

**MINUTES OF REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF
LUFKIN, TEXAS, HELD ON THE
20TH DAY OF OCTOBER, 1998 AT 5:00 P. M.**

On the 20th day of October, 1998 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 A. Bronaugh	Mayor
Jack Gorden, Jr.	Mayor pro tem
R. L. Kuykendall	Councilmember, Ward No. 1
Don Boyd	Councilmember, Ward No. 2
Betty Jones	Councilmember, Ward No. 3
Bob Bowman	Councilmember, Ward No. 4
C. G. Maclin	City Manager
James Hager	Asst. City Manager/Finance
Bob Flournoy	City Attorney
LaJune Yates	Asst. City Secretary
Keith Wright	City Engineer
Stephen Abraham	Director of Planning
Kenneth Williams	Director of Public Works

being present when the following business was transacted.

1. Meeting was opened with prayer by Rev. Simon Purvis, Pastor, Word of Life Teaching Center.
2. Mayor Bronaugh welcomed visitors present and recognized the Senior Class of the Local Government Class at Lufkin High School .

3. **APPROVAL OF MINUTES**

Motion was made by Councilmember Don Boyd and seconded by Councilmember Bob Bowman that the minutes of the Called Meeting of September 30, 1998 and the Regular Meeting of October 6, 1998 be approved as presented. A unanimous affirmative vote was recorded.

4. **PRESENTATION OF CERTIFICATE OF CERTIFICATION - AMERICAN INSTITUTE OF CERTIFIED PLANNERS - MICHAEL BIENIEK**

Mayor Bronaugh presented a Certificate of Certification from the American Institute of Certified Planners to Michael Bieniek.

5. **VIDEO PRESENTATION - CURRENT CITY BUILDING PROJECTS**

City Manager Maclin stated that Public Works Director Kenneth Williams had prepared a video giving an update of the facility building projects, which are the Fire Station No. 6, the Animal Control Facility, and the Solid Waste Facility.

6. **ORDINANCE - APPROVED - SECOND READING - HEALTH BENEFITS COVERAGE - CITY RETIREES**

Mayor Bronaugh stated that the next item for consideration was Second Reading of an Ordinance authorizing the offering of health benefits coverage to City Retirees; repealing all Ordinances in conflict; providing an open meetings clause; and providing an effective date.

Motion was made by Councilmember Don Boyd and seconded by Councilmember R. L. Kuykendall that Ordinance authorizing the offering of health benefits coverage to City Retirees; repealing all Ordinances in conflict; providing an open meetings clause; and providing an effective date be approved on Second and Final

Reading as presented. A unanimous affirmative vote was recorded.

7. ORDINANCE - APPROVED - SECOND READING - STREET CLOSURE - BOWLES STREET FROM CLARK TO EDITH STREET - GOODWILL MISSIONARY BAPTIST CHURCH

Mayor Bronaugh stated that the next item for consideration was Second Reading of an Ordinance to close Bowles Street from Clark Street to Edith Street.

Motion was made by Councilmember Don Boyd and seconded by Councilmember Betty Jones that Ordinance to close Bowles Street from Clark Street to Edith Street be approved on Second and Final Reading as presented. A unanimous affirmative vote was recorded.

8. ORDINANCE - APPROVED - FIRST READING - ANNEXATION - ZONING CLASSIFICATION - U S HIGHWAY 69 - LOOP 287 - ST. LOUIS SOUTHWESTERN RAILROAD

Mayor Bronaugh stated that the next item for consideration was the annexation of and the appropriate zoning classification for approximately 8.643 acres of land generally located at the southwest corner of US Highway 69 and State Highway Loop 287. Mayor Bronaugh stated that the subject area is bounded by the St. Louis Southwestern Railroad on the south and is located approximately 300 feet west of the Loop 287 right-of-way.

