

MINUTES OF REGULAR MEETING OF THE CITY COMMISSION OF THE CITY OF LUFKIN, TEXAS, HELD ON THE 7TH DAY OF JULY, 1987, AT 5:00 P.M.

On the 7th day of July, 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:

Pat Foley	Mayor pro tem
Percy Simond, Jr.	Commissioner, Ward No. 1
Don Boyd	Commissioner, Ward No. 2
Danny Roper	Commissioner, Ward No. 3
Jack Gorden, Jr.	Commissioner, Ward No. 5
Louis Bronaugh	Commissioner, Ward No. 6
Harvey Westerholm	City Manager
Brian Boudreaux	Assistant City Manager
Robert Flournoy	City Attorney
Nicholas Finan	City Planner
Ron Wesch	Public Works Director
Atha Stokes	City Secretary

being present, and

Pitser Garrison

Mayor

being absent when the following business was transacted.

1. Meeting was opened with prayer by Rev. John Zabelskas, Minister, St. Patrick's Catholic Church, Lufkin.
2. Mayor pro tem Foley welcomed visitors present.

3. APPROVAL OF MINUTES

Motion was made by Commissioner Louis Bronaugh and seconded by Commissioner Don Boyd that minutes of June 16, 1987 meeting be approved as presented. A unanimous affirmative vote was recorded.

4. PUBLIC HEARING - TAX ABATEMENT/REINVESTMENT ZONE - MRS. THOMAS E. (MARY) DUNCAN - 1306 FRANK STREET

Mayor pro tem Foley officially opened Public Hearing and recognized Mrs. Thomas E. (Mary) Duncan in representation of the request for designation of a Tax Abatement/Reinvestment Zone covering property located at 1306 Frank Street.

Mrs. Duncan stated that she was representing the East Texas Eye Associates and planned to remodel and expand the present facilities. Mrs. Duncan stated that parts of the building were 15 year old, 20 years old and 27 years old. Mrs. Duncan stated that ETEA would like to expand the building to the east on Frank Street. Mrs. Duncan stated that through the expansion of the present facility the City of Lufkin would benefit in the following ways:

- (1.) Removal of unsightly old boarding house adjacent to the office building
- (2.) Improving the present building structurally to better facilitate the advanced technology, equipment and computer systems now used by Dr. Duncan and his staff
- (3.) A better and larger facility for patient care with added services and conveniences. Mrs. Duncan stated that 7,000 sq. ft. will be added to the existing 5,000 sq. ft.
- (4.) Better handicapped accessibilities will be available
- (5.) ETEA will be able to provide improved medical facilities to more patients who are in need of eye care. Mrs. Duncan stated that presently on a weekly basis 100 people from Lufkin and

100 people from surrounding areas visit the eye clinic.

Mrs. Duncan stated that in one year 5,000 out-of-town people come into the city and over a period of 15 years 75,000 people will come to Lufkin for eye care.

- (6.) Patients are now provided with free transportation from anywhere in or out of Lufkin and are driven to local drugstores for any prescriptions that need to be filled while they are in town.
- (7.) Mrs. Duncan stated that ETEA has three clinics outside of Lufkin which helps to bring out-of-town patients into the City for surgery
- (8.) Mrs. Duncan stated that the expansion will create jobs because they are using a local contractor and architect
- (9.) Mrs. Duncan stated that the improvements of the physical plant will be in keeping with the beautification campaign of the City
- (10.) The expansion will enhance and upgrade the medical environment around the Memorial Medical Center
- (11.) Ten full time positions will be created including two registered nurses, one M. D., and other ancillary personnel

Mrs. Duncan stated that the expansion will bring an increase in buying power into Lufkin from the employees, as well as the out-of-town patients.

Mrs. Duncan stated that hopefully with the Tax Abatement, ETEA can better reinvest earnings in the business to assure and upscale it's operation.

