

MINUTES OF REGULAR MEETING OF THE CITY COMMISSION OF THE CITY OF LUFKIN, TEXAS, HELD ON THE 20TH DAY OF DECEMBER, 1988, AT 5:00 P.M.

On the 20th day of December, 1988, the City Commission of the City of Lufkin, Texas, convened in regular meeting in the Council Chambers of City Hall with the following members thereof, to wit:

Louis A. Bronaugh	Mayor
Percy Simond, Jr.	Commissioner, Ward No. 1
Don Boyd	Commissioner, Ward No. 2
Danny Roper	Commissioner, Ward No. 3
Bob Bowman	Commissioner, Ward No. 4
Jack Gorden	Commissioner, Ward No. 5
Paul Mayberry	Commissioner, Ward No. 6
Harvey Westerholm	City Manager
Brian Boudreaux	Assistant City Manager
Ron Wesch	Public Works Director
Bob Flournoy	City Attorney
Atha Stokes	City Secretary

being present when the following business was transacted.

1. Meeting opened with prayer by Rev. Dan March, assistant pastor, First Christian Church.

2. Mayor Bronaugh welcomed visitors present.

3. APPROVAL OF MINUTES

Minutes of workshop meeting of December 5th and regular meeting of December 6, 1988 were approved on a motion by Commissioner Don Boyd and seconded by Commissioner Danny Roper. A unanimous affirmative vote was recorded.

4. ORDINANCE - APPROVED - SECOND READING - TAX ABATEMENT/REINVESTMENT ZONE - CORKERN CONSTRUCTION CO. - 1903 SOUTH FIRST - SHONEY'S

Mayor Bronaugh stated that the first item for consideration was Second Reading of Ordinance for Tax Abatement/Reinvestment Zone for Corkern Construction Co. covering property located at 1903 South First Street (Shoney's Restaurant).

Motion was made by Commissioner Paul Mayberry and seconded by Commissioner Danny Roper that Ordinance for Tax Abatement/Reinvestment Zone for Corkern Construction Co. located at 1903 South First Street be approved for a five year Tax Abatement on Second and Final Reading.

The following vote was recorded:

Aye: Commissioners Mayberry, Roper, Gorden, Bowman and Mayor Bronaugh

Nay: Commissioners Simond and Boyd

Mayor Bronaugh stated that motion carried by a vote of 5 to 2.

5. ORDINANCE - APPROVED - SECOND READING - FOOD ESTABLISHMENT PERMIT REPEALED

Mayor Bronaugh stated that the next item for consideration was Second Reading of Ordinance to repeal Food Establishment Permit.

Motion was made by Commissioner Bob Bowman and seconded by Commissioner Jack Gorden that Ordinance be approved on Second and Final Reading. A unanimous affirmative vote was recorded.

6. ORDINANCE - APPROVED - SPEED LIMITS REVISED - U. S. HIGHWAY 69 SOUTH

Mayor Bronaugh stated that the next item for consideration was an Ordinance revising speed limits on U. S. Highway 69 South.

Mayor Bronaugh stated that a letter had been received from J. L. Beaird of the State Department of Highways and Public Transportation recommending that the speed limits beginning at Slack Street south past Joyce Lane (for a distance of 1.201 miles) be changed from 55 mph to 50 mph.

Motion was made by Commissioner Bob Bowman and seconded by Commissioner Don Boyd that Ordinance be approved on First Reading. A unanimous affirmative vote was recorded.

7. AMENDMENT - TABLED - LUFKIN TRANSIT SYSTEM CONTRACT

Mayor Bronaugh stated that the next item for consideration was an amendment to the Lufkin Transit System Contract.

City Manager Westerholm stated that the present two-year agreement will expire December 31, 1988, and the Transit System is requesting that contract be amended through September 30, 1989, not to exceed \$47,500.

In response to statement by Commissioner Mayberry that he was concerned about the 20% of capitol costs that the City would be responsible for reimbursing, City Manager Westerholm stated that through additional funding the City had reduced that amount to 13%, and that revenue from advertising on the trolleys would cover the cost of replacement.

Commissioner Bob Bowman suggested that this item be tabled until more information is available.

8. GROUP HEALTH INSURANCE PROPOSAL - HALE AND COMPANY

Mayor Bronaugh stated that at a workshop meeting held on December 5th and at the regular Commission meeting December 6th, more information was requested for comparison study of the proposals by Blue Cross/Blue Shield and Hale and Company.

City Manager Westerholm stated that \$363,850.80 had been budgeted for insurance and the low proposal of Hale and Company in the amount of \$429,597.44 was approximately \$66,000 over the budgeted amount. The proposal from Blue Cross/Blue Shield was \$568,692.06.