City Manager Maclin stated that included in the Council packet is a memorandum of explanation from the Planning Department and a Planning & Zoning recommendation by unanimous vote that this subject area be zoned Commercial in the event that it is annexed. City Manager Maclin stated that this is the next step in the annexation calendar that was previously adopted by Council.

Motion was made by Councilmember Don Boyd and seconded by Councilmember Bob Bowman that Ordinance for the annexation of and the appropriate zoning classification of Commercial for approximately 8.643 acres of land generally located at the southwest corner of US Highway 69 and State Highway Loop 287, and bounded by the St. Louis Southwestern Railroad on the south and located approximately 300 feet west of the Loop 287 right-of-way be approved on First Reading as presented. A unanimous affirmative vote was recorded.

9. ORDINANCE - APPROVED - FIRST READING - ESTABLISHMENT OF AN INDUSTRIAL DISTRICT

Mayor Bronaugh stated that the next item for consideration was First Reading of an Ordinance establishing an Industrial District.

City Manager Maclin stated that this particular item involves items 9 and 10 in order to accomplish the desired process. City Manager Maclin stated that the Ordinance in item 9 establishes an Industrial District which allows the City Council to consider the utilization of the district for economic development purposes and industrial growth. City Manager Maclin stated that City staff has visited with personnel and officials from Donohue and started the formation of the Industrial District and that the agreement will have a win/win situation for the City and for Donohue. City Manager Maclin stated that first of all for Donohue, providing some assurances of what their fixed costs in the area of taxation will be for the next several years. City Manager Maclin stated that this will help them with their plans for expansion and rehabilitation of the mill, which hopefully then will insure the successful operation of the mill for many years in the future thereby insuring jobs and the impact the mill has on the economy of Lufkin and Angelina County. City Manager Maclin stated that it is a "win" for the City in that it does provide some financial reimbursement to the City that the City has not previously received. City Manager Maclin stated that State law provides for Industrial Districts to be

created in an allowed time frame of 15 years for the length of those industrial districts. City Manager Maclin stated that the boundaries are defined in the Ordinance with metes and bounds and a map. City Manager Maclin stated that once Council has considered the establishment of a District then there is a detailed contractual agreement for Council's consideration with the Donohue Company.

City Manager Maclin stated that there are two documents that are updates on the Council table, one that is an Ordinance that designates 978 acres as the Industrial District, and the appropriate nomenclature to establish an Ordinance for the establishment of the District. City Manager Maclin stated that the second item will be looked at in item 10, which is the Agreement.

Motion was made by Councilmember Bob Bowman and seconded by Councilmember Jack Gorden, Jr. that Ordinance establishing an Industrial District be approved on First Reading as presented. A unanimous affirmative vote was recorded.

10. INDUSTRIAL AGREEMENT - APPROVED - DONOHUE

Mayor Bronaugh stated that the next item for consideration was an Agreement with Donohue for participation in the Industrial District.

City Manager Maclin stated that the Agreement provides the details of the utilization of the Industrial District, and provides for a 15 year Agreement as allowed by State law. City Manager Maclin stated that the Agreement includes a payment from Donohue beginning with \$50,000 the first year and a 10% increase for each year following. City Manager Maclin stated that it provides for considerations in regard to a default for any performance of the Agreement. City Manager Maclin stated that it does define that it cannot be transferred without Council approval and provides for appropriate signatures.

City Manager Maclin stated that representatives from Donohue were present: the Mill Manager Carl Wright, Public Relations Director Debbie Johnson, and Mallory Caldwell. City Manager Maclin stated that Bill Wellborn was present in representation of the Angelina County Economic Development Partnership in support of the creation of this District.

Debbie Johnston stated that she would like to thank the City for the support that they have given in the transition from Champion to Donohue. Ms. Johnston also thanked Council for the formation of the Industrial District and the Agreement that will follow.

City Manager Maclin stated that Donohue will be required to come back to the City should they desire to acquire additional property that they desire to be a part of this Agreement and a part of the Industrial District. City Manager Maclin stated that the City would then consider that acquisition in good faith.