Mayor pro tem Foley stated that the Tax Abatement Program is a program that was established by the City through State or Federal guidelines, and basically it abates the taxes on any improvements that are set forth on some property. Mayor pro tem Foley stated that some criteria that is used to designate the Tax Abatement/Reinvestment Zone is that basically they are supposed to substantially impair or arrest the sound growth of a city or town or retard the provisions of housing accommodations or constitute some economic or social liability and be a menace to public safety or welfare of it's present condition." Mayor pro tem Foley stated that if the area is deteriorating the City Commission can declare it as a blighted area and it would be eligible for a Tax Abatement. Mayor pro tem Foley stated that the City Commission has also imposed some additional restrictions on the improvements exempted from taxation:

first \$100,000 of improvements	- 100% abated
next \$200,000 of improvements	- 75% abated
next \$400,000 of improvements	- 50% abated
next \$800,000 of improvements	- 25% abated

Mayor pro tem Foley stated that this applies to each of the taxing entities in the area where the property is located.

In response to question by Mayor pro tem Foley, Mrs. Duncan stated that at this time it is estimated that the cost of expansion will be \$500,000.

In response to question by Mayor pro tem Foley, City Attorney Flournoy stated that if the Tax Abatement is approved, ETEA will enter into an agreement with the City for a certain period of time and verification will need to be made on the extent of the improvements and the amount of same. Mr. Flournoy stated that when the project is completed, a certificate will be issued to ETEA abating the taxes on the improvements for whatever term the City Commission desires.

In response to question by Commission Danny Roper, Mrs. Duncan stated that she was requesting a 15 year Tax Abatement. Mayor pro tem Foley

stated that the City Commission has designated the core part of the City to qualify for the 15 year Tax Abatement program. Mayor pro tem Foley stated that this particular section of Frank Street does not fall into the core area. Mayor pro tem Foley stated that policy had been established at a previous Commission meeting target areas for improvements and those improvements would receive the maximum length of time.

There was no opposition present.

Commissioner Danny Roper stated that he appreciated ETEA for the ambitious project and that the City and community as a whole was encouraged to see expenditures and expansion of businesses in the community, but he had some reservations in designating Frank Street as a blighted area.

Mrs. Duncan stated that there were three portable buildings and a service station where a murder had occurred, and several old houses in close proximity to the eye clinic.

Mr. Flournoy stated that the abatement did not depend wholly on the area being a blighted area as such, but an area where there are certain things in it that tend to retard growth, and that might be the case as far as the buildings that Mrs. Duncan named.

In response to question by Commissioner Roper, City Manager Westerholm stated that in the new Comprehensive Master Plan Frank Street has been designated as "Commercial Development".

In response to question by Commissioner Percy Simond, Mrs. Duncan stated that presently the eye clinic has three doctors, and will have four doctors in the future.

Commissioner Simond stated that the City Commission has already designated the areas for the tax abatements and each time a request is heard it seems to deviate from the policy set by the City Commission.

Commissioner Louis Bronaugh stated that he has been somewhat against the Tax Abatements and especially now that the City has a short fall of revenue which will deprive the tax base of a certain amount of revenue due to these improvements. Commissioner Bronaugh stated that he had some reservations about setting a precedent for the next building whether it be on Frank Street or on the Loop, or wherever it might be. Commissioner Bronaugh stated that he is not so sure that this request is not outside the area that the City Commission intended for the Tax Abatements to persist.

Mayor pro tem Foley officially closed Public Hearing due to lack of discussion.

5. PUBLIC HEARING - DESIGNATION OF SUE STREET AS DEAD END STREET

Mayor pro tem Foley officially opened Public Hearing to consider designation of Sue Street as a dead-end street, and recognized Charles Ford as spokesman for area residents making the request.

Mr. Ford stated that he lived at 1415 Sue Street and had been a homeowner in the Shearer Addition for 15 years. Mr. Ford stated that Sue Street had originally been a dead-end street, but had been opened when Timberidge Apartments were developed. Mr. Ford stated that Sue Street had not been designed as a collector street. Mr. Ford stated that area residents were requesting the City of Lufkin to close the street and return the neighborhood back to the neighbors for the following reasons:

- (1.) Speeding automobiles
- (2.) Increased traffic
- (3.) Safety of children
- (4.) Large trucks
- (5.) Increased trash in yards
- (6.) Driveways being used as turnarounds
- (7.) Increased parking in subdivision
- (8.) Traffic all hours of the night

Mayor pro tem Foley stated that minutes of the Planning & Zoning Commission reflect that the members recommended the street be designated as a dead-end street and that a petition had been presented to the Planning & Zoning Commission containing 75 names.

