of Lufkin would have a 90 day reprieve from the new rate structure. Councilmember Don Langston stated that his chief concern with the findings of the Railroad Commission is that it is all geared toward the unincorporated areas of the division. Councilmember Langston added that his concern would be that the findings would be worth challenging for the City of Lufkin and added that the proposed revisions would increase the aggregate revenues of the company by approximately 2.5%. Councilmember Langston stated that this would be over and above the cost of delivery and that he thought the City of Lufkin should suspend the rate increase for the ninety (90) day period and review what the other cities in the area are contemplating.

Mayor Bronaugh then opened the Public Hearing at 5:42 p.m. concerning the adoption of a Resolution suspending the operation of proposed rate schedules and revised service charges filed by CenterPoint Energy for a period of ninety (90) days beyond the date of which the rate would otherwise be effective. Mayor Bronaugh then asked the audience for comments or anyone wishing to speak about this Resolution. Mayor Bronaugh again asked those attending the Council Meeting if there was anyone who wanted to speak concerning the Resolution. Mayor Bronaugh then closed the Public Hearing at 5:43 p.m.

Councilmember Don Langston moved to approve adopting a Resolution suspending the operation of proposed rate schedules and revised service charges filed by CenterPoint Energy for a period of ninety (90) days beyond the date of which the rate would otherwise be effective. Councilmember Rose Faine Boyd seconded the motion. A unanimous affirmative vote was recorded.

7. FIRST READING OF THE REQUEST OF DENE ALLRED ON BEHALF OF ALIECE ALLRED TO CHANGE THE ZONING FROM "LARGE SINGLE-FAMILY DWELLING" TO A "LOCAL BUSINESS" DISTRICT – APPROVED - ON 1.26 ACRES OF LAND DESCRIBED AS TRACTS 207 THRU 209 OF THE J. A. BONTON SURVEY AND MORE COMMONLY KNOWN AS 603 LARGENT STREET

Mayor Louis Bronaugh stated that the next item for consideration was the First Reading of the request of Dene Allred on behalf of Aliece Allred to change the zoning from "Large Single-Family Dwelling" to a "Local Business" District on 1.26 acres of land described as Tracts 207 thru 209 of the J. A. Bonton Survey and more commonly known as 603 Largent Street. City Manager Paul Parker stated the applicant desires to utilize this property for the development of a medical professional building with outpatient services. City Manager Parker added that the general character of the area is non-residential in nature with the most common zoning being local business. City Manager Parker stated that a zone change, in the Staff's opinion, is consistent with regulations placed on the surrounding properties that allow office use. City Manager Parker added that the Future Land Use Plan indicates that the long range development of the property is office usage and that the requested zone "Local Business" District does allow office usage along with a lot of other usage that is not totally consistent with the Comprehensive Plan. City Manager Parker stated that the Planning and Zoning Commission unanimously voted to recommend the change from "Large Single-Family Dwelling" to "Local Business" District be approved. Mayor

Bronaugh then asked if there was anyone in the audience that wished to speak for or against this Ordinance. There was none.

Councilmember Jack Gorden moved to approve on First Reading the request of Dene Allred on behalf of Aliece Allred to change the zoning from "Large Single-Family Dwelling" to a "Local Business" District on 1.26 acres of land described as Tracts 207 thru 209 of the J. A. Bonton Survey and more commonly known as 603 Largent Street. Councilmember Rose Faine Boyd seconded the motion. A unanimous affirmative vote was recorded.

8. FIRST READING OF THE REQUEST OF ROBERT A. KNAPP ON BEHALF OF BEVERLY BENNETT TO CHANGE THE ZONING FROM "MEDIUM SINGLE-FAMILY DWELLING" WITH A SPECIAL USE FOR DAY CARE TO A "LOCAL BUSINESS" DISTRICT - APPROVED - ON PROPERTY DESCRIBED AS BLOCK 54, LOT 4 OF THE CITY OF LUFKIN SURVEY AND MORE COMMONLY KNOWN AS 600 N. RAGUET STREET. THIS REQUEST WILL ALSO ENCOMPASS AMENDING THE FUTURE LAND USE MAP OF THE COMPREHENSIVE PLAN BY CHANGING THE DESIGNATION OF THE PROPERTY FROM "LOW DENSITY RESIDENTIAL" TO "RETAIL"

Mayor Louis Bronaugh stated that the next item for consideration was the First Reading of the request of Robert A. Knapp on behalf of Beverly Bennett to change the zoning from "Medium Single-Family Dwelling" with a Special use for Day Care to a "Local Business" District on property described as Block 54, Lot 4 of the City of Lufkin Survey and more commonly known as 600 N. Raguet Street. This request will also encompass amending the Future Land Use Map of the Comprehensive Plan by changing the designation of the property from "Low Density Residential" to "Retail". City Manager Paul Parker stated this area is currently occupied by Jack and Jill Daycare Center. City Manager Parker added that the property is in the process of being sold and that the purpose of the zone change request is to allow the utilization of the property for continued operation of the existing daycare. City Manager Parker stated that the general character of the area is a mix of commercial and residential with the adjacent property to the north being non-residential in nature. City Manager Parker explained that the Future Land Use Plan indicates that the correct long range development of the subject property is "Low Density Residential" and stated that the Planning and Zoning Commission recommended that a more realistic and appropriate classification for the property is "Retail". City Manager Parker explained that the development of this property beyond the confines of the daycare center would cause minimum impact in the area in question due to the general "Non-Residential Character" of the adjacent property. City Manager Parker stated that the Planning and Zoning Commission unanimously recommended that the Future Land Use Plan be amended to change the designation of the property from "Low Density Residential" to "Retail" and the change of the zoning from "Medium Single-Family Dwelling" to "Local Business" District be approved. Mayor Bronaugh then asked if there was anyone in the audience that wished to speak for or against this Ordinance. There was none.