Motion was made by Councilmember Jack Gorden, Jr. and seconded by Councilmember Don Boyd that Agreement with Donohue for participation in the Industrial District be approved pending completion of Second Reading of the Ordinance establishing the Industrial District. A unanimous affirmative vote was recorded.

11. BUDGET AMENDMENT - APPROVED - EMERGENCY REPAIRS - FORD CHAPEL ROAD - LOOP 287

Mayor Bronaugh stated that the next item for consideration was a budget amendment to approve the emergency repairs at Ford Chapel Road and Loop 287.

City Manager Maclin stated that this represents the improvements to the sanitary sewer system in terms of line rehabilitation that Council approved at the last

Council meeting. City Manager Maclin stated that the Asst. City Manager has provided Council the budget amendment resolution in order for staff to leave the appropriate audit trail to reflect what Council approved at last meeting.

Motion was made by Councilmember Tucker Weems and seconded by Councilmember Bob Bowman that the budget amendment in the amount of \$284,848 for emergency repairs at Ford Chapel Road and Loop 287 be approved as presented. A unanimous affirmative vote was recorded.

12. REVISIONS - APPROVED - EMPLOYEE HANDBOOK

Mayor Bronaugh stated that the next item for consideration was revisions to the employee handbook.

City Manager Maclin stated that Friday a week ago David Koonce, the Director of Human Resources, sent Council a copy of some proposed revisions to the Employee Handbook. City Manager Maclin stated that these revisions represent updates in State law, Federal law, and inclusion of some standing policies of the City that had not previously been an actual documented inclusion of the employee handbook. City Manager Maclin stated that this will provide a comprehensive inclusion of all these policies as well as some minor updates. City Manager Maclin stated that out of all the revisions one of the more significant ones that is not just a routine update is the revision to nepotism policy based on information Mr. Koonce obtained by comparing nepotism policies with other municipalities and trying to get the City's nepotism policy to be in line with others. City Manager Maclin stated that historically staff has tried to bring the Employee Handbook to Council at the beginning of the fiscal year with any changes that have taken place in State or Federal law over the last months.

In response to question by Councilmember Weems, Mr. Koonce stated that some employees of the City and some people outside the City had questioned the nepotism policy of the City and that is why it was revised.

In response to question by Councilmember Gorden, Mr. Koonce stated that the only basic change in the nepotism policy is that staff has allowed for the inclusion of more applicants for employment with the City. Mr. Koonce stated that in the prior policy any Department Managers and members of their families would not be included in the hiring policy for the City of Lufkin. Mr. Koonce stated that several levels of employee members would not be allowed to work for the City of Lufkin in the same department. Mr. Koonce stated that this revised policy would allow for the inclusion of more applicants provided they are qualified applicants. Mr. Koonce stated that family members of the Administrative Staff cannot be employees of the City of Lufkin and the Council's family members cannot be employees of the City of Lufkin. Mr. Koonce stated that if an employee works within the Fire Department, that employee could not be supervised by a member of their family. Mr. Koonce stated that Civil Service precludes a Fire Department supervisor from being in control over an employees advancement and wages in the process of moving up. Mr. Koonce stated that in the Street Department a supervisor cannot supervise a member of their family in the same crew. Mr. Koonce stated that the way staff is trying to reword the policy is that if a supervisor is over one crew, another supervisor who is not over that crew can supervise another member of that person's family and not be in control of their wages and promotions.

City Manager Maclin stated that previously two employees who were related could not work in the same Department, now they can work in the same Department providing they do not supervise each other.

In response to question by Councilmember Kuykendall regarding the letter "a" on page 27, the second sentence, Mr. Koonce stated that his Department asks what relationship their relative is, and if it is found that they have misstated the truth they will be discharged.

Motion was made by Councilmember Don Boyd and seconded by Councilmember Tucker Weems that revisions to the employee handbook be approved as presented. A unanimous affirmative vote was recorded.