Mayor pro tem Foley officially closed Public Hearing due to lack of discussion.

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

Mayor pro tem Foley stated that at last meeting the Commission had passed on First Reading a request for Tax Abatement/Reinvestment Zone as requested by Rufus Duncan, Jr. covering property located at 907-914 Second Street.

Motion was made by Commissioner Don Boyd and seconded by Commissioner Percy Simond that Ordinance for 15 year Tax Abatement as requested by Rufus Duncan, Jr. be approved on Second and Final Reading as presented. A unanimous affirmative vote was recorded.

7. ORDINANCE - FIRST READING - DENIED - TAX ABATEMENT/REINVESTMENT ZONE - MRS. THOMAS E. (MARY) DUNCAN - 1306 FRANK AVENUE

Mayor pro tem Foley stated that the Commission would now consider First Reading of an Ordinance for a Tax Abatement/Reinvestment Zone as requested by Mrs. Thomas E. (Mary) Duncan covering property located at 1306 Frank Street.

Mayor pro tem Foley stated that this item had been discussed earlier at a Public Hearing.

Motion was made by Commissioner Percy Simond that Tax Abatement be granted to Mrs. Thomas E. (Mary) Duncan for a period of 10 years.

Mayor pro tem Foley stated that motion died due to lack of a second.

Commissioner Danny Roper stated that, in his opinion, he and some of the other Commissioners had some reservations regarding this application and perhaps after more thought and discussion the item could be placed on a future agenda. Commissioner Roper stated that he would like to see the Commission address how the Tax Abatement program is designed and address the definition of the reinvestment area or what guidelines the Commission will follow in going outside these boundaries. Commissioner Roper stated that these questions need to be resolved before a request such as this is denied.

Commissioner Bronaugh stated that as a business owner on Frank Street, he certainly appreciated what Dr. and Mrs. Duncan are doing. Commissioner Bronaugh stated that other businesses in that area (clinics, insurance offices, etc.) had not been given a Tax Abatement.

Commissioner Don Boyd stated that he would not like to see anyone penalized because the Commission had not been able to set any firm guidelines.

Motion was made by Commissioner Don Boyd that Tax Abatement be granted to Mrs. Thomas E. (Mary) Duncan for a period of 15 years.

Mayor pro tem Foley stated that motion died due to lack of a second.

Mayor pro tem Foley stated that the Commission declines to designate this area as a blighted area, but that the request could be re-considered at a future date.

8. DESIGNATION OF SUE STREET AS DEAD END - APPROVED

Mayor pro tem Foley stated that the Commission would now consider designation of Sue Street as a dead-end street as requested by residents of the Shearer Addition.

Mayor pro tem Foley stated that this item had been discussed earlier at a Public Hearing.

In response to question by Commissioner Don Boyd, City Manager Westerholm stated that there is only one major entrance off of Denman Avenue, and that there are approximately 100 apartments in the project.

City Manager Westerholm stated that the apartment project had been presented to the Planning and Zoning Commission and the City Commission with only one entrance off of Denman, but that later on a swimming pool and a large parking area was added and the apartments extended the pavement to Sue Street, and ultimately people began using Sue Street as another exit.

Commissioner Boyd stated that he was primarily concerned with the safety factor of having fire trucks being able to get into the complex, and if the barriers could be removed in order to accommodate safety equipment he would not have a problem with closing the street.

City Manager Westerholm stated that Sue Street is a dedicated street and the City would not actually close the street, but that some type of barrier would be placed at the end of the street.

Linda Thomason of 1319 Sue Street stated that, in her opinion, the area residents would not be opposed to the Police and Fire Department having emergency access through Sue Street, and perhaps a gate could be placed across the street with keys being provided to these departments. Mayor pro tem Foley stated that the City staff could look at the possibilities and make their recommendations as to the best way to close off the street.

Motion was made by Commissioner Jack Gorden and seconded by Commissioner Percy Simond that Sue Street be designated as a dead-end street as requested by area residents. A unanimous affirmative vote was recorded.

