

MINUTES OF SPECIAL MEETING OF THE CITY COMMISSION OF THE
CITY OF LUFKIN, TEXAS, HELD ON THE 27TH DAY OF NOVEMBER,
1979, AT 12:15 P.M.

On the 27th day of November, 1979, the City Commission of the City of Lufkin, Texas, convened in special meeting in the Council Room at City Hall with the following members thereof, to-wit:

Pitser H. Garrison	Mayor
Don E. Boyd	Commissioner, Ward No. 2 (new plan)
Pat Foley	Commissioner, Ward No. 4 (new plan)
W. O. Ricks, Jr.	Commissioner at Large, Place A (old plan)
Richard Thompson	Commissioner at Large, Place B (old plan)
Harvey Westerholm	City Manager
Robert L. Flournoy	City Attorney
Roger G. Johnson	Assistant City Manager
Gayle Dickey	Assistant City Secretary

being present, and

Dayle V. Smith	Commissioner, Ward No. 2 (old plan)
E. C. Wareing	Commissioner, Ward No. 4 (old plan)

being absent, constituting a quorum, when the following business was transacted:

1. Bid Approved - Sale of Junior Lien Water & Sewer Revenue Bonds, 1979 Series

Mayor Garrison stated that this special meeting of the City Commission had been called to accept and tabulate bids for sale of \$1.6 million in Junior Lien Water & Sewer Revenue Bonds, 1979 Series, and Mr. Tom Wolf, bonding agent for the City, was present to tabulate the bids received.

Motion was made by Comm. Richard Thompson that bids on sale of bonds be closed. Motion was seconded by Comm. Don E. Boyd and a unanimous affirmative vote was recorded.

Mayor Garrison then requested that Mr. Wolf open and read sealed bids, as received. Mr. Wolf stated that there were numerous figures included on the bids received, and he would read net effective interest rate on each bid, in order opened. Bids were received as follows:

Fred Baker & Associates	7.431569
Underwood, Neuhaus & Company	7.3685
Merrill Lynch, Pierce, Fenner & Smith, Inc.	7.3603
Rowles Winston Division, Cowen & Company	7.5889

Mr. Wolf stated that low rate had been received from Merrill Lynch, Pierce, Fenner & Smith, Inc., at a rate of 7.3603. Mr. Wolf then requested additional time to tabulate bids received. Mayor Garrison excused Mr. Wolf for a short period.

Later in the meeting, Mayor Garrison again recognized Mr. Wolf who stated that the arithmetic in the low bid was correct, and it was his opinion that the City had received a good response from the bond market.

Discussion followed regarding feasibility of rejecting bids received and possibly advertising for bids again at a later date, and at a lower rate of interest. Mr. Wolf stated that he could not at this time forecast the bond market in the next few months. Mr. Wolf further stated that a clause had been included in the bond sale agreement to allow the City to refinance the bonds after ten years, even though they were 19 to 20 year bonds. Mr. Wolf also stated that he could not foresee the market in the next ten years, but if it were advantageous to the City at that time and a better interest rate could be obtained, then it would be to the City's advantage.

Following discussion, motion was made by Comm. W. O. Ricks that bid from Merrill Lynch, Pierce, Fenner & Smith, Inc., be accepted, and ordinance be approved accepting and approving issuance of \$1.6 million in Junior Lien Water & Sewer Revenue Bonds, 1979 Series, providing for extensions to water works and sewer systems for the City of Lufkin. Motion was seconded by Comm. Pat Foley and a unanimous affirmative vote was recorded.

Mayor Garrison then inquired of Mr. Wolf as to time required before the City would actually receive money from sale of these bonds. Mr. Wolf reported that the bond sale process would require approximately 33 to 34 days. Mayor Garrison encouraged Mr. Wolf to proceed with the bond sale as soon as possible.

Comm. Pat Foley then stated that he had noticed several discrepancies in the bond sale booklet prepared by First Southwest Corporation, to include numbers of national chain stores in Lufkin, cable television customers, employees at local industries, and number radio stations in the city.

Mr. Wolf stated that these figures had been received from the Angelina County Chamber of Commerce, and efforts should be made in the future to correct these figures.

2. Bid Approved - Trailer Tractor for Sanitation Department

City Manager Westerholm stated that bids had been received and tabulated by City staff for the purchase of a trailer tractor for the City Sanitation Department. Mr. Westerholm further explained that low bid had been received from Angelina Chevrolet-Cadillac Company, but vehicle did not meet City specifications. Mr. Westerholm also stated that delivery dates for vehicles bid were most disturbing to City staff, due to urgent need for this piece of equipment and that shortest delivery time was 90 days for all vehicles except alternate bid from Etex - International Harvester, which also did not meet City specifications. Mr. Westerholm stated that after initial bids had been received, all bidders were contacted to determine if there would be any way by which they could obtain a trailer tractor for the City in a shorter period of time. Mr. Westerholm stated that two dealerships, Greater Lufkin Ford Sales and Lufkin White Truck & Trailer Center, had been able to provide this service. Bid from Greater Lufkin Ford Sales on a truck which could be delivered in two weeks was \$30,891.00, and Lufkin White Truck & Trailer Center submitted a bid of \$32,275.00, which could be delivered in one week. Mr. Westerholm then stated that he would like to recommend the low bid from Greater Lufkin Ford Sales.

Motion was made by Comm. W. O. Ricks that low bid from Greater Lufkin Ford Sales in the amount of \$30,891.00 be accepted, with delivery within two weeks. Motion was seconded by Comm. Don E. Boyd.

Considerable discussion followed regarding various specifications of vehicles; reasons for deviations from specs, differences in bid prices, and sizes of engines (horsepower), etc.

Comm. W. O. Ricks expressed his opinion that the City staff should endeavor to proceed to purchase another trailer tractor of this type to be used as a spare in case of future machinery breakdown in the Sanitation Department.

Mayor Garrison expressed his opinion that the City staff should also in the future write general specifications for purchases of equipment which would attempt to cover all companies desiring to bid.

A unanimous affirmative vote was recorded to previous motion and second to accept low bid of Greater Lufkin Ford Sales in the amount of \$30,891.00, with delivery within two weeks.

3. Adjournment

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

Paul H. Harrison
MAYOR - City of Lufkin, Texas

ATTEST:



Gayle Dickey
Assistant City Secretary