Councilmember Rose Faine Boyd moved to approve on First Reading the request of Robert A. Knapp on behalf of Beverly Bennett to change the zoning from "Medium Single-Family Dwelling" with a Special use for Day Care to a "Local Business" District on property described as Block 54, Lot 4 of the City of Lufkin Survey and more commonly known as 600 N. Raguet Street. This request will also encompass amending the Future Land Use Map of the Comprehensive Plan by changing the designation of the property from "Low Density Residential" to "Retail". Councilmember Jack Gorden seconded the motion. A unanimous affirmative vote was recorded.

9. FIRST READING OF THE REQUEST OF ABB ROQUEMORE, RALPH ROSE, JONATHAN AND ZORAIDA HAMBLIN, AND EDWARD AND NATHALIE SEELER FOR AMENDING THE FUTURE LAND USE PLAN ON PROPERTIES COMMONLY KNOWN AS 302, 303, 304, AND 307 CARD DRIVE AND 1617 TULANE DRIVE - TABLED - FROM THE CURRENT DESIGNATIONS OF "LOW DENSITY RESIDENTIAL" AND "OFFICE" TO "RETAIL"

Mayor Louis Bronaugh stated that the next item for consideration was the First Reading of the request of Abb Roquemore, Ralph Rose, Jonathan and Zoraida Hamblin, and Edward and Nathalie Seeler for amending the Future Land Use Plan on properties commonly known as 302, 303, 304, and 307 Card Drive and 1617 Tulane Drive from the current designations of "Low Density Residential" and "Office" to "Retail". City Manager Paul Parker stated that the City of Lufkin received the request to consider amending the Future Land Use Plan on all or part of five (5) lots near the intersection of Card Drive and Tulane Drive. City Manager Parker added that the current Future Land Use Map indicates a combination of office and low-density residential usage. City Manager Parker stated that the property to the south and to the west on Tulane Drive are currently designated as "Retail" and that the property to the north of the Seeler property at 1617 Tulane is occupied by Southside Baptist Church. City Manager Parker stated that the general character of

the area is suited for office or small retail usage. City Manager Parker explained that the applicant indicated that they requested to have a fifty (50) foot buffer near the Roquemore and Seeler properties to limit the impact to the residential area. City Manager Parker added that the Planning and Zoning Commission discussed this request at quite a length and was divided by a two (2) to two (2) vote on whether to recommend this request to the City Council. City Manager Parker explained that the Commissioners that voted in opposition were primarily concerned that the City needed to look at the entire area to bring back to Council and not just these five (5) lots on the proposed zone change, as this would also affect the other surrounding properties. City Manager Parker stated that Staff recommended to the Council that this item be sent back to the Planning and Zoning Commission for further review of the entire area.

Councilmember Jack Gorden asked City Manager Parker to explain what the entire area would include. Mayor Bronaugh then asked if there was anyone in the audience that wished to speak for or against this Ordinance. City Manager Parker asked City Planner Dorothy Wilson to come to the microphone to answer Councilmember Gorden's question. City Planner Wilson stated that the discussion at the Planning and Zoning Commission meeting centered on Card Drive and Tulane. Ms. Wilson added that this would be the length of Card Drive and along Tulane Drive. Ms. Wilson explained that the discussion was where the changes would stop when considering the properties on Card and Tulane. Ms. Wilson also stated that there were people that were not aware of the proposed changes as they are outside of the notification area. Ms. Wilson added that the issue came up that there was a lot of traffic that cut through on Card Drive, and if the street was to turn into a thoroughfare, the property owner should get the benefit on the resale of their property by changing the zoning with the understanding that they would eventually be bought out. Councilmember Jack Gorden asked if this would include all of Tulane and all of Card. Ms. Wilson explained that it would be the section of Card between Chestnut Drive and Tulane Drive and then on Tulane from the Lufkin Mall to Kiwanis Park. Councilmember Gorden asked if there was a two to two vote by the Planning and Zoning Commission, what would be the determination of the Commission. City Manager Parker stated that it would technically be a denial but explained that the City of Lufkin Ordinance states that all proposals are brought to the City Council. Councilmember Gorden asked if this were a situation where it would take a majority vote for the proposal to pass. City Manager Parker stated that this was correct. Councilmember Gorden then asked if it would then take all of the City Council to vote for the proposal for it to pass. City Manager Parker stated that this was correct but there was not enough Council members present at this meeting to overturn the denial of the Planning and Zoning Commission.

Mayor Bronaugh acknowledged that Abb Roquemore was present at the meeting to say something on the subject of the proposed zone change. Abb Roquemore stated that he lives at 303 Card, which is at the corner of Card Drive and Tulane Drive. Mr. Roquemore added that it would be fine with him if the Council desired to study the situation more. Mr. Roquemore explained that it is the feeling of the neighbors that the City of Lufkin is moving on top of them and that there has been a lot of development in the area. Mr. Roquemore stated that in some ways that could be good as they would probably have a lot of attractive offers if they decide to sell the property, but added that it was not the quiet neighborhood that it was when they moved to the area. Mr. Roquemore stated that they want the proper decision that would protect the people of Lufkin to be made and added that it was fine with him and Mr. Seeler but that he had not had the opportunity to talk to the Hamblins about it.