9. APPOINTMENTS - APPROVED - DETCOG

Mayor pro tem Foley stated that the next item for consideration was appointments to the Deep East Texas Council of Governments Board of Directors.

Mayor pro tem Foley stated that presently serving on the DETCOG Board of Directors are Commissioners Boyd, Bronaugh, Gorden and Roper. Mayor pro tem Foley stated that traditionally the senior members of the Board have been nominated, but several have declined that nomination.

Motion was made by Commissioner Percy Simond and seconded by Commissioner Louis Bronaugh that Commissioners Don Boyd, Louis Bronaugh,

Jack Gorden and Danny Roper be reappointed to the DETCOG Board of Directors. A unanimous affirmative vote was recorded.

10. RESOLUTION - APPROVED - CERTIFICATES OF OBLIGATION - SOUTHLAND NURSERY AND GREENHOUSE

Mayor pro tem Foley stated that the next item for consideration was a Resolution authorizing Certificates of Obligation for payment of invoice from Southland Nursery and Greenhouse for landscaping at the new City Hall.

City Manager Westerholm stated that the invoice represents 80% of the total bill, and that 20% was being held for retainage until the landscaping was finished.

Mayor pro tem Foley stated that the original contract was for \$27,944 and that this invoice was for \$22,355.20, which had been approved for payment by the architect.

In response to question by Commissioner Percy Simond, City Manager Westerholm stated that he could not answer Mr. Simond's question as to whether the lights around the base of the ficus trees in the atrium burned or not, but that he would check into the matter.

Motion was made by Commissioner Louis Bronaugh and seconded by Commissioner Don Boyd that Resolution authorizing Certificates of Obligation to Southland Nursery and Greenhouse in the amount of \$22,355.20 be approved as presented. A unanimous affirmative vote was recorded.

11. RESOLUTION - APPROVED - EXPANSION OF SALES TAX BASE

Mayor pro tem Foley stated that the next item for consideration was a Resolution supporting TML Board's adopted position on expansion of the sales tax base.

Mayor pro tem Foley stated that he was concerned that in the last paragraph of the Resolution it states "to expand the sales tax base and to grant Texas cities the authority to impose a one-cent, optional city sales tax on the expanded base", and he had requested the City Manager to call Austin for clarification.

City Manager Westerholm stated that he had talked with TML and they felt that the statement should be left as is because there may be some effort on the part of the legislature not to allow the additional receipts to go to the cities. City Manager Westerholm stated that TML had put this statement in to be sure that the city's present one-cent sales tax would also apply to the expanded areas that would be covered.

Mayor pro tem Foley stated that he was in favor of the additional items that are to come under the sales taxes to be included in that, but he did have some reservations about endorsing an additional one percent at this time.

City Manager Westerholm stated that it was not an additional one percent, but was allowing the cities also to apply the one-cent to the expanded portion.

Mayor pro tem Foley stated that, in his opinion, the statement should be made clearer and would like for City Attorney Bob Flournoy to re-word the last sentence of the Resolution so that it will not look as if the City is supporting an additional one percent, but just include those things that are additionally brought under the sales tax.

City Attorney Flournoy stated that, in his opinion, the Resolution was not talking about an additional one percent, but just one-cent on the expanded base.

Motion was made by Commissioner Louis Bronaugh and seconded by Commissioner Jack Gorden that Resolution be approved as presented. A unanimous affirmative vote was recorded.

12. LAKE EASTEX - PARTICIPATION IN PRECONSTRUCTION PERIOD - DISCUSSED

Mayor pro tem Foley stated that the Commission would now consider participation in the Preconstruction Period in the Lake Eastex project.

Mayor pro tem Foley recognized Chuck Thomas, Executive Director of the Angelina & Neches River Authority. Mr. Thomas stated that also present, representing the Angelina & Neches River Authority Board of Directors, was Steve Lilley, President of the Board, Dick Baldwin, Director, and Chester Moore, Secretary-Treasurer of the Board.

Mr. Thomas stated that Lake Eastex is located in Cherokee County, and the dam is about 2 1/2 miles south of Highway 79 and runs between Henderson and Jacksonville. Mr. Thomas stated that the lake is 15 miles long and a mile and a half wide at Highway 79. The lake covers approximately 10,000 acres and has a dependable yield of 76 million gallons per day. Mr. Thomas stated that the lake was formerly called Mudd Creek Reservoir.

