

MINUTES OF REGULAR MEETING OF THE CITY COMMISSION OF THE CITY OF LUFKIN, TEXAS, HELD ON THE 16TH DAY OF JUNE, 1987, AT 5:00 P.M.

On the 16th day of June, 1987, the City Commission of the City of Lufkin, Texas, convened in regular meeting in the Council Chambers of City Hall with the following members thereof, to wit:

Pitser H. Garrison	Mayor
Percy Simond, Jr.	Commissioner, Ward No. 1
Don Boyd	Commissioner, Ward No. 2
Danny Roper	Commissioner, Ward No. 3
Pat Foley	Commissioner, Ward No. 4
Jack Gorden, Jr.	Commissioner, Ward No. 5
Louis Bronaugh	Commissioner, Ward No. 6
Harvey Westerholm	City Manager
Nick Finan	City Planner
Ron Wesch	Public Works Director
Tommy Deaton	Assistant City Attorney
Atha Stokes	City Secretary

being present,

Brian Boudreaux	Assistant City Manager
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1. Meeting was opened with prayer by Rev. Curtis Keith, Minister, First Christian Church, Lufkin, Texas.
2. Mayor Garrison welcomed visitors present.

3. APPROVAL OF MINUTES

Consideration was given to approval of minutes of June 2, 1987, and motion was made by Commissioner Don Boyd and seconded by Commissioner Louis Bronaugh that same be amended as follows: "Commissioner Boyd stated that previously the Commissioners had received a quarterly report on the employees who were hired and fired by the City, and he would like to request that the report be distributed on a quarterly basis."

Motion was made by Commissioner Don Boyd and seconded by Commissioner Louis Bronaugh that minutes be approved as amended. A unanimous affirmative vote was recorded.

4. PUBLIC HEARING - TAX ABATEMENT/REINVESTMENT ZONE - RUFUS DUNCAN, JR. - 907-914 SECOND STREET

Mayor Garrison officially opened Public Hearing and recognized David Tamminga in representation of the request since Rufus Duncan, Jr. was ill and unable to attend the meeting.

Mr. Tamminga stated that Mr. Duncan had purchased the Pinedale Manor Apartments with the intention of upgrading them to a state of repair where they would benefit the City and future residents. Mr. Tamminga stated that Mr. Duncan estimated spending \$3,000 per unit and there were 36 units. Mr. Tamminga stated that the total cost for renovation and landscaping would be between \$75,000 and \$135,000. Mr. Tamminga stated that Mr. Duncan was requesting a 15 year Tax Abatement.

City Manager Westerholm stated that under the guidelines set out by the City Commission, the Pinedale Manor Apartments were just outside the 15 year Tax Abatement boundary. Commissioner Don Boyd stated that when the guidelines were established, it had been stated that each request would be considered on it's own merit, and, in his opinion,

the Pinedale Manor Apartments project was worthy of a 15 year Tax Abatement.

Mayor Garrison closed Public Hearing due to lack of discussion.

5. ORDINANCE - SECOND READING - ZONE CHANGE REQUEST - LILLIE MENELEE
1811 SAYERS STREET - RM TO RS

Mayor Garrison stated that the next item for consideration was Second Reading of Ordinance for Zone Change Request by Lillie Menefee covering property located at 1811 Sayers Street from Residential Medium to Residential Small.

Motion was made by Commissioner Don Boyd and seconded by Commissioner Louis Bronaugh that Ordinance be approved on Second Reading as presented. A unanimous affirmative vote was recorded.

6. ORDINANCE - FIRST READING - TAX ABATEMENT/REINVESTMENT ZONE -
RUFUS DUNCAN, JR. - PINEDALE MANOR APARTMENTS - 907-914 SECOND
STREET

Mayor Garrison stated that the Commission would now consider First Reading of an Ordinance for Tax Abatement/Reinvestment Zone as requested by Rufus Duncan, Jr. covering property located at 907-914 Second Street.

Motion was made by Commissioner Pat Foley and seconded by Commissioner Don Boyd that First Reading of Ordinance for 15 year Tax Abatement be approved as presented. A unanimous affirmative vote was recorded.

