

**MINUTES OF BUDGET WORKSHOP MEETING OF THE CITY COUNCIL OF THE
CITY OF LUFKIN, TEXAS, HELD ON THE
7TH DAY OF JULY, 1999 AT 8:30 A. M.**

On the 7th day of July, 1999 the City Council of the City of Lufkin, Texas, convened in a Budget Workshop meeting in the Council Chambers of City Hall with the following members thereof, to wit:

Bob Bowman	Mayor pro tem
R. L. Kuykendall	Councilmember, Ward No. 1
Don Boyd	Councilmember, Ward No. 2
Betty Jones	Councilmember, Ward No. 3
Jack Gorden, Jr.	Councilmember, Ward No. 5
Dennis Robertson	Councilmember, Ward No. 6
C. G. Maclin	City Manager
James Hager	Asst. City Manager/Finance
Atha Stokes Martin	City Secretary
Keith Wright	City Engineer
Kenneth Williams	Director of Public Works

being present, and

Louis Bronaugh **Mayor**

being absent when the following business was transacted.

1. Meeting was opened by Mayor pro tem Bowman.

City Manager Maclin stated that in Mr. Hager's presentation he will give an overview of revenues and expenses and dollars available. Mr. Maclin stated that he will give Councilmembers their decision ranking sheets this afternoon and ask that after tomorrow they be filled out and returned at the Capital Improvements Program meeting on Monday at 2:00 p.m. Mr. Maclin stated that the ranking sheets will be tabulated that afternoon. Mr. Maclin stated that the reason that staff wanted to schedule the CIP meeting for Monday was depending upon consensus of Council that would have an impact on staff making the budget draft. Mr. Maclin stated that the next budget related meeting would be July 27th when staff would present the budget draft to give Council the opportunity to give input for changes and then move forward to the Public Hearing on August 3rd. Mr. Maclin stated that gives opportunity for revision, and then on August 27th we would have First Reading of the Ordinance.

Mr. Maclin stated that this year staff has gone through some very specific preparations for today to get to the point where the Councilmembers have the two

big three ring binders full of information. Mr. Maclin stated that Mr. Hager led a departmental review of each budget and during that review, in terms of the base budget, we were able to identify between \$300,000 and \$400,000 reductions that got cut before it came to Council. Mr. Maclin stated that revenues are down comparatively in terms of sales tax, in particular to last year.

2. BUDGET OVERVIEW - JAMES HAGER

Mr. Hager stated that he would like to talk about very briefly what staff did this year versus last year. Mr. Hager stated that, in his opinion, with the new financial system and information system it will provide City staff with a lot of information that we really did not have available prior to the new system coming on line. Mr. Hager stated that if Council has approved items, then staff recognizes that as a continuation. Mr. Hager stated that the way he defines the base budget is a level of service to the citizens, and if the Council desires a level of service and they have approved and adopted that level of service, which means it will take "x" pieces of equipment, "x" items of expenditure, and "x" personnel - Council is approving that level of service and staff would not in any way expand that level of service or add new levels of service without bringing it to Council for Council consideration. Mr. Hager stated that that is an attempt to set a service level so that when we get to budget reviews staff does not take up a lot of Council's time with the continuation that Council wants City staff to provide to the public. Mr. Hager stated that if that is O. K. with Council, staff would like to continue that approach.

Mr. Hager stated that another thing that staff did this year was within our departmental budget we began dividing those into divisions. Mr. Hager stated that he would like to refer to those divisions as cost centers, which allow homogeneous activities or service deliveries to the citizens and the costs of those would be accumulated in divisions within a department so that the department manager has a better handle on the expenditures of a certain service delivery so that we can look at alternative ways of doing that project or service or at least being able to track his cost more closely. Mr. Hager stated that currently our system does not provide that ability. Mr. Hager stated that an example in the Police Department is that this year they will have five or six activities which are: Administration (The Chief and his assistant and secretary, and his function is to administer the department); Patrol, which is the largest division or cost center, with 54 or 55 patrolmen and their supplies, automobiles, etc. would be funded in that division (in that manner the Police Chief can review his budget and know where he stands, and if Councilmembers had a question about how much we are spending on patrol, it is a matter of looking at the screen and saying that Patrol is spending this much). Mr. Hager stated that what this cost center accounting does is allow us to collect commercial costs as opposed to residential costs in order to determine the difference and appropriate separation of the costs so that on a cost to service basis we know that the cost we are charging by commercial are caused by commercial and not by the residential. Mr. Hager stated we know whether we want to cost subsidize those services or not, and that is a Council decision as to whether they would want to.

Mr. Hager stated that as rates go up the industrial customers will deal with you more closely in how you calculate those rates and if those rates are challenged staff wants to be able to prove those rates out.

Mr. Hager stated that he wanted to show Council how the cost structure is broken down before getting into a review of revenue assumptions. Mr. Hager stated that currently what the City has is a fund, department, element, and object, and what has been added is merely a division. Mr. Hager stated that staff has changed some account numbers in order to accommodate our new system plus it accommodates the GFOA accounting structure more closely and staff believes this is a more appropriate account structure. Mr. Hager stated that the General Fund is a tax supported fund primarily. The Department in Council's case would be General Government and that number would be 01, the division would be City Council, which is 02 and then the element and object haven't changed very much - the element would be salaries and wages, and the object would be supervisors salaries. Mr. Hager stated that the second division that is in Council's department is the City Secretary, so now there are two division in General Government. One division is the City Council and the second is the City Secretary, and that way the City Manager can monitor the costs and expenses.

Mr. Hager stated that he would give a quick overview of the other departments that have been broken down: Accounting is Administration, which includes himself, and the accounting function is the second division. Mr. Hager stated that in the past staff has budgeted audit fees in General Government and that has been moved to the Accounting Department. Also, the City Hall building and the Police building maintenance budgets have been combined into Building Services under the direction of David Cochran. The Police Department has six activities: Administration, Patrol, CID, Communications, Narcotics, Support Services and the Jail. The Fire Department divisions are: Administration, Fire Services and Fire Prevention. EMS has not been broken out this year. The Street Department divisions are: Administration, Street Repair, Maintenance, Street Sweeping and Right-of-Way Mowing, New Installations, and Construction. Mr. Hager stated that the construction division will be added as a capital division that any work done there would be capitalized and added as a fixed asset to the City's books.

Mr. Hager stated that another thing staff did with the budgets is that they asked the Departments to support their request, and there will be sections under each line item with explanations for what those costs are.

Mr. Hager stated that he would now go over the overview and a lot of it will be redundant from when staff went over the Capital Improvement Program at the Retreat. Mr. Hager stated that as discussed, there was a 6% increase in values and \$27 million dollar increase in new construction in our accessed values. Mr. Hager stated that the reduction of one cent in the tax rate and shifting it to the debt service is being included. Mr. Hager stated that this is preliminary because staff is waiting on Council's direction on our CIP and General Operating Budget.

In response to question by Mr. Gorden, Mr. Hager stated that the City's accessed values increased by 6% and that was the Appraisal District's attempt to get the values up close to 100%. Mr. Hager stated that there was \$27 million in new construction, and staff had estimated \$25 million. Mr. Hager stated that this \$12,705,000 is probably a \$300,000 increase over our revised tax estimate of \$12,408,000.

Mr. Hager stated that page 2 shows the details of the revenue estimates. Mr. Hager stated that in the discussion of the Capital Improvement Program we were reflecting taxes of \$4,171,383, which includes the one cent shift. Mr. Hager stated that one cent on our tax rate is about \$117,000. The prior year collections, penalty and interest, were \$75,000 and \$55,000 each. Mr. Hager stated that the 1998-'99 budget projections were \$8,843,000 and that was about a 3% increase over last year's budget. Mr. Hager stated that it is tracking more like 2% so he has reduced the sales tax estimates to \$8,219,000 and then estimating a 2% increase in that growth to \$8,383,000. Mr. Hager stated that he is anticipating a slight increase in franchise taxes. Mr. Hager stated that the TCA Cable franchise actual there is \$289,256 that the City actually collected and that included a payment that we would have normally received in 1998-'99. Mr. Hager stated that the 1998-'99 budget anticipated \$194,500, but during the later part of last year TCA Cable took over Cable One and they paid their franchise fee a little early. Mr. Hager stated that he had adjusted the 1998-'99 revised budget down to \$105,000. Mr. Hager stated that he is anticipating in the year 2000 \$185,000, based on conversations he had with the General Manager.