Mr. Thomas stated that in December 1982 the City of Lufkin contributed \$7,500 towards the cost of preparing the application to the Texas Water Commission for a permit to build Lake Eastex. Mr. Thomas stated that since that time the City of Lufkin has had reserved 7 1/2% of the water in Lake Eastex, which amounts to about 5.7 million gallons a day. Mr. Thomas stated that a permit was received from the TWC in June 1985, and now it is necessary to obtain a 404 permit from the federal government Corps of Engineers. Mr. Thomas stated that in order to receive this permit, environmental studies and other associated studies must be performed at an estimated cost of \$636,000. Mr. Thomas stated that the Texas Water Development Board has agreed to finance the \$636,000 Preconstruction Period Project costs with a \$316,000 grant and a \$320,000 loan at 7.6% interest, if the participants will agree to repay the \$320,000 loan, which can be repaid over a seven year period at \$69,546 per year.

Mr. Thomas stated that if the City of Lufkin owns some water in Lake Eastex, the water can be released down Mudd Creek and the Angelina River to Highway 59 between Lufkin and Nacogdoches and the water could be pumped out of the Angelina River, treated, and delivered to the City's system on the north side.

Mr. Thomas stated that if the City of Lufkin chose to continue to reserve 7 1/2% of the water in Lake Eastex, they could pay \$5,000 per year for seven years to reserve 5.7 million gallons per day. The Contract that was presented to the City includes only the Preconstruction Period; it includes only the planning that is needed to get a permit from the Corps of Engineers, and does not include the construction phase. Mr. Thomas stated that this is not a joint and several contract, which means that if one of the participants drops out, the other participants do not have to pick up the load.

Mr. Thomas stated that he was aware that the City of Lufkin has been considering obtaining water from Lake Rayburn, and that the City has an option on water from Lake Rayburn. Mr. Thomas stated that the River Authority, which was set up by the legislature to develop water resources for the cities, towns, and water supply corporations in East Texas, believes that there is a good chance it will be cheaper to get

water from Lake Eastex to Lufkin than to get it from Lake Rayburn. Mr. Thomas stated that basically there are three costs involved regardless of where surface water comes from to Lufkin. Mr. Thomas stated that there is the cost of the water in the Lake, the cost of treatment, and the cost of transportation. Mr. Thomas stated that in the first cost category Lake Eastex loses because the estimated cost of water in Lake Eastex will be approximately thirty-eight cents (38¢) per thousand gallons. The second cost category is treatment, and for all practicable purposes is about the same for both lakes. The third category is transportation, and Mr. Thomas stated that he would like for the Commission to consider the alternative of getting water from Angelina River near Highway 59 to Lufkin versus pumping water from Lake Rayburn in the vicinity of Hank's Creek Marina to Lufkin. Mr. Thomas stated that, in his opinion, it would be cheaper to transport water from the Angelina River at Highway 59 than it would be to transport water from Hanks Creek Marina to Lufkin. Mr. Thomas stated that when all three costs are totalled, it's not clear which is cheaper because a study has not been made to determine what the cost will be to deliver treated water to Lufkin from Lake Eastex. Mr. Thomas stated that the cost of delivering treated water to Lufkin will be part of the study, and when it is completed, this information will be presented to the City of Lufkin.

Mr. Thomas stated that the City can increase or decrease it's share in the project. Mr. Thomas stated that he would like to stress that the City's participation at this point does not obligate it for the construction phase. Mr. Thomas stated upon completion of the Pre-construction Period, a certified engineer's estimate will be submitted to all participants detailing the cost involved for the construction costs. Mr. Thomas stated that at that point, all of the participants can decide if they want to continue or not, or increase or decrease their share.

Mr. Thomas stated that he was not asking the City to make a decision tonight.

Mr. Thomas stated that he feels like there will be more restrictions on ground water useage.

Mr. Thomas stated that the state has designated the Lufkin-Nacogdoches-Tyler-Kilgore areas as a critical ground water area.