7. LAND PURCHASE - APPROVED - HERTY PARK

Mayor Garrison stated that some time ago the City made application to the Texas Parks and Wildlife Department for a grant to establish a park in the Herty area of Lufkin. Mayor Garrison stated that the Grant had been approved and money had been set aside to purchase the property, which was 4 1/2 acres, from the owner, at a cost of \$25,000. Mayor Garrison stated that because of State requirements the City can pay no less than an appraised value of the property. Mayor Garrison stated that two appraisals had been submitted for the property with one appraiser appraising the property at \$28,384, and the other appraisal was \$30,000.

City Manager Westerholm stated that when these appraisal figures are presented to the landowner, he could sign a waiver abiding by the \$4,500 per acre commitment made earlier with the City. City Manager Westerholm stated that he would not be able to contact the landowner until the City Commission decides what the fair market value will be.

Assistant City Attorney Tommy Deaton stated that Section 301 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Public Law 91-646 established certain procedures to be followed in the acquisition of real property by Federal agencies or by other agencies receiving Federal financial assistance to be used in the Texas Local Parks, Recreation, and Open Space Fund Program. These procedures are to insure that the seller is informed of and offered the fair market value for his land and improvements. The offer must not be less than the sponsor's estimate of the fair market value as determined by the appraisals.

Assistant City Attorney Deaton stated that if the land is to be purchased, the governing body of the sponsor will determine the fair market value of the land which will not be lower than the low appraisal or higher than the high appraisal. The sponsor informs the owner in writing of the fair market value of the property based on

the results of the appraisals and makes a written offer to purchase the land for the full amount established as just compensation.

In response to question by Commissioner Pat Foley, Parks and Recreation Director Don Hannabas stated that Sealy-Dickerson and the Angelina Appraisal District made the appraisals.

Motion was made by Commissioner Louis Bronaugh and seconded by Commissioner Don Boyd that the City Commission accept the low appraised value of \$28,384 as the fair market value of the property. A unanimous affirmative vote was recorded.

8. INVOICES - APPROVED - AUTOMOBILE - GENERAL LIABILITY - PUBLIC OFFICIALS - LAW ENFORCEMENT - PROPERTY INSURANCE - DEEP EAST TEXAS SELF-INSURANCE FUND

Mayor Garrison stated that the Commission now had for consideration payment of invoices for the City's annual property and liability insurance for the period of April 30, 1987 thru April 30, 1988. Mayor Garrison stated that the two invoices came to a total of \$242,920. Mayor Garrison stated that City Manager Westerholm has recommended paying the invoices on a monthly basis as per the payment plan included in the Commissioner's packets.

Commissioner Pat Foley stated that the Commission had expressed an interest in reviewing the insurance policies in advance, but were continuing to receive same after the due dates had passed.

In response to question by Commissioner Pat Foley, City Manager Westerholm stated that the amount budgeted for liability insurance was \$196,510. City Manager Westerholm stated that the City would be able to stay within the budget for the \$70,000 budgeted for property insurance.

In response to question by Mayor Garrison, City Manager Westerholm stated that \$266,000 had been set aside for property and liability insurance in the 1986-87 budget, but the outstanding insurance premiums will exceed that amount.

City Manager Westerholm stated that the City has several policies which come due and overlap the two fiscal years and he was trying to set up the insurance where it will all come due October 1st. City Manager Westerholm stated that by paying the premiums on a monthly basis it is charged to the year which the City is covered.

In response to question by Commissioner Foley, City Manager Westerholm stated that the \$800,000 paid out annually in insurance premiums included Worker's Comp, Group Hospitalization, Liability and Property Damage.

Commissioner Foley stated that he would like for City Attorney Bob Flournoy and Assistant City Attorney Tommy Deaton to put something in writing to the Commission regarding limit of liability, whether it is \$1 million per incident or \$1 million in aggregate.

Motion was made by Commissioner Jack Gorden and seconded by Commissioner Louis Bronaugh that insurance payments of \$23,396.45 for the next 12 months be approved as presented. A unanimous affirmative vote was recorded.

Commissioner Jack Gorden stated that the insurance has become expensive and complicated, and, in his opinion, the Commission needs a better understanding of the insurance coverage.

Mayor Garrison stated that he would like to have a letter regarding the insurance binder from the City's agent.

