

**MINUTES OF REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF**  
**LUFKIN, TEXAS, HELD ON THE**  
**16TH DAY OF NOVEMBER, 1999 AT 5:00 P. M.**

On the 16th day of November, 1999 the City Council of the City of Lufkin, Texas, convened in a regular meeting in the Council Chambers of City Hall with the following members thereof, to wit:

Louis Bronaugh	Mayor
Bob Bowman	Mayor pro tem
Lynn Torres	Councilmember, Ward No. 3
Jack Gorden, Jr.	Councilmember, Ward No. 5
C. G. Maclin	City Manager
James Hager	Asst. City Manager/Finance
Atha Stokes Martin	City Secretary
Bob Flournoy	City Attorney
Keith Wright	City Engineer
Kenneth Williams	Director of Public Work
Stephen Abraham	Director of Planning

being present, and

R. L. Kuykendall	Councilmember, Ward No. 1
Don Boyd	Councilmember, Ward No. 2
Dennis Robertson	Councilmember, Ward No. 6

being absent when the following business was transacted.

1. Meeting was opened with prayer by Chaplain Jerry Young.
2. Mayor Bronaugh welcomed visitors present and recognized members of Boy Scout Troop 135, Brandon Adams, Chris Adams, Morgan Wallace, Matt Storment, David Ware and Jeremy Lester, who are working on their Citizen in the Community Merit Badge. Also in attendance was Bobbie Adams, Scoutmaster, and Randy Ware, Assistant Scoutmaster.

**3. APPROVAL OF MINUTES**

Minutes of the regular meeting of November 2, 1999 were approved on a motion by Councilmember Jack Gorden, Jr. and seconded by Councilmember Bob Bowman. A unanimous affirmative vote was recorded.

**4. VIDEO PRESENTATION - HOME AND SABR PROGRAM - INSPECTION SERVICES**

Mayor Bronaugh stated that the first item for consideration was a video presentation for the update of the HOME and SABR Programs by the Inspection Services Department.

City Manager Maclin stated that staff would like to request that this item be tabled until there is a full Council.

**5. ORDINANCE - APPROVED - SECOND READING - ISSUANCE OF CERTIFICATES OF OBLIGATION**

Mayor Bronaugh stated that the next item for consideration was Second Reading of an Ordinance of all matters incident and related to the issuance of \$4,400,000 "City of Lufkin, Texas, Tax and Waterworks and Sewer System Surplus Revenue Certificates of Obligation, Series 1999", dated December 1, issuance of such Certificates of Obligation.

City Manager Maclin stated that Mike Byrd, the City's Financial Advisor with First Southwest Company, has worked under a shorter time frame than normal to get this issue completed in this calendar year. Mr. Maclin stated that this \$4.4 million issue represents the balance of debt that the City could issue and still be under the \$5 million bank qualified, arbitrage exempt, classification.

Mr. Byrd stated that he hoped that the Council had had a chance to look at the offering document, which is the official statement for the \$4.4 million issue, and is a profile of the City both from a legal, financial, and economic standpoint. Mr. Byrd stated that it fully describes the certificates of obligation, and in the document that was mailed it includes a notice of sale and bidding instructions so that when bids are taken on the City's issue of certificates it will insure that we are getting bids on an apples-to-apples basis. Mr. Byrd stated that this document along with the audits and other financial documents of the City were submitted to Moody's Investment Service, Standard and Poor's, and several insurance companies, and the rating result is that Standard and Poor confirmed the City's rating of A- on its general obligation debt, which is a very lofty rating for a City this size. Mr. Byrd stated that Moody's confirmed the City's rating of an "A2", which is an equivalent of the former rating. Mr. Byrd stated that both ratings are commendable and speak well of the City Council and management staff, and people of Lufkin for their support.

Mr. Byrd stated that the Certificates sold tonight are insured by FSA, and what that means to the City is that they are an "A2" and an "A-", but the purchaser (First Southwest Company) chose to pay insurance in payment for the premium. Mr. Byrd stated that the Certificate issued will carry a "AAA" rating that reflects the financial strength of the insurance company that is now standing behind this sale, and the benefit is passed on to the City. Mr. Byrd stated that there are many prospective purchasers of the City's debt that would not bid on it even if it were insured unless the City had at least an "A" underlying rating. Mr. Byrd stated that nine bids were received.

Mr. Byrd stated that a list of the bidders was on the Council table and they were ranked in order from the high bid of First Southwest Company to the low bid of Solomon Bros. of Chicago. Mr. Byrd stated that First Southwest Company's bid was 5.3789.

Mr. Byrd stated that it was his recommendation that Council choose to authorize the Certificates tonight by a Second Reading of the Ordinance, and that Ordinance will award the sale to First Southwest Company.

Motion was made by Councilmember Bob Bowman and seconded by Councilmember Jack Gorden, Jr. that Ordinance of all matters incident and related to the issuance of \$4,400,000 "City of Lufkin, Texas, Tax and Waterworks and Sewer System Surplus Revenue Certificates of Obligation, Series 1999, dated December 1, issuance of such Certificates of Obligation", be approved on Second and Final Reading, and that the bid of First Southwest Company be approved as presented. A unanimous affirmative vote was recorded.

**6. ORDINANCE - TABLED - FIRST READING - ZONE CHANGE - RESIDENTIAL LARGE TO COMMERCIAL - A. BARELA SURVEY - 2204 NORTH RAQUET STREET - HOMERO AND ROSA TREVINO**

Mayor Bronaugh stated that the next item for consideration was the request of Homero and Rosa Trevino, to change the zoning from "Residential Large" to a "Commercial" zoning district on approximately 0.221 acres of land described as Tracts 630-1, 630-2 and 630-3 out of the A. Barela Survey (Abstract No. 49) and more commonly known as 2204 North Raguet Street.