In response to question by Mayor pro tem Foley, Mr. Thomas stated that the state would buy the \$320,000 worth of bonds.

Mayor pro tem Foley stated a study, which had been made for the City in 1985 analyzing the water sources, indicated that it would be cheaper for the City to go to Lake Rayburn water. Mayor pro tem Foley stated that he was under the impression that there were some preliminary figures on getting treated water from Lake Eastex.

In response to question by Mayor pro tem Foley, Mr. Thomas stated that part of the Preconstruction Period work will be to determine the cheapest way to get water from Lake Eastex to each of the participants so various alternatives will be looked at in getting water from Lake Eastex to Lufkin and determine the cost of each alternative, and thereby determine the cheapest way to get water to Lufkin.

In response to questions by Mayor pro tem Foley, Mr. Thomas stated that that would be treated water delivered to the City's existing system.

In response to question by Mayor pro tem Foley, Mr. Thomas stated that the Preconstruction Period costs include only the planning that is needed to obtain the federal permit and does not include land acquisition or plans and specifications.

Mayor pro tem Foley stated that under Article IV - Use of Bond Proceeds; Investments and Special Funds, he did not see anything in this section limiting what could be done with the revenues produced from the investment proceeds of the bonds.

Mr. Thomas stated that the revenue would all go back into the project, and that there would not be any problem with putting this into the Contract to the City's satisfaction.

In response to question by Commissioner Louis Bronaugh, City Manager Westerholm stated that the City doesn't pay anything extra for water from Lake Rayburn other than what the City is contracted to pay as support of the maintenance and payment of the extra height to the dam when the City entered into the agreement.

City Manager Westerholm stated that the figure the City pays varies every year and the City receives a bill between \$18,000 to \$40,000 from the government and depends on how much work they do on maintaining the Lake. City Manager Westerholm stated that the City can take up to 32 million gallons a day. City Manager Westerholm stated that the City had paid for its basic rights and had also paid for extra capacity.

Commissioner Bronaugh stated that Mr. Thomas has stated that the cost of Lake Eastex water would be 38¢ per one thousand gallons, and he would like to see a figure for water from Lake Rayburn.

City Manager Westerholm stated that the City will continue to pay the Contract with LNBA regardless, even if the City enters into a contract with Angelina and Neches River Authority.

In response to question by Commissioner Bronaugh, City Manager Westerholm stated that the Nacogdoches area had originally been designated as a critical area, but that the State is redefining what "critical area" means. City Manager Westerholm stated that he had been told that when they come up with that definition, the City would be invited to participate and be on that Board.

In response to question by City Manager Westerholm, Mr. Thomas stated that when they enter into the construction phase they do not expect all of the participants to sign up for all the water, and that the Texas Water Development Board will purchase water initially and can, by law, purchase up to 50% of the Lake. Mr. Thomas stated that the water the State has is available to anyone who wants to pay the price.

In response to question by Commissioner Gorden, Mr. Thomas stated that in the Preconstruction Period the A&NRA has to sign up the participants for all the water, otherwise, there is no project. Mr. Thomas stated that during the Construction phase, if A&NRA can sign up the participants for half the water, they feel as though they have a project. Mr. Thomas stated that the state is fully behind this project and ranks it #1 or #2 in the entire State of Texas.

In response to question by Mayor pro tem Foley, Mr. Thomas stated that the City of Jacksonville had approved the contract on June 9th, and it was his understanding that the town of Troup was approving the Contract tonight. Mr. Thomas stated that the sixteen original participants included the cities of Lufkin, Rusk, Jacksonville, Arp, Overton, New London, Troup, Henderson, also the Red Claw Water Corp., Texas Utilities, and four non-water users - Angelina County, Angelina County Chamber of Commerce, Rusk Chamber of Commerce and the Jacksonville Industrial Foundation.

In response to question by Commissioner Simond, City Manager Westerholm stated that the City had signed a Contract with Lake Rayburn for 49 or 50 years in 1969.

Mayor pro tem Foley stated that he would like for City Manager Westerholm to make copies of the water study for the Commissioner's review.

City Manager Westerholm stated that one of the options in getting water from Lake Rayburn was picking up the water at Highway 59 bridge, and since it was at the same level as the lake, a reservoir would have to be built because the water would not be of good quality in the summer and would have to be picked up in the fall and winter and stored.

