

**MINUTES OF CALLED MEETING OF THE CITY COUNCIL OF THE
CITY OF LUFKIN, TEXAS, HELD ON THE
9TH DAY OF SEPTEMBER, 1994 AT 12:30 P.M.**

On the 9th day of September, 1994 the City Council of the City of Lufkin, Texas, convened in a called Meeting in the Council Chambers of City Hall with the following members thereof, to wit:

Louis A. Bronaugh	Mayor
Don Boyd	Mayor pro tem
Percy Simond	Councilman Ward 1
Larry Kegler	Councilman Ward 3
Bob Bowman	Councilman Ward 4
Tucker Weems	Councilman Ward 6
C. G. Maclin	City Manager
Ron Wesch	Asst. City Mgr./P W
Darryl Mayfield	Asst. City Mgr./Finance
Martha Chalker	Secretary

being present, and

Jack Gorden, Jr.	Councilman Ward 5
Atha Stokes	City Secretary

being absent when the following business was transacted.

(Minutes prepared by City Secretary Atha Stokes.)

1. Meeting was called to order by Mayor Louis Bronaugh.
2. **PUBLIC HEARING - TEXAS COMMUNITY DEVELOPMENT PROGRAM
URGENT NEED GRANT APPLICATION**

City Manager Maclin stated that this is the second of two Public Hearings. The first Public Hearing was held Friday, September 2 to give the public an opportunity for input. City Manager Maclin stated that this is an effort to seek State funding to provide some assistance to the City for the replacement of the asbestos cement pipes in the well field, and replace the 11 miles of AC pipe to get rid of the asbestos in the City's water supply.

Gary Traylor, grant consultant, stated that it is his opinion that the City of Lufkin has complied with and fully satisfied all the requirements that must be met in order to receive these funds. Mr. Traylor stated that he anticipates that once this hearing has concluded and the Council has affirmed their intent to seek these funds, it will simply be a matter of filing the application forms and responding to any kind of questions that may come up once the State has reviewed the project. Mr. Traylor stated that it is his opinion that this is an excellent project and that this project actually fits the classic intent for which the emergency funds were originally appropriated under this program. Mr. Traylor stated that the engineers have developed a cost estimate and a budget has been prepared for this project that totals \$1,439,600. Mr. Traylor stated that in a later item on todays agenda he will be asking Council to consider and approve a Resolution that will be requesting \$350,000 of grant funds to be used in combination with local funds totalling \$1,089,600 for the replacement of these asbestos cement water lines.

Mayor Bronaugh officially opened Public Hearing.

There was no one present who spoke for or against the application.

Mayor Bronaugh closed Public Hearing.

3. RESOLUTION - APPROVED - TEXAS DEVELOPMENT PROGRAM URGENT NEED GRANT APPLICATION - TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Mr. Traylor stated that this is the first time the City of Lufkin has had a project that they could submit to this fund. Mr. Traylor stated that this program is only for projects that have an emergency health concern associated with the city or for projects that are in response to a natural disaster.

In response to question by Mayor Bronaugh, City Manager Maclin stated that staff has looked at the difference between the issuance from the Texas Water Development Board and issuance through revenue bond sources for water projects and the City can actually do better (with the present bond rating) by issuing the bonds rather than going through the Texas Water Development Board.

In response to question by Mayor Bronaugh, City Manager Maclin stated that it is anticipated that it will take six months to complete the project, after notification from the Texas Department of Housing and Community Affairs. City Manager Maclin stated that staff should hear from the Texas Department of Housing and Community Affairs in approximately 30 days, and the City should be ready to award a contract within 30 days. City Manager Maclin stated that TNRCC is providing support documentation for the grant application.

Motion was made by Councilman Bob Bowman and seconded by Councilman Don Boyd that Resolution authorizing submission of a Texas Development Community Urgent Need Application be approved as presented. A unanimous affirmative vote was recorded.

4. RESOLUTION - APPROVED - DECLARING EXPECTATION TO REIMBURSE EXPENDITURES WITH PROCEEDS OF FUTURE DEBT

Mayor Bronaugh stated that the next item for consideration was a Resolution declaring expectation to reimburse expenditures with proceeds of future debt.