City Manager Westerholm stated that two invoices for property insurance had not been included in Friday's distribution and needed the Commission's approval for payment. City Manager Westerholm stated that Invoice #402 for the building and contents from the past policy year ending February 1, 1987 represents the balance due after canceling all buildings and contents under \$250,000 in value. City Manager Westerholm stated that Invoice #403 represents the addition of the new City Hall from the date the City moved in on October 3, 1986 thru February 1, 1987.

Motion was made by Commissioner Don Boyd and seconded by Commissioner Louis Bronaugh that Invoice #402 in the amount of \$16,427.60 and Invoice #403 in the amount of \$9,717.50 for property insurance be approved as presented. A unanimous affirmative vote was recorded.

9. INVOICE - APPROVED - EVERETT GRIFFITH AND ASSOCIATES - STEP 3 INTERCEPTOR

Mayor Garrison stated that the next item for consideration was an invoice from Everett Griffith and Associates for engineering services for Step 3 Interceptor at the Wastewater Treatment Plant. Mayor Garrison stated that the invoice reflects that the project is 92.9% complete.

In response to question by Commissioner Simond, City Manager Westerholm stated that the Water Treatment Plant superintendent is monitoring the project.

Motion was made by Commissioner Danny Roper and seconded by Commissioner Louis Bronaugh that invoice from Everett Griffith & Associates in the amount of \$10,316.22 be approved as presented. A unanimous affirmative vote was recorded.

10a. BID - APPROVED - PIPE & MATERIALS - FULLER SPRINGS INTERCONNECT LOOP 287 AND CHESTNUT - FERGUSON COMPANY

Mayor Garrison stated that the Commission would now consider bids for pipe and material for the interconnect of Fuller Springs at Loop 287 and Chestnut.

Mayor Garrison stated that the low bid had been received from Ferguson Company, Palestine, Texas, in the amount of \$28,654.22.

City Manager Westerholm stated so far the City has spent \$116,234.94 laying 12" water mains on Highway 69 and down Tower Lane to tie the Fuller Spring's system into the City's system. City Manager Westerholm stated the elevated storage tank has been disconnected from the Fuller Springs water system and residents in that area are now getting all their water from the City.

City Manager Westerholm stated that the City had received \$44,228.54 from the Fuller Springs Water System, \$35,000 from the Texas Community Block Grant and had budgeted \$60,000 for a total revenue of \$139,228.54. City Manager Westerholm stated that \$116,234.94 had been spent on the project, and that an additional \$28,000 worth of water mains would be needed to bring another 12" water main from Loop 287 down Chestnut to tie in on Highway 58 onto Fuller Springs Drive and also tie into the 8" main going down Harmony Hill Drive.

City Manager Westerholm stated that the funds for this work would come from the balance of \$22,993.60 plus \$23,644.14 left in the Fuller Springs Water Supply account.

City Manager Westerholm stated that two of the three water wells have

been appraised, and another water system is interested in purchasing one of them.

Motion was made by Commissioner Louis Bronaugh and seconded by Commissioner Danny Roper that low bid of Ferguson Company in the amount of \$28,654.22 be accepted as the lowest and best bid. A unanimous affirmative vote was recorded.

10b. BID - APPROVED - DEPOSITORY CONTRACT - FIRST CITY NATIONAL BANK OF LUFKIN

Mayor Garrison stated that the City had invited local financial institutions to submit proposals for depository contracts, and had received only one proposal.

Commissioner Simond stated that there are six banks in the City and he was concerned about receiving only one bid.

Mayor Garrison recognized Tom Richards of First City Bank who stated that basically the banking industry is going through a lot of changes. Mr. Richards stated that the bid submitted to the City differed from past bids in that the Bank is proposing a change in the way the Certificates of Deposit will be handled, which will produce a higher interest for the City, and that the bank would not pledge collateral behind time deposits.

In response to question by Commissioner Foley, Mr. Richards stated that due to market changes the Bank was no longer in the payroll servicing business. Mr. Richards stated that in order not to leave the City without this service until they can adjust to doing their own payroll, the Bank has made a commitment to the City to continue to provide the payroll service through December 31, 1987. Mr. Richards stated that the Bank has submitted a proposal to the City Manager as to what the cost will be. Mr. Richards stated that the Bank is quoting the cost at normal payroll processing costs less 25%.