Councilmember Don Langston moved to table the request of Abb Roquemore, Ralph Rose, Jonathan and Zoraida Hamblin, and Edward and Nathalie Seeler for amending the Future Land Use Plan on properties commonly known as 302, 303, 304, and 307 Card Drive and 1617 Tulane Drive from the current designations of "Low Density Residential" and "Office" to "Retail" and to defer the request back to the Planning and Zoning Commission until more members could be in attendance and then the request could be reconsidered for approval. Councilmember R. L. Kuykendall seconded the motion. A unanimous affirmative vote was recorded.

10. PRESENTATION BY MR. SID MUNLIN AND MR. BILL CAMERON CONCERNING THE INFORMATION TECHNOLOGY DEPARTMENT

Mayor Louis Bronaugh stated that the next item was a presentation by Mr. Sid Munlin and Mr. Bill Cameron concerning the Information Technology Department. City Manager Paul Parker stated as Staff went through the budget process there were numerous questions and concerns about technology, where the City of Lufkin was going, and the rising cost. City Manager Parker explained that there were reasons that the IT Department budget looks inflated. City Manager Parker then turned the meeting over to Bill Cameron and Sid Munlin.

Bill Cameron explained that he was employed as the Director of Information Technology by the City of Lufkin when much of the current technology was implemented. Mr. Cameron added that Sid Munlin is now currently the IT Department Director. Mr. Cameron explained that together

they wanted to show where the IT Department had come from and the depth of those changes and then where the City is currently.

Mr. Cameron stated that he was employed by the City of Lufkin in August of 1998 and added that the City and the Police Department were operating with two (2) separate systems. Mr. Cameron stated that there was no email server at that time and the entire City had twenty (20) virtual email accounts with TXU. Mr. Cameron added that the website was located at TXU, there was a 10 megabyte LAN, which was extremely slow by today's standards, and there was one employee.

Mr. Cameron stated that the City had a three (3) node WAN, but added that it was not connected to anything. Mr. Cameron added that the City had non-compliant AS400s and that most of the IT budget was funded in the departments. Mr. Cameron explained that WAN stands for Wide Area Network and added that the WAN connects all of the remote nodes such as Street Department, Water Plant, Zoo, Animal Control etc. or all those department that are not in City Hall. Mr. Cameron explained that the WAN did not work in 1998 because it was not hooked to anything. Mr. Cameron added that there were laptops in the Police Department, but they were not connected to anything, so therefore they had to take floppy disks inside to the server. Mr. Cameron stated that those laptops were retired and had to be replaced by new laptops. Mr. Cameron added that the City had previously bought a Novell Base Mail System that they were never able to get to work. Mr. Cameron explained that the City moved from Novell to NT and brought in a second employee and bought the HTE System to help make the Financial Program Y2K compliant, installed a 5.5 exchange server, and expanded the WAN to sixteen (16) nodes. Mr. Cameron stated that in 1999 the IT Department added a third employee. Mr. Cameron added that some of the HTE costs were transferred into the IT Department and the City certified Y2K for the equipment. Mr. Cameron stated that they upgraded memory for the AS400 and took the separate AS400 that was located in the Police Department and moved it to the IT Department and consolidated the functionality as well the equipment.

Mr. Cameron stated that they then added Docushare, which is the document archival system that the City of Lufkin still uses. Mr. Cameron explained that the Novell system was actually not suited for the needs of the City of Lufkin and in 2000 the City got rid of the Novell servers. Mr. Cameron stated that the IT Department then changed Directors from himself to Cindy Massey, brought the Kurth Memorial Library up and working, went from Windows NT to Windows 2000. Mr. Cameron added that the City then brought in the CDPD System that allowed the new laptops to communicate with City's server in the Police Department. Mr. Cameron stated that the City also started the Wireless WAN and the IP Phone System. Mr. Cameron stated that in 2002 they brought the Wireless WAN online and the IP Phone System online, hired Sid Munlin as the new IT Department Director, and began "Click to Gov".

Sid Munlin, current Director for the Information Technology Department, stated that two of the major tasks that he began were to complete the clean-up and fine tuning of the WAN and the IP Phone System that were at remote locations. Mr. Munlin added that another problem that he encountered was the City was receiving sluggish responses from the AS400. Mr. Munlin stated that they upgraded that system to improve usage for the customers in the City of Lufkin. Mr. Munlin stated that in 2004 the IT Department was tasked with assisting with the change-over of the old CDPD System which AT&T discontinued and replaced with GPRS, which was a mandatory change. Mr. Munlin added that also in 2004 they ran into a series of end of leases for the IBM desktop units that the City had been using. Mr. Munlin stated that they then changed those units out for more cost effective Dell Computers. Mr. Munlin stated that this year the IT Department had several major tasks that included renovations on the Kiln Street Water Tower, brought up a new file server to alleviate some space and storage requirements, brought up a secondary email server to give improved performance, and held a series of classes to retrain City personnel on the IP Phone System. Mr. Munlin added that the IT Department has several ongoing projects at this time with the major one being the set-up of the new EOC. Mr. Munlin stated that they are working to complete installation of the new electronics. Mr. Cameron noted that when speaking of the EOC, there were City Staff in Louisiana and Mississippi a few weeks before when the City of Lufkin had a large rain, and the City Manager was able to look at real time rainfall data that comes into City Hall from sensors and could talk to the Staff to make decisions. Mr. Cameron also noted that on another day when the City Hall lost power to the facility, the City temporarily lost the 911 System. Mr. Cameron stated that the 911 Service then rolled over to the IP Phone System while the City was connecting to a generator.