Mr. Hager stated that looking at the totals of Licenses and Fees, he is increasing the 1998-'99 budget \$243,000, especially in building permits and inspection fees, and according to Mr. Chapman this may be able to be increased somewhat. Mr. Hager stated that he is anticipating that we drop back to \$154,000 in this coming year primarily to be conservative. Mr. Hager stated that the total charges and fees are down somewhat, but primarily because of the ambulance service that was sold. Mr. Hager stated that the ambulance fees are not included in the year 2000, and only a partial year in 1998-'99.

Mr. Hager stated that in Fines and Forfeits, last year the Judge spoke about increasing the revenues from Municipal Court through the new position of City Marshal. Mr. Hager stated that the actual for 1998 was \$364,000 and our budget was \$446,000. Mr. Hager stated that he is estimating that we will collect \$450,000, so the City Marshal has paid for her salary and then some. Mr. Hager stated that we are anticipating \$475,000 next year.

Mr. Hager stated that in the Miscellaneous Revenues he was including \$433,00, which represents \$428,000 for the sale of the ambulance transfer service. Mr. Hager stated that the other items include the grants that we anticipate and currently are enjoying along with our general administrative transfers. Mr. Hager stated that the total revenue the City anticipates collecting is \$19,539,199. Mr. Hager stated that

adding that to our anticipated beginning balance of \$5,891,000, which makes total funds available of \$25,431,199.

Mr. Hager stated that page 4 reflects the General Fund budget, 1997 actuals, 1998 budget, 1999 revised, 2000 proposed and a list of the supplementals. Mr. Hager stated that the total expenditures of the proposed budget are \$20,140,000, which means that the proposed budget is in excess of our current revenues by \$600,000. Mr. Hager stated that it still leaves a fund balance of \$5,262,979. Mr. Hager stated that total funds applied is \$25,403,091, our requirement based upon our financial policies is a 90 day fund balance which equates to \$5,035,028. Mr. Hager stated that means that the City has available for supplemental requests \$227,951. Mr. Hager stated that our supplemental requests total \$1,398,975.

Mr. Maclin stated that the \$227,951 is for supplements or decision packages, and the non-departmental does include a 2% cost of living raise for all employees. Mr. Maclin stated that the last two or three years the Council has allowed a cost of living increase or a salary survey increase so that the city can be competitive and recruit and retain good employees. Mr. Maclin stated that at Council's pleasure staff put the 2% cost of living increase in this budget. Mr. Maclin stated that he wanted to point out the \$227,951 remaining for supplemental requests or decision packages is after staff had already allocated for, in anticipation of Council's past consensus, the 2% cost of living increase and is already in that \$814,466 above in non-departmentals.

Mr. Hager stated that he would go next to the Water/Wastewater Fund. Mr. Hager stated that he has included a 2% increase in water rates and comparisons can be provided to Council if needed. Mr. Hager stated that these comparisons had been presented earlier at the CIP presentation at the Council Retreat and identified the impact on an average residential bill. Mr. Hager stated that this increase will help to pay for the asbestos water line replacement. Mr. Hager stated that new debt service is included in this number. Mr. Hager stated that he would not go over the debt service fund primarily because we need to come to some closure on the CIP program. Mr. Hager stated that the budgeted funds for departmental expenditures is a total of \$6.8 million, and the revision is \$7.3 million. Mr. Hager stated that a good part of that revision was brought to Council for various construction projects by the City Engineer. Mr. Hager stated that the proposed budget is back down to \$6,057,000. Mr. Hager stated that departments were very responsive to trying to budget very close this year and very responsive in the review process. Mr. Hager stated that there is a total of \$873,000 worth of supplemental requests in the Utility Fund budget, and that does not include the Depreciation Fund requests. Mr. Hager stated that the primary interest that he believes is most important is what kind of working capital balance or cash that leaves the City. Mr. Hager stated that it still is very healthy with \$2.1 million in the proposed budget, and \$1.3 million if all supplements were funded. Mr. Hager stated that the debt service coverage, the test of our ability to issue additional debt each year is 2.82 times in our proposed and with all supplements it would only drop down to 2.75 times, and that is significantly

greater than 1.25 times required by our bond covenants.

Mr. Hager stated that the next fund is on page 6, and that is the Solid Waste Fund. Mr. Hager stated that included in the proposed budget is a 4% increase in Solid Waste collection rates. Mr. Hager stated that last year staff discussed with Council the need for a 10% increase in rates to try to bring our cash balance back up to meet our policy. Mr. Hager stated that Council awarded a 6% increase last year and instructed staff to include a 4% increase this year, which is in the proposed revenue estimates. Mr. Hager stated that the departmental expenditures are pretty flat. There is \$2.8 million in proposed, which is about a \$200,000 increase and that is spread both over sanitation and the recycling departments. Mr. Hager stated that there is \$23,000 in supplemental requests. There is one large depreciation item which is included by the Recycling Department.

Mr. Hager stated that because of some of the hotels that have been built, we have increased our hotel/motel occupancy tax estimates \$462,000 this coming year versus \$445,000 for this year. Mr. Hager stated that based on what we have collected in the past, it is a very realistic estimate. Mr. Hager stated that the other fees are relatively flat. Total funds available are \$1,059,000. Mr. Hager stated that the Civic Center budget is listed at \$314,948 and there is \$782,000 in supplements included in the supplemental request column. Mr. Hager stated that there are other items to be considered in this budget which were recommended to Council by the Lufkin Board of Development. Mr. Hager stated that these expenditures have increased slightly. Mr. Hager stated that the fund balance in the Civic Center Fund is \$512,000. The Council financial policy does not require that we carry a fund balance in the Civic Center Fund, but as a matter of good fiscal management we would always keep a balance there.

In response to question by Mrs. Jones, Mr. Hager stated that there are several alternatives to the supplements, one of which would be to issue debt, very short term lease purchase, or short term C. O. debt financing to cover the cost of this and let the hotel/motel tax fund or Civic Center Fund repay that debt over time, rather than put that burden on the General Fund.

Mr. Hager stated that the Recreation Fund on page 8 is pretty much a repeat of what it has been in past years. Mr. Hager stated that it continues to maintain about a \$50-\$60,000 fund balance. Mr. Hager stated that the Ellen Trout Zoo Fund continues to have a good fund balance. Mr. Hager stated that last year we anticipated \$132,000 in admission fee collections, and that has been reduced down to \$119,000. Mr. Hager stated that the building fund includes \$750,000 for the construction of the exhibits. The anticipated fund balance by the end of year 2000 would be \$873,000. Mr. Hager stated that the Zoo Fund Balance is very healthy. Mr. Maclin stated that when Council hears the Zoo presentation, the supplemental amount out to the side will be proposed to go towards the hippo exhibit, which the City has already received a pretty substantial private funding matching funds. Mr. Maclin stated that Mr. Henley will be proposing that the hippo exhibit be rebuilt and

get a hippo back in that exhibit.

Mr. Hager stated that the last page is 10 which shows the non-departmental costs. The salary adjustments for the revised amounted to \$14,840, the proposed was the 2% as well and that is \$264,000. Mr. Hager stated that the liability insurance has been pulled out of each department's budget, primarily because that is a non-controllable cost and is not departmentally related, it's asset related. Mr. Hager stated that that has been budgeted into the liability insurance. Mr. Hager stated that we would write checks to the liability fund from the general fund from each fund that participates. Mr. Hager stated that the unemployment insurance is budgeted centrally as well, it is a non-controllable cost - controllable in the respect that we have to have safety programs and try to keep people employed, but when people leave they can draw unemployment against us and it gets charged back to the department. Mr. Hager stated that if we begin to go over in unemployment insurance staff would come back to Council and ask for a budget adjustment in that particular line item.

Mr. Hager stated that bad debt for EMS is anticipated to be \$259,000 in the year 2000 and in 1998-'99 in the ambulance fees we incurred \$119,000 to date, which may go up a little as the debts get older, and some may have to be written off.

Mr. Hager stated that this year Council approved the purchase of our HTE software at \$150,000, and today we are going live with our financial and purchasing system. Mr. Hager stated that lease purchase fees associated with that software will be appearing in the information technology budget (data processing budget), and there will be a substantial increase in that budget as a result of this software.

Mr. Hager stated that in wastewater, salary adjustments in the year 2000 represent \$56,933, liability insurance is \$27,100, unemployment and bad debts is \$50,159. Mr. Hager stated that the City maintains about a 5/10's percent loss factor on its utility collections, which is very good, and speaks well of the utility collection employees, and our citizens.