City Manager Westerholm stated that \$16,000 can be recovered by going to the Cafeteria Plan.

City Manager Westerholm stated that this year over \$427,000 in claims had been paid.

John Strain of Blue Cross/Blue Shield stated that he would like to point out there is a run-off when changing companies and the biggest factor is assuming fiduciary liability. Mr. Strain stated that he would recommend contract prices at the hospitals.

In response to question by Commissioner Mayberry, Mr. Strain stated that his company did not quote on the \$30,000 stop loss because it was not in the best interest of the City or Blue Cross/Blue Shield.

Mayor Bronaugh recognized Jack Littell of Hale and Company.

Commissioner Roper stated that he was concerned that Sterling Investors Life Insurance Company was "B" rated in 1986 and was not rated in 1987.

Mayor Bronaugh stated that the Commission could continue on with present carrier but at a higher rate.

Motion was made by Commissioner Jack Gorden and seconded by Commissioner Bob Bowman to accept the proposal of NEBA (Hale and Company) for a total cost of \$429,597.44.

The following vote was recorded:

Aye: Commissioners Gorden, Bowman, Boyd, Simond, Mayberry and Mayor Bronaugh

Nay: Commissioner Roper

Mayor Bronaugh stated that motion carried by a vote of 6 to 1.

Commissioner Roper stated that he did not feel comfortable in making an affirmative vote with the information he had.

In response to question by Gip Friesen of Blue Cross/Blue Shield, Mr. Littell stated that Hale and Company would assume the run-off.

9. APPLICATION FOR MEMBERSHIP - TABLED - MEMORIAL MEDICAL CENTER

Mayor Bronaugh stated that the next item for consideration was application for membership in Memorial Medical Center of East Texas.

City Manager Westerholm stated that he had received a proposal from Memorial Medical Center of East Texas for consideration of a proposed membership with them to effect some savings on the hospital costs and health costs over the coming year. City Manager Westerholm stated there is a fee of \$20 per employee annually or \$1.67 per month. City Manager Westerholm stated that a discount of services at the hospital would be advantageous to the City. Employees would not be restricted from going to other hospitals.

Bettie Williams, representing Memorial Medical Center of East Texas, stated that their goal was to provide the highest quality health care at the lowest possible price.

Mayor Bronaugh recognized Ronald Butler, Administrator at Woodland Heights Medical Center. Mr. Butler requested that the City Commission table this item until additional information could be provided the Commission, and impact of the decision evaluated.

In response to question by Commissioner Simond, City Manager Westerholm stated that the City had not solicited a proposal from Memorial Medical Center. City Manager Westerholm stated that at the Insurance Workshop Charles Poland recommended that the City consider joining Memorial Medical Center to help reduce the cost of health care for City employees.

Commissioner Roper stated that in fairness, the City needs to request quotes from other hospitals.

Commissioner Simond suggested that the City Attorney look into this and give his legal opinion at the next meeting.

Mayor Bronaugh stated that this item would be rescheduled for consideration at the January 3rd meeting.

10. BID AUTHORIZATION - APPROVED - TELETYPE - POLICE DEPARTMENT

Mayor Bronaugh stated that the next item for consideration was authorization to advertise for bids for Police teletype.

Lt. Don Leach stated that a letter had been included in the Commissioner's packets outlining the urgency of bidding for this equipment.

Lt. Leach stated that the cost of the equipment, installation and two year warranty is \$4,620, and he was suggesting that this amount be

taken from the \$16,137.15 income from the sale of seized weapons at a recent auction by the Police Department.

Motion was made by Commissioner Percy Simond and seconded by Commissioner Don Boyd authorizing the Police Department to advertise for bids for the purchase of a new teletype computer system. A unanimous affirmative vote was recorded.

In response to statement by Commissioner Mayberry that the remainder of the funds be placed in a Contingency Fund, Lt. Leach stated that part of the funds have been earmarked for other items to be used in the Police Department. Lt. Leach stated that he will provide a list of those items to be purchased with these funds and the amount that will be remaining after the purchase of same.

11. INVOICE - APPROVED - EVERETT GRIFFITH AND ASSOCIATES - ANGELINA COUNTY WATER STUDY

Mayor Bronaugh stated that the next item for consideration was an invoice from Everett Griffith and Associates for the Angelina County Water Study.

Motion was made by Commissioner Percy Simond and seconded by Commissioner Don Boyd that invoice from Everett Griffith and Associates in the amount of \$1,045.20 for the Angelina County Water Study be approved as presented. A unanimous affirmative vote was recorded.

12. EMERGENCY MEDICAL ASSISTANCE CONTRACT - APPROVED - ANGELINA COUNTY

Mayor Bronaugh stated that the next item for consideration was a proposed Emergency Medical Assistance Contract with Angelina County.