Mr. Cameron stated that the reason the WAN was added was to connect the nodes outside of City Hall. Mr. Cameron explained that those outside nodes needed the capabilities to have data communications with City Hall to enable them to do their financials and run the HTE System. Mr. Cameron added that it wasn't the phone system that drove this, but was the WAN, so those outside nodes could complete work orders, time entry, etc. Mr. Cameron stated that the City of Lufkin

had a sixteen (16) node WAN that had not previously worked and employees could not complete the business processes of the City.

Mr. Cameron stated that the reoccurring cost of the WAN that did not work was approximately \$10,000 monthly and approximately \$120,000 per year. Mr. Cameron added that the new WAN gave high-speed connection for the sixteen (16) nodes and was totally configurable by the Staff. Mr. Cameron stated that the IP Phone System has the capability of being able to move phones "at-will" and stated that the IT Department were able to pick phones up and move them to the Civic Center during the first few hours of the Columbia Shuttle Recovery Effort, and at the inception the effort was totally working from the City's IP Phone System. Mr. Cameron explained that this gives additional capabilities to the Emergency Management Team because these phones keep their same numbers and no traditional phones have to be installed. Mr. Cameron stated that employees can receive their voicemail from their City email, look up directories and better supports the Emergency Operation Center.

Mr. Cameron stated that when studying the cost analysis for the IT Department, it is like comparing apples to kumquats. Mr. Cameron stated that they are comparing a system that did not work to system that does. Mr. Cameron stated that the original LAN and Internet was \$123,000 per year and did not work. Mr. Cameron added that the new system is approximately \$32,000 per year to operate it. Mr. Cameron explained that the original telephone system was \$129,000 but was apples to oranges for a number of reasons. Mr. Cameron stated that one reason is there were less telephones and dial tones than the City of Lufkin currently has. Mr. Munlin stated that the IP Phone System is approximately 67% larger.

Councilmember Don Langston asked if the City of Lufkin has grown by that many employees through these years. Mr. Munlin stated that the City had not added that many more employees but that there are more telephone units out in the workplace than before. Mr. Cameron added that it is not costing the City of Lufkin to add more telephone lines. Mr. Cameron stated that this gives more capabilities to the employees without increasing any cost to the City of Lufkin. Councilmember Langston asked if the City added more devices. Mr. Cameron stated that the City had also added more devices. Councilmember Langston asked why the City had grown a phone system that was larger and wanted to know if the City was receiving 67% more benefit from the system. Asst. City Manager/Public Works Keith Wright stated that the Waste Water Treatment Plant's Maintenance Building did not have phone service in the back of the plant, but there was a computer connected to the City's network. Mr. Wright explained that when the new IP Phones were added the City was able to add a phone in this area at a low cost with no reoccurring fee.

Mr. Cameron stated that even though the system is larger, it is still less expensive. Mr. Cameron explained the main reason that this project began was because the City had a wireless WAN that could not be used. Mr. Cameron then explained that the City could have considered a frame relay system that would minimally work and that the payback on that system would 3.2 years. Mr. Cameron added that compared to what the City has now, it has long since paid for itself. Mr. Cameron stated that most of the capabilities lie within the WAN System.

Councilmember Don Langston asked Mr. Cameron if the City were to install a system that worked such as Centrex System would there be a 3.2 year payback. City Manager Parker stated that if the City purchases a system that would only "get by", the payback would be 3.2 years but that if the system such as we have now were purchased it would have a payback of 1.3 years. Mr. Munlin pointed out that this pricing was based on the original purchase date of the system.

Mr. Cameron explained that based on today's standards the payback would not be as good because some of the products have gone down in price. Mr. Cameron explained that the technology for both the traditional system and what the City currently has have both decreased in cost. Mr. Cameron added that the City is still receiving a cost savings for the IP System.

Mr. Cameron then went on to explain the savings and the increase in budget for the IT Department. Mr. Cameron stated that the IP Phone System was not originally borne by the IT Department, but was borne by the individual departments in the City. Mr. Cameron stated that the original phone systems for the City were being paid by each department. Mr. Cameron added that the major cost for the phone system is now being paid by the IT Department. Mr. Cameron stated that other costs have migrated to the IT Department as well.

Mr. Munlin stated that the software maintenance fees, network equipment fees, and maintenance fees for the specialty programs in certain departments have been moved to the IT Department. Mr. Munlin explained that it did make sense for IT to manage these fees because there is an economy of scale there as he can negotiate with the City's vendors for breaks in the total maintenance costs. Mr. Munlin stated that another item that increased the IT Department Budget was a debt service for the Y2K research. Mr. Munlin added that all of the large scale additions and changes that are

made are typically funded from the IT Department Budget for centralized cost location. Mr. Munlin stated that one of the large jumps was due to the migration of the software maintenance costs that were moved into the IT Department Budget. Mr. Munlin added that over time there had been decreased functionality across the City. Mr. Munlin stated that in 2002 a number of HTE modules were purchased by individual departments and then 2003 those items moved into the IT Department Budget along with the maintenance costs. Mr. Munlin stated that each of these costs is reoccurring costs to the City. Mr. Cameron added that these costs are in the correct place as they need to be managed by the IT Department. City Manager Parker stated that in 2004, when the City added "Click-to-Gov", the original cost was borne by the department. Mr. Munlin stated that when the second year of the "service" begins, the costs are transferred to the IT Department Budget. City Manager Parker added that Mr. Munlin was not a part of the decision to add the "Click-to-Gov" service to Municipal Court. Mr. Munlin stated that each department determines most of the technology needs of their department. City Manager Parker added that the IT Department Budget often increases by decisions and recommendations made by other departments as the maintenance costs eventually migrate to the IT Department.