Mr. Hager stated that Solid Waste and Recycling, the salary adjustments amount to \$16,228, bad debts are \$22,485, and unemployment and liability insurance at \$27,900.

Mr. Hager stated that the Civic Center amounts to \$6,006 in adjustments, liability insurance is \$6,781, and unemployment insurance is \$300.

Mr. Hager stated that concludes the information that he wanted to present as an overview. Mr. Hager stated that one item that does need to be covered is in the General Government budget, within the contributions there is a total of \$359,000 being requested and it is pretty much a redundancy of what we had in previous years, with the exception that the Library is asking for an additional \$20,000 added to their budget.

3. PRESENTATIONS BY DEPARTMENT HEADS:

PLANNING DEPARTMENT - STEPHEN ABRAHAM

Mr. Abraham stated that the Planning Department's only supplemental request is an update to the Comprehensive Plan, which was adopted 12 years ago, back in 1987. Mr. Abraham stated that he estimates the cost to be \$130,000, which he has been told can be financed over a period of three years. Mr. Abraham stated that the Comprehensive Plan is a one source document that originates with citizen participation and culminates in a Council statement of broad policy which attempts to address our future. It will turn agreed upon goals and objectives into a framework for actions that can or should be taken to make our aspirations a reality. Mr. Abraham stated that he could not emphasize enough that the Comprehensive Plan is much more than a multi-colored map that causes hours worth of discussion every few months at a City Council meeting. Mr. Abraham stated that it is an official statement made by the City Council concerning where we are today and where we want to be tomorrow and what it takes to get there. Mr. Abraham stated that it is a document for our citizens to ensure them that the future of the City of Lufkin is well attended. Mr. Abraham stated that he hoped that each Councilmember would agree with him that over the past 12 years this City has seen many changes, and, therefore he thinks, so should the Comprehensive Plan.

Mrs. Jones stated that this is very important to her and it gives a road map to managing the growth of the City and doing what they need to do as a Council to oversee that and help Mr. Abraham to plan for it. Mrs. Jones stated that she would endorse strong consideration for amending the Comprehensive Plan as soon as we can. Mr. Kuykendall and Mr. Robertson concurred with Mrs. Jones.

BUILDING SERVICES - DAVID COCHRAN

Mr. Cochran stated that he had two supplemental requests for the Building Services Department. Mr. Cochran stated that the municipal building and the police building had been combined into one proposal. Mr. Cochran stated that the major proposed cost increase was \$30,000 to replace the carpet in the Police Department including the Municipal Court. Mr. Cochran stated that there is a \$10,000 supplemental request for some remodeling on the second floor in the Planning Department.

INFORMATION TECHNOLOGY - BILL CAMERON

Mr. Cameron stated that staff is in the process of changing the name from Data Processing to Information Technology, which better reflects what he does in this department. Mr. Cameron stated that there are five supplemental requests, and they are:

1. Desktop network specialist. Mr. Cameron stated that he wanted to

upgrade the maintenance capability for computers, and upgrade training capabilities. Mr. Cameron stated that he was proud of what had been achieved with the Internet and World Wide Web. Mr. Cameron stated that this position is designed to take care of the first level of maintenance problems, primarily to work on work stations, and some network problems. Mr. Cameron stated that the issue here is to free up the System Administrator and himself to do more detailed work. Mr. Cameron stated that the additional costs are those cost breakouts with each employee.

Mr. Cameron stated that there has been an explosion of information technology in this City, and he was very proud of what has been done. Mr. Cameron stated that he is working on Mr. Maclin's vision for the City. Mr. Cameron stated that what he is doing he is doing with purpose and the purpose is to make our employees more efficient. Mr. Cameron stated that he has added the web, increased the network, added a Wide Area Network (WAN), and with that the work load is increased. Mr. Cameron stated that he is very fortunate in having a fellow employee, Jayson Williams, to work with but Jayson has a family and is spending a lot of hours at night here working.

Mr. Cameron stated that the next slide talks about the topology of the LAN and what that means is that if he has a problem with the sewer department or water pollution it is not quite the same as having a problem with Karen's computer next door. Mr. Cameron stated that this means that there is travel involved.

Mr. Cameron stated that Jayson is pretty much consumed with the HTE, and is doing the installation for the new computers and maintenance, but he is spread very thin. Mr. Cameron stated that he is involved with the WAN, the other networks and training. Mr. Cameron stated that an additional person will allow them to have somebody else on the AS400, so that Jayson can take a break or if he is sick the work could go on.

Mr. Cameron gave comparisons to Memorial Medical Center of East Texas and the City of Lufkin's personnel with basically the same computer equipment.

Total amount for this request is \$42,268.

2. The next supplemental request is to upgrade the computer maintenance capability. Mr. Cameron stated that a computer maintenance workbench with a wall mounted monitor will be built into one wall of the main room in the IT Department freeing the server room for network management. Mr. Cameron stated that cable installation and maintenance equipment will be purchased to provide a cable maintenance capability. All cable maintenance is presently contracted out. The total cost of the computer maintenance upgrade is \$8,700.

3. Mr. Cameron stated that the City's computer training resources must be expanded and improved. Mr. Cameron stated that we are presently training Outlook 98, Windows 95/NT and HTE software. Next year he will expand the training to

include Microsoft Office applications and FrontPage. Mr. Cameron stated that we need to increase the number of workstations from five to seven, purchase a computer projector and screen, a laptop for presentations, student computer training desks, and a TV/VCR for use with self-paced training. Mr. Cameron stated that there is also a requirement for self-paced application training software (CBT) and videos. Total amount of this request is \$18,500.

4. The next request is for a continuation of the network upgrade. Mr. Cameron stated that there is a requirement for an applications server to be added to the present NT network. This server will be the primary data storage server in addition to the application role and will replace the present Novell 4.11 application server in City Hall and the Novell 4.11 server in the Police Department. Mr. Cameron stated that the primary existing NT servers will be upgraded to Windows 2000 Server within the upcoming year. Mr. Cameron stated that the present Exchange Server was purchased with 70 client licenses and that number must be increased to 150 for both NT/Windows 2000 and Exchange. The network also requires a centralized virus protection methodology. Mr. Cameron stated that with the addition of the WAN, there is a requirement for workstation security software to prevent unauthorized changes and configurations. Mr. Cameron stated that there is a requirement for a computer upgrade for the system administrator.

Mr. Cameron stated that the City needs to increase its licenses to 150.

Mr. Cameron stated that he will probably be retiring next year and he did not want to leave the City before the Novell System is replaced. Mr. Cameron stated that it cost \$75 an hour to work on this system.

Total for this request is \$29,500.

5. Mr. Cameron stated that the last supplemental request is the Internet and WWW. Mr. Cameron stated that the WWW service has successfully been moved in-house. Mr. Cameron stated that we are no longer dependent on LCC, but we have a gentleman from DP Solutions who is working on our web site to improve it. Mr. Cameron stated that the primary people who are going to man the web site are the Department Heads. There will be a requirement to begin the Ecommerce portion of our web presence. Mr. Cameron stated that there is also a requirement for web authoring tools and accessories to include a scanner, digital camera, graphics software, upgrades to Office 2000, and a tape backup for the web server. Mr. Cameron stated that in the future a citizen will be able to go to the City's web site and pay a fine, his water bill, permit fee, parks and recreation classes, or an ambulance bill. Total for this request is \$16,000.

Mr. Maclin stated that he may be ahead of the game on the Ecommerce, but part of his motivation in asking Mr. Cameron to move in this direction is according to Bruce Bradford, who is the Sales Manager for TXU Communications, there are 10,000 families in Angelina County that have access through the web now either

from home or business. Mr. Maclin stated that 10,000 families with three people per family that is 30,000, and his feeling is that once enough people in Angelina County have access to the web this will become an expectation. Mr. Maclin stated that this may be an area where we are being premature, but he wants the City to be prepared that when our citizens say "we want this service", the City is able to offer it, and save them the convenience and time of paying their water bill over the internet.

Mr. Robertson asked if we could use the web site to send information to a company that is interested in Lufkin for relocating. Mr. Maclin stated that we were the first City in East Texas to have a web site, and yes, we are already sending this kind of information out to companies and individuals as part of their site selection shopping process. Mr. Maclin stated that we have been doing this for about three years.

PARKS - DON HANNABAS

Mr. Hannabas introduced some of the Parks Board members who were present: Victor Bruce, serving this year as Vice Chairman, Sumner Osgood, Hector Rojas, Chairman this year, Lela Simmons, Cathy Todd and Peggylu Watkins. Mr. Hannabas stated this board meets monthly.