City Manager Maclin stated that included in the Council packet is a memo of explanation from the Planning Department and the minutes from the meeting. Mr. Maclin stated that the Planning & Zoning Commission, by unanimous vote,

recommends approval of the zone change from "Residential Large" to "Local Business", a lower classification than requested. Mr. Maclin stated that because 20% or greater of the adjoining property owners opposed the zone change to Commercial, it would invoke the 5/6th rule, and since there are only four Council members present this evening, in fairness to the applicant, he would suggest tabling this item until the next Council meeting.

In response to question by Councilmember Bowman, Mr. Abraham stated that the proposed business is a used tire store. Mr. Abraham stated that the reason the Planning Department recommended the zone be changed to "Local Business" is that it would allow a used tire store, but requires all operation to be in doors, where a "Commercial" zone would allow the owner to store and display outside and would eliminate the requirement for a fence where it abuts residential property.

Motion was made by Councilmember Bob Bowman and seconded by Councilmember Jack Gorden, Jr. that Ordinance to change the zoning from "Residential Large" to "Commercial" on approximately 0.221 acres of land described as Tracts 630-1, 630-2, and 630-3 out of the A. Barela Survey (Abstract No. 49) and more commonly known as 2204 North Raguet Street be tabled. A unanimous affirmative vote was recorded.

#### **7. RESOLUTION - APPROVED - BUDGET AMENDMENT #1 - OPERATING BUDGET 1999/2000**

Mayor Bronaugh stated that the next item for consideration was a Resolution for Budget Amendment #1, 1999/2000 Operating Budget.

City Manager Maclin stated that included in the Council packet is a memo of explanation from James Hager, Assistant City Manager. Mr. Maclin stated that this memo itemizes projects that were funded in the previous budget but were not completed either due to time frame constraints, other priorities, or other emergencies that came up and caused delays. Mr. Maclin stated that in previous years, particularly as it relates to a day like today when the City is issuing debt and receives a bond rating from the rating agencies, when there is a designated fund balance with a paper trail, the bond rating agencies look favorably on that. Mr. Maclin stated that when the City has a fund balance that is an undesignated fund balance, and we spend it without any planned approach, the rating agencies get nervous about that and sometimes it will impact the City's bond rating. Mr. Maclin stated that basically this is a paper trail from an audit standpoint to document the carryover of funds from last year to this year for the projects that were approved in last year's budget and the amount of funds that were allocated so that the carryover of approximately \$1.2 million in the General Fund will be designated for these projects to be completed. Mr. Maclin stated that, in fact, some of these projects have been completed since October 1.

Motion was made by Councilmember Bob Bowman and seconded by Councilmember Lynn Torres that Resolution for Budget Amendment #1, 1999/2000 Operating Budget be approved as presented. A unanimous affirmative vote was recorded.

#### **8. AUTHORIZATION - APPROVED - PURCHASE OF POLICE VEHICLES - PHILPOTT MOTORS - FORD MOTOR CREDIT**

Mayor Bronaugh stated that the next item for consideration was authorization to purchase Police vehicles.

City Manager Maclin stated that included in the Council packet is the bid tabulation for the annual purchase of one third of the Police fleet, which includes 10 year model 2000 Police patrol cars and one half ton extended cab truck. Mr. Maclin stated that the staff recommendation is the low bid from Philpott Motors for a total of \$217,201. Mr. Maclin stated that the second part of this request is the lease

purchase financing and staff is recommending Ford Motor Credit with an interest rate of 5.35%.

In response to question by Councilmember Gorden, Mr. Cochran stated that the old police vehicles were sold at auction for \$3,000.

Motion was made by Councilmember Lynn Torres and seconded by Councilmember Bob Bowman to accept the low bid of Philpott Motors in the amount of \$217,201 and financing with the Ford Motor Credit Company at an interest rate of 5.35%. A unanimous affirmative vote was recorded.

9. EXECUTIVE SESSION

Mayor Bronaugh recessed Regular Session at 5:25 p.m. to enter into Executive Session. Regular Session was reconvened at 5:47 p.m. and Mayor Bronaugh stated that Councilmembers had discussed attorney/client matters and appointments to Boards and Commissions, and no decisions had been made.

10. APPOINTMENT - APPROVED - LUFKIN BOARD OF DEVELOPMENT - DEBBIE JOHNSTON

Motion was made by Councilmember Bob Bowman and seconded by Councilmember Lynn Torres that Debbie Johnston be reappointed to the Lufkin Board of Development. A unanimous affirmative vote was recorded.


11. COMMENTS

Mrs. Torres stated that on November 30th at 1:30 p.m. Senator Phil Gramm will be at the Lufkin High School to dedicate a time capsule from the Senior Class of the year 2000, and Councilmembers are invited to attend the dedication.

City Manager Maclin stated that the Mayor's Census Complete Count Committee met on November 15th, which was composed of a broad selection of individuals to insure that next March and April we have a complete census count in Lufkin to take full advantage of the dollars that leave here, come back here. Mr. Maclin stated that the next meeting of the Committee will be held on December 10th in Room 202 of City Hall.

Mayor Bronaugh asked Mrs. Torres to represent the Lufkin ISD on the Committee.

12. There being no further business for consideration, meeting adjourned at 5:55 p.m.

  
Louis Bronaugh  
Mayor

ATTEST:

  
Atha Stokes Martin - City Secretary