City Manager Parker pointed out that there are still some reoccurring maintenance costs that have yet to migrate to the IT Department. Mr. Munlin added that one of the larger costs that will eventually move to the IT Department is the Library's Millennium System, which is a book tracking system. Mr. Cameron then stated that if the City of Lufkin returned to the traditional telephone system the cost would increase. Mr. Cameron explained that this would be due to the City having to lease the equipment, paying for changes, and the reoccurring costs from 2000 would return. Mr. Cameron added that the City would still have to have the WAN to support the HTE System. Mr. Cameron stated that the current system the City has is now owned as it has paid for itself and deleting the telephone system would not reduce the total IT cost.

Mr. Cameron stated that the latest reorganization for the City of Lufkin is a good idea. Mr. Cameron added that this restructuring would allow Mr. Munlin to become more involved in the technical management of the IT Department. Mr. Cameron added that the City had just built a new mail server and stated that it should help the email system. Mr. Cameron stated that the City is installing laptops in emergency vehicles in the Fire Department and the IT Department is currently installing equipment in the Emergency Operation Center. Mr. Munlin explained that the EOC will be a very nice facility and will alleviate the start-up time that it took to get the EOC up and running to respond to emergencies when it was being operated in the Police Department.

Mr. Cameron then explained how Mr. Munlin had been working cleaning up sections of the WAN. Mr. Cameron stated that on a long term basis the City of Lufkin needs to consider fiber optic cable for the future. Councilmember Don Langston asked if fiber optics is now the method of choice over Wide Area Networks. Mr. Cameron answered that fiber optics are definitely the method of choice but is very expensive. Mr. Cameron stated that over time he would like to see the City of Lufkin gradually migrate toward using fiber optics. Mr. Munlin stated that there was a down time at South Base and the Waste Water Treatment Plant. Mr. Munlin explained that this outage was due a massive lightning strike at the South Base Tower that not only services South Base but also Waste Water. Mr. Munlin stated that the lightning strike fried every single piece of equipment in the building such as copiers, computers, coffee makers, etc. Mr. Munlin explained that the IT Department is working to build some additional redundancies into the system to address issues like that when they occur. Mr. Munlin added that should the South Base Tower go down they could then possibly feed it from another route.

Councilmember Jack Gorden asked if there were ways to cut cost at this time without affecting the functionality of the system. Mr. Munlin stated that if the City were to cut the number of IP Phone units, that it would mean having to eliminate approximately seventy-eight (78) phones for there to be a savings, and then again it would not be a significant savings for the City. Councilmember Gorden asked if the "Click-to-Gov" system is cost effective. Mr. Cameron stated that he estimates that the City brings in approximately three (3) to four (4) new customers on that system every day. Mr. Cameron added that he receives many emails from citizens about how they like to use the system and how convenient it is for them. Mr. Munlin stated that by the increase of utilization that the City has, the City will have a majority paying by that method in the near future. Councilmember Gorden asked if there is something built into the IT Department's plan for cost effectiveness for the future. Mr. Munlin stated that he prices the services that the City of Lufkin uses quite regularly and has helped to reduce some of the cost to the City. Councilmember Gorden then asked if the City of Lufkin still has the same number of Centrex lines that they had several years ago. Mr. Cameron stated that those numbers are way down and added that this is where the cost savings comes in. Mr. Cameron added that Mr. Munlin is now looking at eliminating more phone lines by eliminating lines that are currently being used for fax machines. Mr. Munlin stated that all Centrex lines had been eliminated and that all that were left were traditional analog telephone lines. Mr. Munlin stated that the City originally had 188 lines and is down to 103 lines. Mr. Munlin added that the City could reduce that number further if the City went to a centralized fax system. City Manager Parker stated that Staff is looking at the

possibility of faxing through the employee's computers. City Manager Parker added that Staff will need to look at how many lines could be eliminated versus the price of the system. City Manager Parker explained that Staff will review the cost effectiveness of any new applications that will be added in the future versus providing a service. City Manager Parker added that there may be times that Council would want the City to add a service, but that Staff would be reviewing the services versus the cost.

Councilmember Jack Gorden commented that he appreciated the overview given by Mr. Cameron and Mr. Munlin and added that it had helped him to gain a greater understanding of the IT Department. Mr. Munlin stated that if Council had any further questions or concerns, he would be happy to talk to the Council and make an explanation of the maintenance and operations.

Assistant City Manager/Administrative Services Kenneth Williams stated that the reason for the presentation was to keep the Council informed about what is occurring with the Information Technology Department and added that he is taking a hard look at the operations of the IT Department.

11. PRESENTATION CONCERNING A PROPOSED AMENDMENT TO THE CITY'S SOLID WASTE AND RECYCLING ORDINANCE

Mayor Louis Bronaugh stated that the next item was a presentation concerning a proposed amendment to the City's Solid Waste and Recycling Ordinance. City Manager Paul Parker stated that this Ordinance has previously been brought to the Council and has been returned for review. City Manager Parker explained that the Ordinance is not on the agenda to be voted on, but is to bring the Council up to date on what is proposed in the Solid Waste and Recycling Ordinance after the R. W. Beck study was completed. City Manager Parker added that Staff would like to know of any problems or concerns that Council has before bringing it back for a vote.