13. INVESTMENT SERVICE CONTRACT - APPROVED - VALLEY VIEW ASSOCIATES - DICK LONG

Mayor Bronaugh stated that the next item for consideration was an investment service contract with Valley View Associates (Dick Long).

City Manager Maclin stated that included in the Council packet is the original draft listed with Mr. Long, but on the Council table is an agreement with Valley View Associates, which is the name that Mr. Long has chosen to establish for his new firm. City Manager Maclin stated that Mr. Long has served in the capacity of Investment Advisor for the City starting in 1995, and then at a brief period that he went to AMBAC/Cadre that the City completed their contract at the time with First Southwest where he was an employee. City Manager Maclin stated that after that contract expired the City retained Mr. Long again as an employee of AMBAC/Cadre for his services. City Manager Maclin stated that Mr. Long is in the process of starting a new firm under the name of Valley View Associates.

Councilmember Gorden stated that this is basically the same Agreement the City has had since 1995 at the same fee.

Motion was made by Councilmember Tucker Weems and seconded by Councilmember Jack Gorden, Jr. that the investment service contract with Valley View Associates as recommended by the Finance Committee be approved as presented. A unanimous affirmative vote was recorded.

Councilmember Gorden stated that the Finance Committee held a quarterly meeting this afternoon with Mr. Long. Councilmember Gorden stated that the Committee discussed the present status of the market and the City's investments and concurred with Mr. Long's report. Councilmember Gorden stated that the Committee added a few broker/dealers to the list of authorized folks that Mr. Long can do business with.

Motion was made by Councilmember Gorden and seconded by Councilmember Weems that an update on the City's investment policy and strategy and the quarterly investment report be approved as presented. A unanimous affirmative vote was recorded.

Mayor Bronaugh recognized Mr. Gorden, Mr. Weems and Mr. Kuykendall as members of the Finance Committee.

14. LIBRARY AGREEMENT - APPROVED

Mayor Bronaugh stated that the next item for consideration was the Library Agreement.

City Manager Maclin stated that Councilmembers were delivered the latest version of the Agreement yesterday, and on the Council table is a more even up to date version of the Agreement. City Manager Maclin stated that the City Attorney had additional conversation with Mr. Borgfeld and he reflected those minor corrections from comments this morning. The Agreement on the Council table is the final Agreement for consideration. City Manager Maclin stated that basically this involves an Agreement between Lufkin Independent School District, the City, and Kurth Memorial Library with the desire and intent to be the construction of a new library as a gift to be located on the Junior High West property, about a 4.9 acre tract of land. City Manager Maclin stated that this property and facility will be an exchange between the School, the City and the Kurth Library Board, and after

successful relocation to the new facility, the LISD will use the current library as a new Administration facility. City Manager Maclin stated that basically all of the details regarding those exchanges and the timing of that is included in this document. City Manager Maclin stated that Mr. Borgfeld and several of the Board members and Library staff members were present.

City Manager Maclin stated that this has been an Agreement that started several months ago in August when meetings were held that included Mr. Borgfeld, the City Attorney, the LISD attorney and Philip Leach as a Board member. City Manager Maclin stated that there have been some subsequent meetings since then with some revisions to make sure that everything would be reflective of appropriate law and considerations for the State of Texas and Federal laws for exchange of property. City Manager Maclin stated that Mr. Weems serves as President of the Library Board.

Motion was made by Councilmember Tucker Weems and seconded by Councilmember Jack Gorden, Jr. that the library agreement be approved as presented. A unanimous affirmative vote was recorded.

15. ALLOCATION OF FUNDS - APPROVED - TIMBER SALE - MORRIS FRANK PARK

Mayor Bronaugh stated that the next item for consideration was allocation of funds from the timber sale at Morris Frank Park.