In response to question by Mr. Robertson, Mr. Hannabas stated that there has been an increased use in community centers.

Mr. Hannabas stated that this year his budget had been divided into three budgets, and they are administration, park maintenance, and community centers. Mr. Hannabas stated that in the administration budget the only supplemental request will be for a Park Grants Program administered by the Park Board. Mr. Hannabas stated that this is an opportunity to fund some projects for groups that don't have a lot of money or individuals that would like to build something in the park. Mr. Hannabas stated that examples of this would be an Eagle Scout Project, church groups, civic clubs. Mr. Hannabas stated that the Parks Advisory Board will make decisions based on applications and recommend action for the project. Mr. Hannabas stated that he is suggesting a 50/50 match with an annual review by City Council for future funding.

Mr. Hannabas stated that in the parks maintenance budget the number one request is for a girl's softball field project. Mr. Hannabas stated that this will match funding that has been raised by the Girl's Softball Association and the timber sale funds. Mr. Hannabas stated that they are trying to develop three new fields on the land that was cleared and the timber was sold behind their existing complex. Mr. Hannabas stated that the plan includes the construction of new restrooms. Mr. Hannabas stated that these fields will be used for day use only and lighting would be added in the future. Mr. Hannabas introduced Tino Villasana, who is the President of the Girl's Softball Association. Mr. Hannabas stated that the Parks Advisory Board

supports this group since they came with a plan, some of their own money, and a willingness to seek support from other groups using the fields. Mr. Hannabas stated that this would be a \$66,000 match.

In response to question by Mrs. Jones, Mr. Hannabas stated that \$12,000 had been raised by the sale of timber, which Mr. Hager has invested.

Mr. Hannabas stated that the Trout School Coop Project is a project to join with a school group in developing a park. Mr. Hannabas stated that there has been a decline in the usage of Gulf Park at its present location at Allendale and Picardy somewhat due to the ancient playground equipment and the neighborhood change. Mr. Hannabas stated that several years ago when the pipeline was being taken up there was some discussion about swapping this land at Allendale and Picardy, which would be prime residential property for this piece of property behind Trout Elementary School, that would be more suited to the City and less suited to residential. Mr. Hannabas stated that there would be some opportunity to develop some trails, parking lots, basketball courts, more playground equipment, and could also be utilized by the school district. The total amount of this request is \$30,000.

Mr. Hannabas stated that Ellen Trout picnic tables, benches, and erosion control is a project several Councilmembers have specifically requested. Mr. Hannabas stated that this would be a project beautifying that area across from the new playground, trying to eliminate the old concrete tables and probably would buy 15' tables for larger groups to put on the lake front and eventually move those into a new picnic shelter on the lake front as it develops over the next few years. Mrs. Jones asked if a place could be provided for small families. The total amount for this item is \$22,000.

Mr. Hannabas stated that the next request was for a bridge at Chambers Park. Mr. Hannabas stated that is one of the most requested projects. Mr. Hannabas stated that he would like to replace the bridge that was taken out for safety reasons with a bridge that will be manufactured offsite, delivered and set on pilings.

Mr. Hannabas stated that the next supplemental request is for a spray play project. Mr. Hannabas stated that this is an effort to eliminate wading pools in Lufkin. This will provide a wet spray area without the water pool that creates health and safety concerns. Mr. Hannabas stated that activated play equipment will be used. In response to question by Mr. Robertson, Mr. Hannabas stated that he would need to have engineering of the projects to address flow rates, pressures, and surfacing. The total for this item is \$40,000.

Mr. Hannabas stated that the final supplemental request is tables and benches for Mantooth Park. Mr. Hannabas stated that Dr. Peyton Denman had recently donated the Mantooth Park to the City. Mr. Hannabas stated that he would like to eliminate the old concrete driveways and sidewalks that have buckled over the years. Mr.

Hannabas stated that he would like to put curb along Raguet Street so that people would no longer be able to turn into the park. Mr. Hannabas stated that the Neighborhood Association has given him a master plan which includes a gazebo, walking trail, picnic paths, that could be utilized by the neighborhood. Mr. Hannabas stated that they requested a "tot lot" for younger children. The total amount for this request is \$6,000.

Mr. Boyd asked if any funds had been allocated for other City parks, specifically Lufkin Land. Mr. Hannabas stated that he has \$20,000 each year that Council has authorized for playground equipment and Lufkin Land is one of the parks that will be presented to the Park Board. Mr. Hannabas stated that they are considering Lufkin Land and Mantooth Park for playground equipment. Mr. Hannabas stated that they need to remove the one climbing apparatus in Brandon this year. Mr. Hannabas stated that keep in mind that the \$20,000 is divided up among the parks and is not \$20,000 for one park.

In response to question by Mr. Kuykendall about the status of the City Hall Park, Mr. Hannabas stated that his goal is to get around to all the parks that have existing playground equipment and upgrade those facilities first and then go to newly developed parks. Mr. Maclin stated that Kenneth Williams presented a proposal for the City Hall Park a few months ago about a drive thru to make it more convenient for people to pick up their garbage bags to minimize the traffic problems and near accidents. Mr. Maclin stated that hopefully that project will get started next month which will provide a drive thru and some additional parking. Mr. Maclin stated that we have to be cautious to have a blend of a park and parking.

Mr. Maclin stated that the Mayor would want him to ask that the Parks Board and Parks Department put together a 20 year plan for Ellen Trout that relates to the area other than the Zoo. Mr. Maclin stated that this includes the area on the lake, the area on the peninsula, and a new area known as the former landfill. Mr. Maclin stated that TNRCC had put a hold on the landfill area for five years, and in two years it will be available for potential recreational use. Mr. Maclin stated that there are several acres which could be utilized for radio controlled airplanes, or practice fields.

Mr. Maclin recognized Tino Villasana from the Girl's Youth Softball, who is asking for matching funds for three additional softball fields. Mr. Hannabas stated that one of the goals for the softball fields is to make one of them into a class act for the Lufkin Lady Panthers. Mr. Hannabas stated that they are real close to having softball at Angelina College and they are hoping that this will be their home field as well.

In response to question by Mr. Boyd, Mr. Hannabas stated that the City has three softball fields now, and one of them is not lighted.

Mr. Robertson asked if the detention pond that would be put in west of Morris

Frank effect the softball fields. Mr. Maclin stated that the boy's field, if there was an 8" rain, might be effected. Mr. Robertson stated that detention ponds in other cities have been used for recreational activities, and he would suggest that the Parks Department take a look at the possibilities here.

CIVIC CENTER - RENEE THOMPSON

Mrs. Thompson stated that she would like to thank the City for allowing her to be the Civic Center Director. Mrs. Thompson stated that she wanted to thank the Council for all of the opportunities to make the repairs that have been needed at the facility. Mrs. Thompson stated that this building is heavily used and will be rented a total of 165 times during this budget year, totaling 229 days. Mrs. Thompson stated that customer service is her main priority, and her staff is committed to meeting the needs of the citizens.

In response to question by Mr. Boyd, Mrs. Thompson stated that the sound system has been worked on this year and it seems to be operating quite well at this time. Mrs. Thompson stated that she does have funds in the budget for the repair of the sound system if there are any more problems. In response to question by Mr. Kuykendall as to the problem with storage, Mrs. Thompson stated that she was able to sell the old stage to Harmony Hill Baptist Church and some of the box warmers, which allowed for more room in the stage area. Mrs. Thompson stated that she and one of her workers had done some extensive cleaning and now had some items ready to go out for bid to allow for more storage room.

Mrs. Thompson stated that her first supplemental request was the replacement of the mechanical walls in the Civic Center. These were the original walls that were installed in the building when it was built in 1975. They were manufactured by Halls Operable Walls, which is no longer in business. Mrs. Thompson stated that the walls have been rapidly deteriorating these past few years, and during the last year there have been many mechanical failures during events where the walls would not close. Mrs. Thompson stated that 76 events have requested to use the entire facility and 89 events want only a portion of the building. Mrs. Thompson stated that looking over the reservation books she has determined that they have had to move the walls to accommodate an event approximately 93 times. Mrs. Thompson stated that this puts considerable strain on the walls due to their present condition. Mrs. Thompson stated that she contacted Glenn Trahan of TRW ModernFold and Tim Richardson with RPR Construction Company to come and evaluate the condition and the needed repairs to the walls. Mrs. Thompson stated that both companies indicated the difficulty in repairing the walls due to the location of replacement parts. Both companies were unable to locate replacement parts and Mr. Richardson stated that he would be able to manufacture parts out of what is left on the walls. Mrs. Thompson stated that Mr. Richardson stated that he could come and make some repairs to the walls to extend the life of the walls one to two years. Mrs. Thompson stated that her main concern at this time is the customers who have rented the center in good faith that their event will be

accommodated.