Assistant City Manager/Administrative Services Kenneth Williams stated that he was present to go over the new Solid Waste and Recycling Ordinance. Mr. Williams then introduced Lynn Winthrop, the new Recycling Coordinator, Melinda Kartye, past Recycling Coordinator, who now works for US Representative Louie Gohmert, and Jack Reggie and Dwayne Thornhill. Mr. Williams explained that earlier in the year the staff met to discuss some things that they wanted to accomplish this year in Solid Waste and decided that establishing a new Ordinance would be one of their main goals. Mr. Williams stated that not only Solid Waste and Recycling worked on the Ordinance but they also included the Main Street Staff, Inspection Services Staff, and the City Attorney. Mr. Williams explained that the Ordinance was put on hold for some time because of the Beck Study, as they wanted to include items from the Beck Study in this Ordinance.

Mr. Williams stated that Staff determined that they needed to work on the contamination rate in the Recycling Facility and improve the Recycling rates. Mr. Williams explained that in the presentation, he would hit on the high points and proposed changes to the Solid Waste Ordinance. Mr. Williams stated that anything written in red in the document that was in the Council's packet, were changes to the current Ordinance. Mr. Williams added that the purpose was to receive a consensus from Council to go forward with the new proposed Solid Waste Ordinance.

Mr. Williams stated that Staff is looking at four (4) Chapters in the Ordinance. Mr. Williams stated that Chapter fifty (50) basically deals with Garbage and Refuse, Chapter fifty-three (53) deals with Special Waste, which used to be referred to as Solid Waste, Chapter fifty-four (54) is Recycling and is a completely new section and Chapter fifty-five (55) deals with the Downtown District.

Mr. Williams stated that one of the main reasons that Staff chose to do this was because the City's Ordinance needed updating and it needed to be aligned with the automated collection system. Mr. Williams stated that in Chapter fifty (50) there will be added to the Ordinance that the containers are City provided, that garbage has to be bagged and placed inside of the provided container, the container should be placed within three (3) feet of the curb, and placed outside between 7:00 a.m. to 7:00 p.m. Mr. Williams stated that if there is a customer that habitually has an overfilled container the City is proposing to provide the customer with a larger ninety (90) gallon container. Mr. Williams explained that this should help reduce the contamination rate in recyclables. Mr. Williams stated that on the commercial side the City is proposing to reduce the price of the roll-off containers set down fee. Mr. Williams stated that currently the set down fee is \$208 and they are proposing to change this rate to \$100. Mr. Williams explained that currently for roll-off containers it costs \$208 for the set down fee, \$156 per month rental fee, and \$10.26 per cubic yard to dump the container. Mr. Williams stated that the City is working to make this fee more reasonable. Mr. Williams stated that there will be specifications for the dumpster enclosures to make them more attractive. Mr. Williams added that in the collection of commercial contracted landscape debris the contractor must haul off this debris. Mr. Williams stated that rental properties have been a

continuous problem as when people move in and out they often pile old used furniture and debris outside for collection. Mr. Williams stated that there be a \$50 fee for the City to dispose of this debris and that the owner of the property would provide the City adequate access to the property. Mr. Williams stated that the disposal of demolition and construction debris has to be permitted and properly disposed of. Mr. Williams added that the City of Lufkin would be the exclusive hauler except for the owner or an agent of the owner could dispose of the debris.

Mr. Williams stated that Chapter fifty-three (53) used to be called Solid Waste and will now be referred to as Special Waste. Mr. Williams explained that this is basically hazardous waste materials such as blood and sharps. Mr. Williams added that the penalty for a violation of this section of the Ordinance was changed from \$500 to \$2000. Mr. Williams added that according to State Law this penalty could go up as much as \$1,000,000.

Mr. Williams reiterated that Chapter fifty-four (54) is a new section named Recycling. Mr. Williams stated this section goes into more detail concerning recycling and also addresses the residential recycling containers. Mr. Williams added that while the City does encourage citizens to compost, they will still pick up landscape waste. Mr. Williams explained that although the Ordinance states that the City of Lufkin is to be the exclusive haulers of recyclable materials, there are some exceptions such as large industries and businesses. Mr. Williams added that a quarterly report would be requested from these large businesses and industries concerning the volume that they are hauling. Mr. Williams stated that there is a proposed reduction in the recycling rates. Mr. Williams added that based on an eight (8) cubic yard dumpster, a one (1) time per week dump is \$84. Mr. Williams stated that the City is proposing to reduce this rate for an eight (8) cubic yard dumpster to \$35. Mr. Williams added that for the same dumpster two (2) times per week it is currently \$169 and the City is proposing to change the rate to \$70. Mr. Williams stated that three (3) times for this same dumpster is currently \$253 and the City is proposing to change the rate to \$105, four (4) times is currently \$338 and the City proposes to change the rate to \$140, and five (5) times is currently \$422 and the City proposes to change the rate to \$175. Mr. Williams stated that Staff thinks that this will be a real incentive for people to recycle. Mr. Williams added that Lynn Winthrop will be going to individual businesses to perform waste audits and to explain how the businesses can save money.

Mr. Williams stated that Chapter fifty-five (55) the Downtown District is rather unique. Mr. Williams added that it is a confined area that is difficult to access by the automated trucks. Mr. Williams explained that the major method of collection is currently by people placing plastic garbage bags out onto the street for collection twice a week and one time collection for recyclables. Mr. Williams stated that buildings with multiple tenants must pay a fee of \$21.65 for each tenant per month. Mr. Williams stated that there is included in this Ordinance a ban on bringing garbage from home. Mr. Williams added that there is a penalty clause for those who violate this ordinance.

Mr. Williams concluded that this new Ordinance is needed and is long overdue. Mr. Williams added that the City wants to increase recycling, cover the Downtown District, added higher penalties for violations, and addresses a variety of collection practices.