City Manager Westerholm stated that he would like to recommend this Contract to the Angelina County Commissioner's Court.

Motion was made by Commissioner Bob Bowman and seconded by Commissioner Jack Gorden that Emergency Medical Assistance Contract be recommended to the Angelina County Commissioner's Court. A unanimous affirmative vote was recorded.

13. INSURANCE LOSS FUNDS - DESIGNATED

Mayor Bronaugh stated that the next item for consideration was designation of Insurance Loss Funds as recommended by the auditor.

City Manager Westerholm stated that he had passed out a new letter from Lynn Montes which differs from the first letter. City Manager Westerholm stated that Mr. Montes had visited with the National Finance Officers Association on how to treat the Insurance Loss Fund. City Manager Westerholm stated that Mr. Montes is recommending that the Insurance Loss Funds be designated as a special revenue fund, very similar to the proceeds from the Hotel/Motel tax.

City Manager Westerholm stated that the Insurance Loss Funds should be put in a special fund separate from the General Fund and identify the purposes for which these funds can be used. City Manager Westerholm stated that he was suggesting the Fund be used only for those losses that occur from property losses and liability insurance losses.

Motion was made by Commissioner Don Boyd and seconded by Commissioner Danny Roper that the one-half cent sales tax that was collected from January 1, 1988 through September 30, 1988 be set aside in a special reserve fund for the purposes of paying insurance losses in the property and liability field. A unanimous affirmative vote was recorded.

Commissioner Roper stated that he would like to see a comparison of the last three years as to how much the City has saved on property and liability insurance.

14. MUNICIPAL COURT FINE COLLECTIONS - TRANSWORLD SYSTEMS, INC.

Mayor Bronaugh stated that the next item for consideration was employment of Transworld Systems, Inc. for collection of municipal court fines.

City Manager Westerholm stated that he had received a proposal from Kenny Hansmire of Transworld System, Inc. for collection of delinquent municipal court fines. City Manager Westerholm stated that presently there are 1,900 outstanding warrants in Municipal Court. City Manager Westerholm stated that he would also like for the Commission to consider the unpaid ambulance bills under the same program.

Mr. Hansmire stated that he can guarantee that any money the City invests will be doubled. Mr. Hansmire stated every 30 days the City will be given a status report on each account.

In response to question by Commissioner Roper, Mr. Hansmire stated that the City did not solicit his services, but that he was working in other East Texas cities and contacted Mr. Westerholm.

Mr. Hansmire stated that his company is bonded and licensed up to \$1 million.

City Attorney Flournoy stated that should the contract be approved, there is a "hold harmless" agreement with the City.

Motion was made by Commissioner Percy Simond and seconded by Commissioner Don Boyd to employ the firm of Transworld Systems, Inc. for the collection of municipal court fines and EMS accounts. A unanimous affirmative vote was recorded.

15. AMENDMENT - DENIED - TAX LEVYING ORDINANCE

Mayor Bronaugh stated that the Commission now had for consideration an amendment to the Tax Levying Ordinance as requested by Commissioner Bob Bowman.

Commissioner Bowman presented a prepared statement concerning the Roll-back Election to the Mayor and City Commissioners, and read same for the record.

Motion was made by Commissioner Bob Bowman and seconded by Commissioner Paul Mayberry to rollback the Tax Levy from 34 cents to 30.5 cents and instruct the City Manager to prepare an amended 1988-89 budget.

The following vote was recorded:

Aye: Commissioners Bowman and Mayberry

Nay: Commissioners Roper, Gorden, Simond, Boyd and
Mayor Bronaugh

Mayor Bronaugh declared that motion failed by a vote of 2 to 5.

Mayor Bronaugh commended Commissioner Bowman on his statement to the Commission.

16. CITY BUDGET - SCARBROUGH ST. CURB AND GUTTER - INCINERATOR - BURGLAR ALARM ORDINANCE REPORT

Commissioner Mayberry suggested that the City Manager provide Kurth Memorial Library with a copy of the budget, making it accessible to citizens.

Commissioner Simond stated that he had been contacted by a number of residents on Scarbrough Street who have received bills for curb and

gutter work five years ago. Commissioner Simond stated that since it was the City's fault that the bills were not sent out timely, he would suggest that the residents be forgiven this interest for a year. Mayor Bronaugh stated that this item will have to be placed on the agenda for next meeting for consideration.

Commissioner Simond suggested that the City Commission consider a joint venture with Angelina County for an incinerator for waste disposal.

Lt. Don Leach presented the Commission with a report of the first six months activity of the Burglar Alarm Ordinance.

17. There being no further business for consideration, meeting adjourned at 7:27 p.m.


Louis A. Bronaugh, Mayor

ATTEST:


Atha Stokes, City Secretary