Mrs. Thompson stated that she would leave the decision of replacing the walls in this budget year at the discretion of the Council. Mrs. Thompson stated that, in her opinion, it would be to the benefit of the City to go ahead and replace the walls, and make the temporary repairs in the interim.

Mr. Maclin stated that the top letter of the handout from Tim Richardson addresses what staff and Council talked about two meetings ago in regard to the temporary repair and what the City could expect from that. Mr. Maclin stated that Mr. Hager had mentioned a short term lease purchase debt, three to five years, to spread the cost of the wall replacement out over three to five years, and then commit hotel/motel tax funds to pay that three to five year note back. Mr. Maclin stated that it would take nine months to manufacture the new walls. Mrs. Jones stated that she remembered that the City Attorney had said that lease purchase would not be available to finance these repairs. Mr. Maclin stated that staff will get Mr. Flournoy's confirmation before we would proceed further. Mr. Maclin stated that staff is trying to do what is cheaper for the City, and there is the possibility that this will be included in the Capital Improvements Plan. Mr. Maclin stated that the temporary repairs will be taken out of existing hotel/motel funds.

Mrs. Jones stated that this seems like a big maintenance item that just came up all of a sudden, and asked if staff did not know that this wall was in such bad shape. Mr. Maclin stated that there was a change over in leadership at the Civic Center and there was a learning curve there. Mr. Maclin stated that it's just a matter of the walls being 24 years old and maybe as long as three years ago we should have been looking at this. Mrs. Thompson stated that the walls have gradually deteriorated. Mr. Hannabas stated that the walls had been repaired before when the Civic Center was under Public Works by Public Works employees. Mr. Hannabas stated that this time we will be using professional people to repair them and eventually replace them.

Mr. Hager stated that this year he is placing some responsibility on David Cochran, who is in charge of Building Maintenance, and the Inspection Department for this sort of maintenance.

Mr. Robertson asked if staff had explored other alternatives such as replacing the traversing mechanism to hang the walls, maybe there was a cheaper way to fix the walls than replacing them. Mr. Robertson stated that a whole new wall system might cost more but might give more utility. Mr. Maclin stated that he had asked Beauford Chapman, Director of Inspection Services, to look at the walls.

Mrs. Thompson stated that her second supplemental request was for a bleacher system in the Civic Center. Mrs. Thompson stated that in the 1998-'99 budget year process Council authorized her to get an evaluation of the bleacher system through a bid process. Mrs. Thompson stated she hired Thomas Barrow from Specialty

Supply Company to come and do a thorough examination of the system and his letter of recommendation is in the packet that was handed out. Mrs. Thompson stated that the bleachers in the Civic Center are also the original system that was installed when the building was built in 1975, and they have started showing their age. Mrs. Thompson stated that they have been increasingly harder to maneuver by the staff causing considerable time to be spent in both pulling the bleachers out and pushing them back in. Mrs. Thompson stated that they are worn and won't stay on track. Mrs. Thompson stated that Mr. Barrow stated that the bracing up under the bleachers is starting to fail and that is causing a lot of the problems. Mrs. Thompson stated that they use the bleachers approximately 18 times during the budget year. Mrs. Thompson stated that the bleachers are used for concerts, graduations, and things of that nature.

Mr. Bowman asked if the bleachers were at the point they might be considered dangerous, and Mrs. Thompson stated that they are getting to that point because the bracing is starting to fail and that is a safety concern. Mrs. Thompson stated that the railing around the bleachers is also starting to fail and that too is a safety concern.

Mr. Robertson asked if the bleachers were important enough for 18 events a year to spend this kind of money. Mr. Robertson asked if staff had really looked at the need to keep the bleachers there as opposed to going to chairs. Mrs. Thompson stated that it would be Council's decision whether to replace the bleachers or to replace them with chairs, her only concern would be the visibility in seeing the stage. Mrs. Thompson stated that you can seat the same amount of people using chairs, but when you have someone performing on stage it makes the stage a little less visible.

Mrs. Thompson stated that Mr. Barrow developed a proposal for the repairs and a motorization of the system that she feels would be cost effective. Mrs. Thompson stated that, in her opinion, the system he proposed would work better than the system they have now.

Mr. Robertson stated that this might sound outlandish and ahead of the game, but it might be time to look at a major overhaul of this facility or special bonding to build a new one. Mrs. Jones stated that as a total package, the roof, walls, bleachers, parking lot, etc., it might be more cost effective to build a new building.

Mrs. Jones asked if the Civic Center would qualify for a grant application. Mr. Maclin stated that typically the grants that are given for Civic Centers are private foundation grants, and historically they are for new construction as opposed to rehabilitation/renovation.

Mr. Bowman stated that the Civic Center had been named "The Pitser Garrison Civic Center" about the time he came on the Council and the name was put on the marquee, but the name on the building remains "Lufkin Civic Center". Mr.

Bowman requested that Mrs. Thompson find out how much it would cost to make this correction on both ends of the Civic Center.

Mrs. Thompson stated that her last supplemental request was to resurface the parking lot around the Civic Center. Mrs. Thompson stated that presently there are 336 spaces with six handicapped spaces in the parking lot. Mrs. Thompson stated that the lot has many large cracks and is in various stages of disrepair. Mrs. Thompson stated that the work can be accomplished with City equipment and in-force labor.

Mr. Robertson stated that in looking at resurfacing the parking lot, it might also be a good time to look at refurbishing the landscaping. Mr. Robertson stated that the way the landscaping is designed right now it requires a lot of intensive maintenance and there is a way to reduce the maintenance. Mrs. Thompson stated that she has put aside some money in the regular operating budget for botanical supplies and she has contacted Rachel about replacing the plants with plants that are low maintenance and also attractive.

ZOO - CELIA FALZONE

Ms. Falzone stated that Mr. Henley was unable to be present this morning and she was standing in for him. Ms. Falzone stated that the first supplemental request was for a staff veterinarian. Ms. Falzone stated that due to the increased growth and complexity of the zoo's animal collection it is becoming necessary to require the services of a veterinarian more frequently than in the past. Ms. Falzone stated that in order to provide the type of veterinary care necessary to meet the increasing needs of the zoo animals, they are requesting the services of a full time veterinarian. Ms. Falzone stated that currently they are using the services of East Texas Veterinary on a consulting basis, and they are doing a good job. Ms. Falzone stated that this position could also provide veterinary assistance to the Animal Control Department if needed. In response to question by Mr. Bowman, Ms. Falzone stated that they have \$16,000 budgeted for veterinary services and that includes veterinary visits, medications, emergency service, antivenins and other veterinary supplies. Ms. Falzone stated that the veterinary visits cost \$110 per hour. Ms. Falzone stated that there is office space for this person that could be used in the clinic.

Mr. Hager stated that this position would save \$12,000 in account 2009 by removing the hourly services normally budgeted there.

Mrs. Jones stated that she and Mr. Gorden were talking about whether or not this veterinarian would need to be specialized in some way to care for the exotic species, and every year during budget requests Council is asked for funds to approve special schools for the contract veterinarian. Ms. Falzone stated that there is \$1,000 in this request for travel and schooling and AZA meetings.

In response to question by Mr. Gorden, Ms. Falzone stated that once this person is on board, they could probably get the equipment they don't have donated from hospitals.

Ms. Falzone stated that the next item is a film projector and copier for the Gestetner copier they are presently leasing in the amount of \$2,400. Ms. Falzone stated that this would enable the zoo to expand its abilities to produce graphics for public benefit by allowing staff to copy 35 mm slides, both new and from the archives directly from the carousel to the printer.

Ms. Falzone stated that the third supplemental request is for a utility vehicle for \$7,500. Ms. Falzone stated that the zoo has an electric cart they are using but because of the expansion of the zoo staff has a lot of demand for using this cart, often time simultaneously. Ms. Falzone stated that with the growth they are looking at an additional cart would help them out in performing their duties.

In response to question by Mrs. Jones, Ms. Falzone stated that there are several wheel chairs at the admissions booth.