Councilmember Don Langston stated that a number of the cities in the area are considered "open" which means there is a competitive environment for these services. Councilmember Langston added that the City of Lufkin is "closed" and that he understood the logic behind that. Councilmember Langston stated that in 50.02 the Ordinance stated that the City of Lufkin is the exclusive provider without an authorized permit, but added that it is a little ambiguous in relation to some of the proposed changes in the Ordinance. Councilmember Langston added that it states that the City is the exclusive provider, but will make allowances for certain types of demolition debris removal. Councilmember Langston added that the Ordinance is not clear and leaves him hanging with a lot of "what ifs?" Councilmember Langston pointed out that Mr. Williams had addressed that one of these allowances would be large retailers that use outside recycling. Councilmember Langston stated that he was having trouble with the wording of 50.02.

Councilmember Langston stated that in 50.26 the City talks about a specification for dumpster enclosures. Councilmember Langston asked if the City has a design for this specification. Mr. Williams stated that Inspection Services Director Beauford Chapman had given the City a design for these enclosures.

Mr. Williams stated that the recycling portion of the Ordinance was purposely written to be a little ambiguous because it is hard to tell businesses that they cannot make money off of their recyclables. Mr. Williams explained that it is very difficult to enforce. Councilmember Langston stated that his concern is the City provides service instead of trying to make a profit. Councilmember Langston stated that the City is making a pretty healthy profit based on the fund balance and that he is always looking at ways to not overburden the people that have to pay for

these services. Councilmember Langston stated that he looked at the overall Ordinance from that standpoint.

Councilmember Langston asked what it would actually cost if an outside provider were allowed to provide these services. Councilmember Langston pointed out that he had provided a comparison to Staff of thirteen (13) cities in Lufkin's geographical area and that Lufkin is ranked five (5) out of the thirteen (13). Councilmember Langston added that Lufkin is the fifth highest out of a possible thirteen (13) which in his opinion means that the City of Lufkin is already at the top of the ladder. Councilmember Langston stated that this is poor commercial handling, and that he feels that it is imperative that the City not literally price itself beyond a reasonable explanation to those citizens that are using the service.

Councilmember Langston stated that an average cost to remove debris on a construction site today would run approximately \$8,000 to \$12,000 for a relatively small job. Councilmember Langston explained that it is always an added concern because it is an added cost to the project. Councilmember Langston stated that while there will be a cost, it should be a reasonable cost. Councilmember Langston added that is why he did the comparison chart with other cities in this area. Councilmember Langston stated that while the City of Lufkin does not have to be the least expensive, the City should be reasonable and in line with other cities.

Councilmember Langston explained that his primary concern was with the roll-off dumpster service in demolition. Councilmember Langston added that other cities are open or negotiable depending on the size of the project in providing dumpster service, but the City of Lufkin has no leeway. Councilmember Langston asked in special permitting for removal of debris by outside contractors, would that address demolition of buildings by demolition contractors that use their own trucks to remove the material. Councilmember Langston stated that the Ordinance left him sensing that perhaps it would and perhaps it would not and was ambiguous. Mr. Williams explained that to demolish a building, you would first have to be issued a demolition permit. Mr. Williams stated that it does allow for the business owner or their agent to remove the debris themselves. Mr. Williams added that this Ordinance is geared toward the waste management incorporations instead of the contractor's incorporations.

Councilmember Langston stated that 50.3 Roll-off Containers: states that all commercial businesses handling construction materials new or used shall utilize a roll-off container for disposal of that material. Councilmember Langston pointed out that most of those companies have trucks that are capable of hauling their debris directly to the Landfill. Councilmember Langston stated that now they are being denied that opportunity and that it is definitely something that Council needs to look at and get feedback from those businesses. Councilmember Langston added that otherwise why wouldn't the business go to Diboll to purchase their building materials as it could be less expensive. Councilmember Langston stated that he would rather see those sales tax dollars stay in Lufkin.

Councilmember Langston stated that in 50.4 Disposal of Construction and Demolition Debris: the City of Lufkin is the exclusive hauler, within the City, unless a permit is granted by the Director of Solid Waste to haul such debris by owner or agent. Councilmember Langston pointed out that this section did not point out what conditions allow a permit and just says it is at the discretion of the Director. Councilmember Langston stated that the City needs to clarify what terms and conditions would allow outside use of haulers.

Councilmember Langston stated that the reduction of the placement fee to \$100 was great but added that it still doesn't help the City to be in line with some of its closest neighbors.

Councilmember Langston asked about 50.51A that states that out of town roll-off rates shall be assessed and collected from persons and businesses that are provided roll-off container service. Councilmember Langston inquired if the City of Lufkin receives a lot of business from outside the City. Mr. Williams stated that the City does not receive a lot of business from outside the City.

Councilmember Langston stated that in 53.02 Prohibited Materials and Regulations the changes states that the Director of the Solid Waste Department may also make reasonable rules regarding the collection and disposal by the City's Solid Waste Department for any garbage, rubbish, trash, etc. Councilmember Langston stated that what is reasonable to one person may not be reasonable to another. Councilmember Langston added that he thinks the City should be a little more defined in what it is talking about. Councilmember Langston suggested that the City could provide a definition of what to expect to be rejected and added that this is also ambiguous.

Councilmember Langston stated that the Ordinance states that the property owner shall be responsible for arranging with an authorized private hauler for the collection, removal and disposal and added that the Ordinance does not tell you who authorizes this. Councilmember Langston

asked if this would be TCEQ authorization and if so, the City should include this in the Ordinance. Councilmember Langston stated that the City should define who is an authorized hauler or let TCEQ define this.