City Manager Maclin stated that included in the Council packet is a memo from Mr. Hannabas, the Director of Parks and Leisure Services, that reflects the action by the Tree Board at a meeting they held a few days ago to grant approval for the removal of some trees behind the existing Girl's Softball complex, behind field #8 at Morris Frank Park. City Manager Maclin stated that this is something that Council actually discussed in 1994 and the Tree Board discussed it in 1994 when the Girl's Softball Association was desiring expansion at that time and did not have adequate funds to move forward. City Manager Maclin stated that the Association is ready to move now so they went back to the Tree Board. City Manager Maclin stated that this comes to Council with their recommendation of approval for the removal of some of the trees and thinning of some trees adjacent to this area. City Manager Maclin stated that once the trees are harvested there will need to be some clearing, and basically, what the Tree Board and ultimately staff is recommending to Council for consideration is whatever proceeds are gained from the sale of these trees can go right back into the Softball facility construction as long as those funds last. City Manager Maclin stated that the Girl's Softball Association recognizes that this will only cover a small portion of the cost and that they will be doing fund raisers and other efforts to raise additional funds to build softball fields based on the growth of their program for additional fields.

In response to question by Councilmember Gorden, City Manager Maclin stated that this area has been targeted as expansion for fields for many years, but they never had any additional funds to help it become a reality, but now they are ready to begin a pragmatic approach to expansion.

In response to question by Mayor Bronaugh, City Manager Maclin stated that the funds will go through the City and whatever proceeds the City will receive those will pay the bills for the clearing and the harvesting of the trees, and whatever funds are remaining will assist until they are depleted by the Girl's Softball Association in the construction of the field.

Motion was made by Councilmember Don Boyd and seconded by Councilmember Betty Jones that the allocation of funds from the timber sale at Morris Frank Park be approved as presented. A unanimous affirmative vote was recorded.

16. EXECUTIVE SESSION

Mayor Bronaugh recessed Regular Session at 6:00 p.m. to enter into Executive Session. Regular Session reconvened at 6:37 p.m. and Mayor Bronaugh stated that attorney/client matters and appointments to Boards and Commissions had been discussed.

17. APPOINTMENT - APPROVED - TAXI CAB COMMITTEE - BILL PHILMON

Motion was made by Councilmember Bob Bowman and seconded by Councilmember R. L. Kuykendall that Bill Philmon be reappointed to the Taxi Cab Committee. A unanimous affirmative vote was recorded.

18. APPOINTMENT - APPROVED - PLANNING & ZONING COMMISSION - DENNIS ROBERTSON

Motion was made by Councilmember Bob Bowman and seconded by Councilmember R. L. Kuykendall that Dennis Robertson be reappointed to the Planning & Zoning Commission. A unanimous affirmative vote was recorded.

19. APPOINTMENT - APPROVED - ZONING BOARD OF ADJUSTMENT & APPEALS - DON LANGSTON

Motion was made by Councilmember Bob Bowman and seconded by Councilmember R. L. Kuykendall that Don Langston be reappointed to the Zoning Board of Adjustment & Appeals. A unanimous affirmative vote was recorded.

20. APPOINTMENT - APPROVED - LUFKIN BOARD OF DEVELOPMENT - SALVADOR SOTO

Motion was made by Councilmember Bob Bowman and seconded by Councilmember R. L. Kuykendall that Salvador Soto be appointed as the Hotel/Motel's representative to the Lufkin Board of Development. A unanimous affirmative vote was recorded.

21. COMMENTS

City Manager Maclin reminded Councilmembers of the City Employees' Award Banquet held on Thursday evening at the Civic Center at 6:30 p. m.

City Manager Maclin stated that the TML Conference will be held in San Antonio next week.

City Manager Maclin stated that the DETCOG meeting will be held in Newton on Thursday.

22. There being no further business for consideration, meeting adjourned at 6:40 p.m.



Louis A. Bronaugh - Mayor

ATTEST:



Atha Stokes - City Secretary