Ms. Falzone stated that the next item from the Zoo's building fund is a request to designate \$200,000 from the Zoo Building Fund for use in the hippo habitat fund in order to help assure the construction of this state of the art new exhibit for the zoo. In response to question by Mr. Gorden, Mz. Falzone stated that the balance in the zoo building fund is \$154,900, which includes miscellaneous revenue, donations, sale of animals, concessions, etc. Mr. Maclin stated that Gorden has a Temple grant that is a matching grant. Ms. Falzone stated that in this request for the Hippoquarium, the Temple Foundation has pledged \$100,000, Friends of Zoo have \$100,000 in their account, the Hippo Habitat Fund has \$150,000 in funds and pledges, which includes pledges from Lufkin Industries, Mr. Trout, and people who have a particular interest in this project. In response to question by Mrs. Jones, Ms. Falzone stated that the cost of the animal would range from \$500 to \$100,000, and will depend upon what the availability is. Mr. Maclin stated that Mr. Henley had indicated to him that the range would be from \$500 to \$7,500, and thought he might have a donor to provide the hippo.

Ms. Falzone stated that the architect is currently working on a review of the cost estimate which was originally \$502,000.

Mr. Maclin stated that there is a current fund balance estimated at \$721,611 in the Zoo building fund and that is after we have paid for the rhino, the giraffes and the restrooms. Mr. Maclin stated that Mr. Henley is projecting the total funds available at \$906,000 at the end of this fiscal year. Two hundred thousand (\$200,000) will be used as the match to get the rest of the money from Temple, the Friends of the Zoo, etc.

In response to question by Mr. Gorden, Mr. Maclin stated that this would not be a

decision package in the General Fund, but the request is basically seeking Council's permission for them to keep moving forward.

There was a consensus of opinion to approve the request.

FIRE - PETE PREWITT

Chief Prewitt introduced Paula Bailey, the Fire Department Office Manager. Chief Prewitt stated that he had one supplemental request and that was for the addition of a Fire Inspector at a Lt.'s rank with the Fire Marshal's Division. Chief Prewitt stated that there are numerous Fire Department functions and responsibilities that include Public Awareness, Building Inspection, Fire Suppression, Heavy Rescue, Hazmat, and EMS. Chief Prewitt stated that Duane Freeman, Battalion Chief is the Fire Marshal for the City, and Hershel Lee is an Inspector. They are responsible for fire safety and public education, to enforce the laws and ordinances of Lufkin, perform building inspections, investigate the cause and nature of fires, work with other agencies, conduct internal affair investigations as needed, and pre-employment background checks. Chief Prewitt stated that the Fire Marshal is also involved in plan review for new construction and additions. Chief Prewitt stated that at this time the Department has a Fire Inspector assigned to the Fire Prevention Division.

Chief Prewitt stated that it has been 12 years since the present Fire Inspector position was approved. Chief Prewitt stated that there have been a lot of changes in the City of Lufkin in 12 years, and the population in 1987 was in the high 20's, current population is pushing 40,000. Chief Prewitt stated that the Department has had increased arson investigations and an increase in fire inspections, and an increase in plan review.

Chief Prewitt stated that he understands that money for new positions is in short supply, and his proposal is that this position be shared with the Building Inspection Department. Chief Prewitt stated that it is his understanding that Building Inspection is also requesting another position for Building Inspector. Chief Prewitt stated that he is looking to some cross-training between the two departments. Chief Prewitt stated that if this position is approved, he would share 50% of the cost with the Building Inspection Department and Code Enforcement Department, and he would like to appoint Charlie Grumbles for the position. Chief Prewitt stated that Mr. Grumbles is a certified firefighter, and he is now enrolled and attending a Fire Inspection Course at Angelina College.

Mr. Hager stated that the Sweetsoft software being used in the Fire Department does not operate effectively under a Windows environment, and he and the Chief and Mr. Cameron have talked about and looked at HTE's Fireline Program, which is a full fire system that runs compatibly with the rest of the City's software. Mr. Hager stated that in all likelihood staff will be coming back to Council next year with an update on the Sweetsoft software, which is the EMS billing program, with the HTE

Fireline module. Mr. Hager stated that at this time he does not know what the cost of the software is because Sweetsoft is not giving a really good estimate and they are not sure when their program will be out. Mr. Hager stated that the best option might be to buy the update on the Sweetsoft Program.

REQUEST OF MUNICIPAL JUDGE

City Manager Maclin stated that a few months back Judge Sloan had come to him and said that his position in terms of his salary had not been reviewed in a while and asked that staff do a salary survey. Mr. Maclin stated that he asked David Koonce, Director of Human Resources, to do a salary survey and compare "apples-to-apples", which is not an easy task since the position of Municipal Judge varies from city to city. Mr. Maclin stated that he is providing this to Council as a request from the Judge, recognizing that by Charter the Judge is hired by and answers to the City Council.

Mr. Koonce stated that a survey was conducted, and a normal working schedule for the Judge is about 60 hours per month. Mr. Koonce stated that our Judge is the only one in the salary survey that was performed that has full time benefits. Mr. Koonce stated that the Judge is on the City's vacation schedule, sick leave schedule and insurance plan, which is an exception, and is not included in his salary package. Mr. Koonce stated that this amounts to 28-30% that is not seen when you look at his salary. Mr. Koonce stated that currently Judge Sloan is being paid \$33,966 per year, \$2,830 per month or \$47.17 per hour, if you use 60 hours per month as the average hours worked.

Mr. Maclin stated that he felt like he had honored the Judge's request by bringing it before Council and having Mr. Koonce prepare the salary survey and provide additional information regarding the Judge's current salary and benefits.

ENGINEERING - KEITH WRIGHT

Keith Wright, City Engineer, stated that he had passed out a handout on avoided engineering costs, prepared by Debbie Fitzgerald. Mr. Wright stated that Ms. Fitzgerald was very conservative in preparing this report which covers a period from May of 1998 to May of 1999 at a cost of \$204,187. Mr. Wright stated that since the Engineering Department was created, they have been doing a lot more than they have ever done before. Mr. Wright stated that one of the things that he was concerned about was the upcoming asbestos cement pipe replacement for the next three to five years, which will put a heavy load on the Engineering Department. Mr. Wright stated that his first supplemental request was for an engineer in training, which is a degreed civil engineer with less than four years of experience by definition. Mr. Wright stated that an "engineer in training" has passed his first test towards his engineering certification. Mr. Wright stated that he is looking for this position to help him get through the first couple of years of the A/C pipe replacement. Mr. Wright stated that he is looking for Kenneth Vann to retire

within that time frame, and he will ultimately eliminate that position and come back to where he was at the same number of positions. Mr. Wright stated that he could do one of the fifteen projects in house and save the total cost of his position by doing the engineering on the project. Mr. Wright stated that this position would have to be identified in the General Fund, whereas the savings would actually occur in the Water and Sewer Fund. Mr. Wright stated that his budget is \$167,000 less this proposed budget year than it was last budget year, and is mainly due to the reduction in the drainage studies that are being finished up.

Mr. Wright stated that the next request is for a pickup for the Department's inspector. Mr. Wright stated that this is another item that can actually pay for itself. Mr. Wright stated that he presented the request at a cost of \$23,000, but in a lease purchase this would be a "0" effect if it was spread out over a four year period. Mr. Wright stated that last year he paid almost \$6,500 in mileage at 31 cents a mile to the Department's inspector. Mr. Wright stated that he could eliminate this amount in his budget and actually pay for the pickup in four years.

In response to question by Mr. Robertson as to the need for additional City parking, Mr. Wright stated that staff is looking at an expansion at the City park area doubling the parking. Mr. Wright stated that staff will also move the bag operation back so that it is not a safety hazard.

DEPRECIATION FUND - KENNETH WILLIAMS

Mr. Williams stated that Councilmembers had before them the Depreciation Fund requests for Wastewater, Solid Waste and Recycling. Mr. Williams stated that the funding is available for 1999-2000 at approximately \$993,000. The amount available for replacements is \$496,798. Mr. Williams stated that Utility Collections is requesting a truck replacement and office furniture replacement at \$21,400. Mr. Wright stated that the Ellen Street water storage tank painting was taken out of this budget and placed in the CIP Program. Mr. Williams stated that in Wastewater Treatment they are looking at replacing a uniloader and replacing a dump truck for a total of \$97,000. Sewer Utilities is looking at replacing a trackhoe, dozer, rubber tire loader with boom, 1/2 ton pickup, one ton truck with utility bed pickup. Mr. Williams stated that he is replacing some items that will be moved over to the Drainage Creek Program. Mr. Wright stated that the Drainage Creek Program will be presented in the Street Department's presentation. Mr. Wright stated that if this program is not funded, he would not do the replacement on the trackhoe or the dozer because that is tied to the creek cleaning package. Mr. Williams stated that looking at the total request, and deleting the \$200,000 for Water Production's Ellen Street water tower that would be \$430,400 and the amount underfunded would be a positive number of \$66,397. Mr. Williams stated that if the dozer and trackhoe are not purchased this amount would increase even more in that item.