Councilmember Langston stated that in 54.02A, the Ordinance says that the City of Lufkin shall provide residential and commercial recycling collection within the city limits of Lufkin and that no person shall engage in the business of collecting and selling residential or commercial materials placed out for collection unless permitted by the City of Lufkin Solid Waste Services Department. Councilmember Langston stated that his understanding would mean dumpster service and that the City does not want people weeding through other people's dumpsters. Mr. Williams stated that this could mean dumpsters or residential containers. Mr. Williams added that this is against TCEQ laws.

Mayor Louis Bronaugh asked if the recycling bins are private property. Mr. Williams replied that they are the property of the City of Lufkin.

Councilmember Langston stated that in 54.16 Commercial Hauling and Transporting of Recyclables: the City should consider that in demolition there are recyclables. Councilmember Langston added that there is steel, rebar and things of that nature that can be recycled. Councilmember Langston asked if that is specifically addressed where that would be allowed somewhere else in the Ordinance. Mr. Williams stated that it would be in construction and demolition, if it were. Mr. Williams added that if the City were going to include something that it should probably go into that section. Councilmember Langston stated that the Ordinance is saying that without a permit that the City is the exclusive hauler of those items. Councilmember Langston added that it should be stated that the owner or his agent would be allowed to dispose of this debris. Mr. Williams pointed out that agent is included in the Ordinance. Councilmember Langston stated that there was also an exception under the same section that stated that any person, firm or business providing transportation of recyclables from City to residential solid waste accounts would be an exception. Councilmember Langston stated that this seems like a contradiction. Mr. Williams explained that the intent of that would be if it were someone that the City hired to collect the recyclables.

Councilmember Langston stated that his real concern was the City not create a burden in trying to dispose of debris, especially on construction sites, because burning is something that has been previously discussed and eventually all of the debris will have to be hauled. Councilmember Langston added that he did not want to create an Ordinance that makes it necessary for all of the debris to be collected by the City of Lufkin and added that if it is going to be that way, the City of Lufkin certainly needs to be competitive. Councilmember Langston reiterated that this is a considerable cost in the construction project today and wants the City to be cognizant of that fact. Councilmember Langston added that even though there is a convenience involved in the Ordinance for the Solid Waste Department, it is also creating less of a convenience for the end users and that he would like to see the City of Lufkin consider getting the rates more in line with some of the other cities in the area. Councilmember Langston stated that he wanted the City of Lufkin to remain customer friendly. Mr. Williams explained that this was the point of lowering the set down fees. Councilmember Langston pointed out that this was a small token when compared to the fees of other cities in our area. Councilmember Langston stated that he does not want the City of Lufkin to just look at how revenue can be raised in light of the large fund balance that the City has. Councilmember Langston pointed out that the City must be doing something right, such as good management, but that perhaps the rate structure should not continue to be raised as a convenience to the City of Lufkin without justification. Mr. Williams stated that is why the Staff was at this meeting. Mr. Williams added that it was to find out what the Council wants. Councilmember Langston added that there needed to be some clarification to the Ordinance and some consideration to the large users.

12. CITY MANAGER'S REPORT

Mayor Louis Bronaugh stated that the next item for consideration was a report from Paul Parker, City Manager. City Manager Paul Parker stated he would defer to Councilmember Jack Gorden to give a summation of the Quarterly Financial Report. Councilmember Jack Gorden stated that the Financial Committee met with the City's financial advisor, Dick Long and made sure that the City of Lufkin is in compliance with some recent changes in Investment Policy requirements related to municipalities. Councilmember Gorden added that the Committee reviewed the investments and in the estimation of the Committee the Staff is doing a great job of managing the funds of the City to the best interest of the taxpayers of the City by moving them into accounts that earn interest on every dollar they can. Councilmember Gorden added that the Committee reviewed some information from the Firemen's Retirement Fund that the City has some responsibilities to. City Manager Parker added that the Committee decided to continue their Investment Policy, where they do quarterly investments as part of the portfolio.

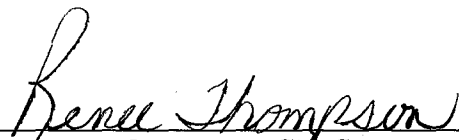
City Manager Parker then highlighted that the General Fund Revenues are coming in very well. City Manager Parker added that Sales Tax has been up this calendar year approximately nine (9) % and the fiscal year is just slightly under eight (8) %. City Manager Parker stated that the Water Revenue is back on target at this time. City Manager Parker added that the City had very high water usage in the month of June 2005. City Manager Parker stated that Staff expects the Water Revenue to meet their expectations. City Manager Parker stated that Solid Waste is right on target and the Hotel/Motel Fund are quarterly payments, and is running slightly below average. City Manager Parker pointed out there is a committee working on the HIPPA health benefits and health insurance re-bidding and added that this fund continues to dwindle. City Manager Parker added that the City will open bids on July 28th and added that this committee would work diligently to bring a recommendation to Council to stabilize that fund. City Manager Parker added that he would not go through the other funds or the Capital Project Status Report unless there were specific questions from the Council.

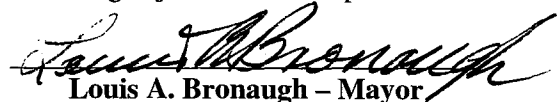
13. Mayor Louis Bronaugh recessed the Regular Session at 7:28 p.m. to enter into Executive Session.

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 advice necessitated by the deliberation or discussion of said items (as needed), and real estate, appointment to boards and personnel may be discussed.

Mayor Louis Bronaugh reconvened the Regular Session at 8:15 p.m.

14. There being no further business for consideration, the meeting adjourned at 8:16 p.m.


Renee Thompson – City Secretary


Louis A. Bronaugh – Mayor