Mr. Richards stated that the other major item of the new contract was the CD structuring into an insured CD program limiting the program to \$3.5 million. Mr. Richards stated that the bid covers operating funds, but does not cover bond funds.

Motion was made by Commissioner Percy Simond and seconded by Commissioner Don Boyd to accept the depository contract bid of First City National Bank of Lufkin. A unanimous affirmative vote was recorded.

Mayor Garrison stated that he felt obligated under the conflict of interest law to say that he serves as a Director of First City Bank, and that his ownership of stock in the bank holding company that owns the Bank, is only a minimum amount required to be a director.

10c. BID - APPROVED - UNIFORMS - FIRE DEPARTMENT - CANNON'S UNIFORMS, INC.

Mayor Garrison stated that the Commission would now consider bids for uniforms to be used in the Fire Department.

In response to question by Commissioner Simond, Chief Stephens stated that old uniforms are usually snagged or burned and are kept by the firefighters.

Chief Stephens stated that four sets of uniforms are ordered each year, and that \$27,000 was budgeted annually for uniforms and other supplies.

Police Chief Collins stated that the Police Department orders uniforms on an as-need basis.

Motion was made by Commissioner Louis Bronaugh and seconded by Commissioner Percy Simond that the bid of Cannon's Uniform, Inc. be accepted as the lowest and best bid and that uniforms will be replaced on an as-need basis. A unanimous affirmative vote was recorded.

10d. BID - DENIED - CITY HALL ANNEX BUILDING - 111 NORTH THIRD STREET LUFKIN FEDERAL SAVINGS AND LOAN ASSOCIATION

Mayor Garrison stated that the City had invited bids for the sale of the City Hall annex and one bid was received at \$71,500. Mayor Garrison stated that the building had been appraised at \$138,500, and he was under the impression that the City could not accept a bid that was lower than the appraised value.

In response to question by Mayor Garrison, Commissioner Foley stated that the building contained 4,400 to 4,600 square feet, and the rental value had been appraised at \$2,000 per month.

Bubba Henderson, representing Lufkin Federal, stated that his firm had asked a contractor to look over the building and estimated that it would take approximately \$50,000 to put the building back in shape. Mr. Henderson stated that the air conditioning unit would have to be replaced, the ceiling was in bad shape, and the walls needed to be re-finished.

Mr. Henderson stated that, at this time, Lufkin Federal does not need the building but looked at it for future expansion and the possibility of relocating the Harvest Room.

Mr. Henderson stated that when Lufkin Federal originally owned the building it had been appraised at \$105,000, but that they sold the building to the City for \$75,000. Mr. Henderson stated that he would be willing to withdraw his bid if the City could not accept the bid.

Motion was made by Commissioner Pat Foley and seconded by Commissioner Louis Bronaugh that the City Commission decline the bid received from Lufkin Federal. A unanimous affirmative vote was recorded.

11. BUDGET - RAILROAD CROSSING - COMPREHENSIVE MASTER PLAN

In response to question by Commissioner Jack Gorden, City Manager Westerholm stated that the staff hoped to have the preliminary budget ready in two weeks. City Manager Westerholm stated that the Charter requires the budget to be submitted to the Commission by the end of August, but every effort was being made to have the budget to the Commission by the end of June.

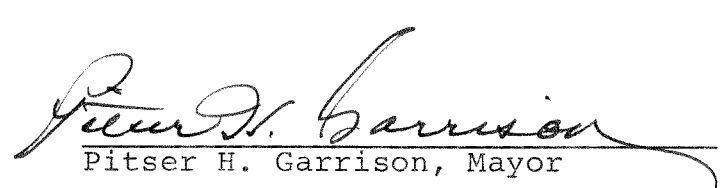
In response to question by Commissioner Percy Simond, City Manager Westerholm stated that he and a representative of the railroad have driven over the crossing on Angelina Street. City Manager Westerholm stated that he has a meeting tomorrow morning with a gentleman from the railroad to discuss rubber crossings.

In response to question by Commissioner Percy Simond, City Manager Westerholm stated that he had spoken to representatives of Bucher, Willis and Ratliff, and that the Comprehensive Master Plan would be ready in 45 days.

12. There being no further business for consideration, meeting adjourned at 7:00 P.M.

ATTEST:


Atha Stokes, City Secretary


Pitser H. Garrison, Mayor