Mr. Williams stated that the Solid Waste and Recycling Depreciation Fund funding for 1999-2000 is \$849,917, and the amount available for replacements is \$424,959. Mr.

Williams stated that the supplemental request is to replace computers at a cost of \$10,000 and to replace the tub grinder at \$633,700. The total amount of requests for Solid Waste and Recycling is \$643,700, which would give an amount underfunded of \$218,742. The tub grinder would be funded over a two year period. In response to question by Mr. Gorden, Mr. Maclin stated that the present tub grinder was purchased in 1992 or 1993. Mr. Maclin stated that this tub grinder is big enough to take stumps and pulverize them and turn them into mulch.

Mr. Hager stated that he would like to offer an alternative to Mr. Webster's plan, in that he would like to see him buy the tub grinder this year, if Council's approves. Mr. Hager stated that this fund actually has a balance, and we will contribute \$849,000 and half of it will be used for a replacement and the other half will be retained and saved for new equipment replacement. Mr. Maclin stated that we are actually saving enough money by designating half of the money for the future, to where when it is time for Mr. Webster to replace a fleet of trucks he replaces seven at one time. Mr. Maclin stated that we gain two things from that, getting a better price for buying a larger number of vehicles, and the uniformity for having trucks by the same manufacturer, thereby saving money on part replacement, etc.

LIBRARY - JOYCELYN CLAER

Mr. Maclin stated that Joycelyn Claer will be presenting the Library budget. Also present were Kristi Gay and Henry Holubec. Mr. Weems, Library Board Chairman, was out of town.

Ms. Claer stated that in the 1998 fiscal year the Kurth Memorial Library conducted 101,061 library transactions and had 160,000 library visits. Ms. Claer stated that the Library's holdings currently are 48,078 titles and they do participate in inner-library loans. Ms. Claer stated that the Library is open 45 1/2 hours a week and is possibly the only community entity that would provide programming for Toddler through Pre-K educational programming. Ms. Claer stated that during the fiscal year of 1998 they circulated over 29,000 items of juvenile interest and over 303,000 young people attended children's programs at the Library. Ms. Claer stated that the Library, in her opinion, is a very vital and necessary community institution, and historically the Library has been on a pretty tight budget. Ms. Claer stated that the Library would very much like to expand their vision and services in what they could offer to the community. Ms. Claer stated that in order to do that, the Library is looking to build a new Library building and they hope to have a beautiful building with new furnishings that will be welcoming to all the citizens in Lufkin, Texas. Ms. Claer stated that in order to boost their collections for their permanent inventory items, it will take a major infusion of money. Ms. Claer stated that the Library, in the past, has depended almost solely on gifts, memorials, some money from the State (which is dwindling each year), and there is some money set aside for library materials (which barely covers their standing orders). Ms. Claer stated that in the last 10 years publishing prices of periodicals has gone up over 1200%. Ms.

Claer stated that there is an average inflation rate in periodicals of 17% per year. Ms. Claer stated that she is present to ask for help from the City. Ms. Claer stated that in the past the City has graciously and generously assisted the Library by providing approximately 58% of the Library's budget and that money went primarily to provide for salaries and for utilities. Ms. Claer stated that in the FY1998-99 budget the City of Lufkin provided \$210,560, which did not cover the entire amount of the salaries. Ms. Claer stated that over a period of three years, as a result, the Library has been in the position of needing to make up the remainder of the salary money. Ms. Claer stated that unfortunately the Library has not been able to do that and it has created a financial crunch for the Library. Ms. Claer stated that during this fiscal year, because they have practiced the strictest of economy, the Library will be able to come in within budget and will not have to trespass on the City's good graces to help make up the remainder for the salaries. Ms. Claer stated that however, for the ensuing year FY 1999-2000 the Library is asking for an increase of \$22,440 for a total of \$233,000 to be placed in the line item 2010, for salaries for Library personnel. Ms. Claer stated that even if this amount were to be granted, the Library is still looking at a revenue short fall that they will have to find funding for in the ensuing year of approximately \$32-34,000.

Mr. Maclin stated that on the sheet that Mr. Hager passed out earlier entitled "City Council Contributions and Gratuities", Ms. Claer changed the total from \$230,000 to \$233,000 for the Library, which makes the new total \$382,024.

ADMINISTRATIVE COMMENT - C. G. MACLIN

City Manager Maclin stated that he would like to make an administrative comment about the Lt. in the Fire Department as requested by Chief Prewitt. Mr. Maclin stated that he questioned Chief Prewitt on this request because we had just added twelve people to the Fire Department in the last year and a half, which is highly unusual for a City our size to add 12 personnel to the Fire Department. Mr. Maclin stated that the addition of these personnel was justified and we were able to use the elevated storage tank and to reduce cost in terms of the new Fire Station No. 6. Mr. Maclin stated that he told the Chief that it was inappropriate and premature to ask for additional personnel this quickly on the heels of getting 12 new men. Mr. Maclin stated that he told the Chief what he would request that he do is convince him first, before he makes the request for an additional Fire Inspector, why he couldn't get the Captains in each of the Departments who basically sit in the stations all day long unless there is a fire. Mr. Maclin stated that these are three men stations and that means there is a firefighter and a Lt. who make all the EMS runs, and the Captain stays in the station. Mr. Maclin stated that his theory was, and this is done in other cities, is to train the Captains as Fire Inspectors, which Angelina College now offers Fire Certification, and get them to relieve the burden on the Fire Marshal and the Assistant Fire Marshal. Mr. Maclin stated that option #2 was to try to cross train personnel in the Building Inspection Department like we have been doing through Code Enforcement and Building Inspection to likewise get trained in plan review for Fire Code, or get trained in Fire Inspection for building

inspections. Mr. Maclin stated that we would train inhouse personnel and when building activity slacks off we have people who can take up some of the load in house. Mr. Maclin stated that he told the Chief that he would not support an additional Lt. Fire Marshal until he proved to him that neither one of those ideas would work.

Mr. Maclin stated that the only way, in good conscience he could support an additional personnel is if it was in coordination with another decision package Council will hear from tomorrow for additional personnel in the Inspections Departments due to backflow preventor requirements. Mr. Maclin stated that this is another of the unfunded mandates that the City is required to do, but they did not give us any money to do it with. Mr. Maclin stated that unless the position could be combined with the other position it would be hard for him to support it. Mr. Maclin stated that staff had researched the other two alternatives and he is satisfactorily convinced that neither of them is feasible.

In response to question by Mr. Robertson as to the time and cost of the course at Angelina College, Mr. Maclin stated that it is a six week class at a cost of \$200. Mr. Maclin stated that the employee must have had some previous training to be able to get this certification in six weeks time, and the people who are attending from the City are already certified firefighters.

In response to question by Mr. Gorden, Mr. Maclin stated that three years ago when we conducted the citizen's survey, the feedback showed that people were dissatisfied with Code Enforcement, which was one of the weakest areas in the survey. Mr. Maclin stated that as a result of that, to respond to citizen's comments of inadequacy in our Code Enforcement, Council added an additional Code Enforcement Officer to help relieve some of the backlog and public perception that the City was not doing their job in Code Enforcement.