In response to question by Commissioner Roper, Mr. Thomas stated that the Preconstruction Period is expected to be completed in two to three years. Mr. Thomas stated that he did not expect the four non-water users to participate in the project. Mr. Thomas stated that the Contract stipulates that the participants will pay their debt service either out of their water revenue fund or their water and sewer revenue fund, which will prohibit A&NRA from entering into a contract with Angelina County or the Chamber of Commerce or the Industrial Foundation. Mr. Thomas stated that none of the other twelve have indicated that they will not continue.

Mayor pro tem Foley stated that the Commission would take the proposal into consideration and would place it on the agenda for next meeting.

13a. BID - APPROVED - SOUND SYSTEM - CIVIC CENTER - SOUND TECHS

Mayor pro tem Foley stated that the next item for consideration was a bid on the sound system for the Civic Center.

City Manager Westerholm stated that three bids had been received which did not include 46 loud speakers. City Manager Westerholm stated that the low bid had been received from Sound Techs in the amount of \$9,737.75, and with the 46 speakers at a cost of \$3,450, the total bid was \$13,187.00. City Manager Westerholm stated that \$18,000 had been budgeted for this work.

In response to question by Mayor pro tem Foley, Civic Center Director Ruth Brandenburg stated that a fee was being paid to Boner Associates as consultants and they have assured her that they would closely monitor the work.

Mrs. Brandenburg stated that Jon Sprinkle of Sound Techs is charging exactly what the speakers cost and he will be getting the old speakers. Mrs. Brandenburg stated that each of the five rooms at the Civic Center will have a separate sound system.

Motion was made by Louis Bronaugh and seconded by Jack Gorden that bid from Sound Techs in the amount of \$9,737.75, with 46 speakers at a cost of \$3,450, be accepted as the lowest and best bid. A unanimous affirmative vote was recorded.

13b. BID - APPROVED - LIQUID CHLORINE - CITY WATER - WASTEWATER TREATMENT PLANTS - DIXIE PETRO-CHEM, INC.

Mayor pro tem Foley stated that the next item for consideration was liquid chlorine for City water and the Wastewater Treatment Plants.

City Manager Westerholm stated that two bids had been received and the low bid was from Dixie Petro-Chem, Inc. at \$425 per ton.

In response to question by Commissioner Boyd, Public Works Director Ron Wesch stated that the City has been purchasing the liquid chlorine from Dixie Petro-Chem for \$320 per ton, but as of July 1st, the price

went up to \$425 per ton, which represents a 30% increase. Mr. Wesch stated that there had been no explanation for the increase. Mr. Wesch stated that the cost is split between the water and sewer plants.

In response to question by Commissioner Simond, Mr. Wesch stated that the State Health Department requires that chlorine be put in the City's drinking water.

Motion was made by Commissioner Don Boyd and seconded by Commissioner Danny Roper that bid of Dixie Petro-Chem, Inc. in the amount of \$425 per ton for liquid chlorine be accepted as the lowest and best bid. A unanimous affirmative vote was recorded.

14. PROPOSAL - CONSOLIDATION OF POLLING PLACES - DISCUSSED

Mayor pro tem Foley stated that the Commission would now hear a proposal for consolidation of the City's polling places.

Mayor pro tem Foley recognized Bill Shanklin in representation of the proposal. Mr. Shanklin introduced Jerry Benson and Dr. Ned Barrett who are members of the Angelina County Taxpayers Association.

Mr. Shanklin stated that he represented a group which was concerned about having a permanent place to vote where registered voters would vote for city, school and county. Mr. Shanklin stated that his group is interested in relieving the confusion of people having to go two or three places to vote. Mr. Shanklin stated that he had heard a number of people say that the only reason they voted absentee is because they know where they will vote. Mr. Shanklin stated that by consolidating the polling places, it will cause a larger voter turnout. Mr. Shanklin stated that, in his opinion, the proposal is a workable answer to the problem with very few minor changes.

Mr. Shanklin stated that he had talked with Washington, D. C., and was told if his group had the approval of the governmental agencies involved, they could submit a letter to the Justice Department explaining the changes in boundaries, and when the Justice Department is convinced that everyone is in agreement, they will give a routine approval.