City Manager Maclin stated that several years ago before the Utility Fund distribution project (water lines on the East Loop and the two million gallon elevated storage tank) got started the City incurred some expenses which included engineers fees, and a Resolution was presented to Council for consideration to reimburse expenditures. City Manager Maclin stated that passage of this Resolution today will give the City a legal method in which to reimburse ourselves for out-of-pocket expenses from existing funds between now and the time the bonds are issued and the bonds are in the bank. City Manager Maclin stated that the maximum the City can apply for under the Texas Community Development Program is \$350,000, which leaves the balance of a little over \$1 million for the project. City Manager Maclin stated that the City needs to wait to see if the project is funded and whether there is a need for \$1.4 million or a little over \$1 million. City Manager Maclin stated that secondly, there will be preliminary discussions with Bond Counsel about the advantages and disadvantages of using the Texas Community Water Board versus issuance of revenue bonds. City Manager Maclin stated that the speed under which the Texas Community Water Board works is very slow by comparison, and on water projects the City would actually have a better interest rate in the bond market. City Manager Maclin stated that basically in passage of item #4 it would give the City the ability to use funds on hand at the present time out of the Utility Fund to cover preliminary costs until the results of the grant application have been received and revenue bonds are issued.

City Manager Maclin stated that one other thing the City will be looking at is the 09/09/94

engineer that works with the City on the sewage treatment plant operations will probably be coming to staff in January with a need for some funds to build a new digester. City Manager Maclin stated that a digester has been discussed in previous budget meetings, including the City Council retreat. City Manager Maclin stated that in order to meet New EPA guidelines relating to the contents of the City's sludge, there is a need for additional digester capacity at the Plant. City Manager Maclin stated that since this need will be coming up in January, the City would save a lot of money on the part of the issuance costs to issue the money for the AC line replacement and to issue the money for the digester at the same time. City Manager Maclin stated that there is a meeting scheduled Monday with Mike Byrd, Ron Wesch, Darryl Mayfield and the City's engineers (the engineer for the digester and the engineers for the AC field line replacement) to come up with a schedule, a complete timing of when monies would be due to see when would be the optimum time for the issuance of the revenue bonds. City Manager Maclin reminded Council that there is \$125,000 in the budget that was originally placed there for the replacement of the pipe on the City-force account approach. City Manager Maclin stated that obviously since all the pipe replacement will take place within six months, those funds can be used to pay interest and principal during the 1994-'95 fiscal year. City Manager Maclin stated that with the addition of the digester there may be some increase that will have to be added to that amount, but those figures will not be available until after next week.

City Manager Maclin stated that after the master calendars and projections of schedule flow sheets for the digester costs, as well as the AC field line costs, are put together staff will be bringing back to Council a recommendation of how much money will have to be issued. City Manager Maclin stated that he anticipates the recommendation being presented to Council at the second meeting in October.

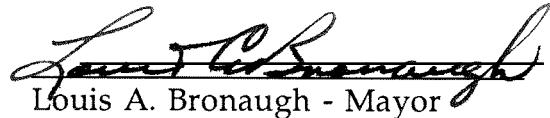
Motion was made by Councilman Don Boyd and seconded by Councilman Larry Kegler that Resolution declaring expectations to reimburse the expenditures be approved as presented. A unanimous affirmative vote was recorded.

5. **COMMENTS**

In response to question by Councilman Kegler, Asst. City Manager Mayfield stated that a few months ago Council asked staff to do some research on establishing a Housing Commission. Mr. Mayfield stated that Council had before them on the Council table an executive summary of staff's research which included information gleaned from the Code Enforcement Officer, the Main Street Director, as well as the Planning Director. Mr. Mayfield stated that within the Executive Summary there is a staff recommendation that Council consider three levels of participation. Mr. Mayfield stated that attached to the executive summary is some data that was received from the State, as well as some information from one of the private sector banks that is involved in a single-family owner home-type project. Mr. Mayfield stated that staff would be willing to schedule a Workshop if Council so desires.

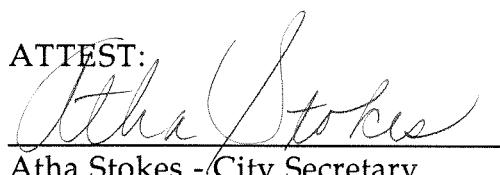
City Manager Maclin stated that after Council has read the material, individual meetings can be arranged with Mr. Mayfield and Mr. Williams to go over details or questions.

6. There being no further business for consideration, meeting was adjourned at 12:42 p.m.



Louis A. Bronaugh - Mayor

ATTEST:



Atha Stokes

Atha Stokes - City Secretary

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