STREET - STEVE POSKEY

Steve Poskey of the Street Department stated that he had four supplemental requests. Mr. Poskey stated that the first supplemental is for additional funds to increase the quality of streets and drainage systems in Lufkin. Mr. Poskey stated that he is asking for \$250,000 for this request. Mr. Wright stated that he had asked Mr. Poskey to put in this request based on the amount of roadways in the City, because with the funds that are available he cannot do the type of maintenance that is necessary to maintain the streets in the condition that the citizens desire. Mr. Wright stated that one of his most frequent complaints is the quality of City streets, and basically this department is underfunded. Mr. Wright stated that he realized that this is a lot of money, actually more money than is available, but he felt the need to impress upon the Council that there is a need for improving funding to upkeep the streets in the City. Mr. Maclin stated that one consideration that Council might want to look at in the future that a lot of cities have used is to issue \$2-3 million in debt and do an extensive street-wide program to get the streets up to

grade and then get them on a regular maintenance schedule that is affordable within the current operating budget. Mr. Maclin stated that debt retirement is a way of doing a big splash. Mr. Maclin stated that two or three years ago Nacogdoches did a \$2.5 million issue and repaved or overlayed approximately 90 streets. Mr. Wright stated that yesterday he talked to David Smith, City Engineer in Nacogdoches, and he said that about three different times in the last 10 years they have done \$2-3 million issues and have gotten their streets in the condition where they can maintain them. Mr. Wright stated that one of our problems is that we have so many streets that need to be reconstructed. Mr. Wright stated that it doesn't do any good to surface them because the surface will deteriorate because there is no base underneath. Mr. Wright stated that there are some other options for taking our money a little further, but we might catch some flack from some citizens, such as doing a surface course or a chip seal. Mr. Wright stated that once the citizens get familiar with the process they will be more acceptable, but initially going through some of the surface course type treatments in some of the areas, they will not be happy with it because of the loose gravel, but over time it will be something they can accept. Mr. Wright stated that this will be a way to seal some of the City streets and get a little longer life out of them at a lot cheaper cost.

Mrs. Jones stated that when she came on the Council the City was in the process of resurfacing all the streets, and she wanted to know if we are still in this program. Mr. Wright stated that what was initially done is that so much money was budgeted towards overlays and when he came on board in the Engineering Department he modified that program some because he did not see any reason in overlaying a street when the overlay was not going to be effective. Mr. Wright stated that he started doing some street reconstruction such as is being done on Culverhouse now, where we are actually going in and putting down some base underneath the street where when the street is finished it will last a long time, hopefully 10 years. Mr. Wright stated that when you put an overlay over a street that does not have a base on it, in one to two years the cracks will all be reflected back to the surface.

Mr. Maclin stated that in the mid to late '80s the City did not spend any money on the streets because of tight budgetary times and the City went through a roll back election in 1988, and street maintenance was virtually nil. Mr. Maclin stated that in 1991 when he came to the City, we were spending \$150,000 a year on street programs; that was doubled in 1993 to \$300,000 and in 1995 it went up to \$850,000. Mr. Maclin stated that that is the level we are at now between \$850,000 and \$950,000, but we have also fragmented that by spending a good bit on drainage or drainage projects because in some cases the lack of drainage made the street not last. Mr. Maclin stated that the \$250,000 is just another attempt to continue what we have been doing to play catchup for what we missed in the '80s.

Mr. Gorden stated that he would be interested in creating some debt and doing a lot of street reconstruction. Mr. Bowman stated that he would like to see staff and Council explore the street reconstruction program. Mr. Hager stated that the debt could not include any maintenance or repair work. Mr. Wright stated that staff

would have to come up with a number that we would set aside for debt service and another number that we would keep for maintenance.

Mr. Poskey stated that he would like to add that today he is spending over \$200,000 for patching potholes.

Mr. Poskey stated that the next supplemental request is for two tandem dump trucks, two heavy equipment operators, two CDL truck drivers, and one laborer needed to implement and maintain the creek maintenance program at a cost of \$198,649. Mr. Wright stated that he had talked to Council earlier about replacing the trackhoe and dozer in the Water and Sewer Department, and take the older equipment and transfer it to the Street Department for operation of this program. Mr. Maclin stated that in previous years this Decision Package is what has been known as the Drainage "Swat Team". In response to question by Mrs. Jones, Mr. Maclin stated that the first year of this request was for only three employees. Mr. Wright stated that this was modeled after other cities and what they were doing with drainage problems. Mr. Poskey stated that at this time there is no equipment for going off-road and cleaning the creeks. Mrs. Jones stated that to be effective and to protect what has already been done, this must be an on-going complete program. Mr. Robertson stated that he agreed with Mrs. Jones that this must be an on-going program and that is why he made the comments he made at last night's Council meeting about the silt fences and those kinds of things along construction projects and a concern about opening up areas that increase the runoff. Mr. Robertson stated that if the City does not have a comprehensive plan to deal with all that eventually we have creeks that overflow and the erosion of the creek beds. Mr. Robertson stated that there cannot be a random cleaning of creeks to solve this problem.

In response to question by Mr. Gorden, Mr. Wright stated that this "team" would get into storm sewer installation, cleaning creeks, erosion reenforcement, and would be a continuous operation of maintenance to the infrastructure as far as it is related to drainage. Mr. Wright stated that if we needed to we could scale this back this year and get part of it and part of it next year. Mrs. Jones stated that she was concerned that the detention ponds would be addressed in the CIP Program and this is being requested through a Decision Package. Mrs. Jones stated that she would like some mechanism whereby this was presented as a total package and not piecemealed by one thing passing and the other thing not passing. Mr. Maclin stated that what staff is trying to say is that when it is a capital program we have to look at it through a capital improvements methodology by government accounting principles and when it is a maintenance and operations we look at it through that. Mr. Maclin stated that staffs recommendation Monday is that we do build the detention ponds and whether we get the drainage crews or not, we will get more value for the dollars spent for those detention ponds than any other dollar we could spend recognizing that there are limited dollars. Mr. Maclin stated that to get to the next level of protection and benefits to the citizens, having a drainage team that is dedicated to this rather than trying to get employees from the Street Department pulled off of

patching potholes to go clean out creeks. Mr. Maclin stated that ideally we would first get the detention ponds and secondly the crew to provide the ongoing maintenance. Mr. Maclin stated that if he had to choose between the two he would choose the detention ponds. Mr. Wright stated that staff is trying to move from being reactive to being proactive, and right now we are reactive.

Mr. Poskey stated that the next supplemental request is a continuation of the first request and is a tandem dump truck and CDL truck driver needed to implement and maintain the creek maintenance program at a cost of \$54,369. Mr. Poskey stated that at the present time he has four tandem trucks to do all the overlay and chip sealing. Mr. Poskey stated that the trucks he is requesting are needed for more things other than just the drainage.

Mr. Poskey stated that his last supplemental request is for a boom mower which is needed to replace the current unit, which was purchased in 1985. Mr. Poskey stated that this machine is needed to maintain our quality of services and will cost \$24,200. Mr. Poskey stated that his employees mow 690 streets and are now mowing some of the State right-of-way. Mr. Poskey stated that on a normal mowing season this machine runs about 1800 hours, and the last three years it has been down about 33% of the time. Mr. Poskey stated that he is way behind on the mowing schedule and is receiving numerous complaints. Mr. Williams stated that the boom mower is needed to mow hills and steep ditches and that hasn't been done in the last few weeks because the mower is in the shop. Mr. Poskey stated that he would estimate that 55-60% of the mowing in the City needs to be done with a boom mower.

Mr. Gorden stated that he had noticed TxDOT spraying around the Loop last week and wondered if this is something the City needs to look at. Mr. Maclin stated that the Parks Department uses spraying in the ball fields and normally this is something that is done in the spring before the weeds get too bad. Mr. Maclin stated that in a really good program you have pre-emergent and post-emergent herbicides. Mr. Maclin stated that in some cases a spraying program for broad leaf weeds would be advantageous but in some cases you would not gain the same benefit.

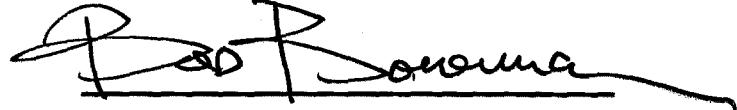
Mr. Williams stated that last year staff had explored the possibility of going out for bids for mowing but it proved to be cost prohibitive, and it would be less for the City to buy a mower and pay men to do the mowing than to contract it out. Mr. Gorden stated that staff might ask TxDOT about the possibility of borrowing their equipment. Mr. Poskey stated that his department sprays in places that are inaccessible for a mower. Mr. Maclin stated that we have employees in both the Parks Department and Street Department who are pesticide/herbicide certified.

In response to question by Mr. Boyd, Mr. Maclin stated that the mosquito spraying is done by the Parks Department. Mr. Maclin stated that an administrative decision had been made to purchase a new sprayer/fogger in next year's budget. Mr. Maclin stated that the spraying is being done on a citizen call in basis, and is usually done within three to four days after the call is received.

Mr. Maclin stated that staff would have the Decision Ranking Sheets for Council in the morning.

Mr. Bowman stated that he would like to see a list of the number of vehicles that is being requested through Decision Packages.

15. There being no further business for consideration, meeting adjourned at 1:50 p.m.



Bob Bowman
Mayor pro tem

ATTEST:



Atha Stokes Martin - City Secretary