Mr. Shanklin passed out maps to the Commission showing the proposed changes. Mr. Shanklin stated that there were no proposed changes for Wards 4 and 5 as far as boundary lines.

Mr. Shanklin stated that the most changes would occur in Ward 2 where small areas of Wards 1, 3 and 6 would be included.

Mr. Shanklin stated that the City presently has six polling places, the County has ten, and the Taxpayers Association was proposing nine. Mr. Shanklin stated that the polling places had to be increased for the City in order to make the proposal work. Mr. Shanklin stated that the County would have to make three changes. Mr. Shanklin stated that Ward 4 would have three polling places, and Ward 2 would have two polling places if the proposal is approved.

Mr. Shanklin stated that he had not visited with the County or the school.

Mr. Shanklin stated that time is of the essence because the state only approves election changes in the months of July and August, and if this proposal is not approved this year, it will be two years before it can be submitted again.

Mayor pro tem Foley stated that this is a monumental undertaking and it appears that a solution to the problems on election day have been found.

15. HERTY PARK - PRELIMINARY BUDGET - ZONING RULES - POLICE EXAMS -
EASELS - PURCHASING DEPARTMENT - LIABILITY INSURANCE - REGION 16
TML MEETING IN GROVES

In response to question by Commissioner Danny Roper, City Manager Westerholm stated that the proposal for acquisition of land for Herty en Park had been presented to Steel-Martin, and they stated they would like to accept the fair market value of the land.

In response to question by Commissioner Jack Gorden, City Manager Westerholm stated the staff was working on the preliminary budget and that it would be printed and delivered by the end of this week.

Commissioner Simond stated that since the budget was being discussed he would like to pass out a list of suggestions he was making regarding items he felt could be cut from the budget.

In response to question by Commissioner Simond, City Attorney Flournoy stated that, in his opinion, the new zoning rules will not have any real effect on the City of Lufkin. City Attorney Flournoy stated that he would give a report at the next meeting on where Lufkin stands in regard to the new rules.

Commissioner Simond stated that for several weeks the Lufkin Daily News had been running a series of articles on the Police exams, and the City needs to determine if the Civil Service exam will be changed in view of the fact that other cities are not using the Civil Service Test.

City Manager Westerholm stated that he had visited with Chief Collins and the Chief has come up with some options. City Manager Westerholm stated that the tests are good for a year so there is time for re-viewing the options.

Commissioner Simond stated that it was his understanding that someone suggested to the people taking the Civil Service test to file a lawsuit.

In response to question by Commissioner Simond, City Manager Westerholm stated that the eligibility list is good for one year, and because it does expire in a year it gives new applicants an opportunity to participate. City Manager Westerholm stated that the City follows the 1269-M law.

City Attorney Flournoy stated that generally after a year most applicants on the eligibility list are no longer interested. Mr. Flournoy stated that selection of minorities would be more difficult if the list was kept for any period of time.

Commissioner Simond stated that he would like to see the City purchase additional easels for use when people are making presentations to the Commission.

Commissioner Don Boyd stated that the City had created a Purchasing Department and he would like a report as to savings the City realized through this Department. Commissioner Boyd stated that if supplies were not being purchased in bulk and money being saved, the Purchasing Department should be discontinued.

Commissioner Boyd stated that under 1269-M the police tests were furnished by the State free of charge and that it might be a good idea to get away from free testing.

In response to question by Mayor pro tem Foley, City Attorney Flournoy stated that he had met with Frank Strother regarding the liability

insurance and was told that the report was due from the Consultants doing the Risk Management Study in the next few weeks so he had not provided a written report himself.

City Manager Westerholm stated that he, Brian Boudreaux and David Cochran were going to meet with Bill Martin tomorrow to discuss the City's insurance program.

City Manager Westerholm stated that he would like to remind Commission members of the TML Meeting on July 16th in Groves.

16. There being no further business for discussion, meeting adjourned at 7:18 P.M.



ATTEST:

Atha Stokes

Atha Stokes, City Secretary

Pat Foley

Pat Foley, Mayor pro tem