

**MINUTES OF REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF
LUFKIN, TEXAS, HELD ON THE
18th OF NOVEMBER 2003**

On the 18th day of November 2003 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 A. Bronaugh	Mayor
Jack Gorden, Jr.	Mayor pro tem
R. L. Kuykendall	Councilmember, Ward No. 1
Rose Faine Boyd	Councilmember, Ward No. 2
Lynn Torres	Councilmember, Ward No. 3
Don Langston	Councilmember, Ward No. 4
Dennis Robertson	Councilmember, Ward No. 6
C. G. Maclin	City Manager
Atha Martin	City Secretary
Bob Flournoy	City Attorney
Keith Wright	City Engineer
David Koonce	Director of Human Resources
Kenneth Williams	Director of Public Works
Douglas Wood	Director of Accounting
Stephen Abraham	Director of Planning

being present when the following business was transacted.

1. Meeting was opened with prayer by Rev. Charles Roberts, Pastor, Denman Avenue Baptist Church.
2. Mayor Bronaugh welcomed visitors present. Mrs. Torres stated that the seniors from Lufkin High School have a policy where this year they can have late arrivals or early release because they are already ahead on their credits and some of them are present this morning.

3. UPDATE OF CITY'S WEBSITE

Bill Cameron, Information Technology Consultant for the City of Lufkin gave a presentation of the City's website, which has recently been updated. Mr. Cameron introduced his staff: Sid Munlin, Director, Todd Alston, David Moore and Cindy Massey.

4. RECOGNITION OF ACCOUNTING DEPARTMENT – CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING – GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES

Mayor Bronaugh presented a Certificate of Achievement for excellence in financial reporting from the Government Finance Officers Association of the United States to Douglas Wood, Director of Accounting. The Accounting Department staff (Jill Heflin, Belinda Southern, Chase Rambin, Wanda Purvis, Judy Carter, Debbie Vance and Pam Johnson) was present for the presentation by the Mayor.

5. APPROVAL OF MINUTES

Minutes of the Regular Meeting of November 4, 2003 were approved on a motion by Councilmember Dennis Robertson and seconded by Councilmember Rose Faine Boyd. A unanimous affirmative vote was recorded.

6. ORDINANCE – APPROVED – SECOND READING – ECONOMIC DEVELOPMENT SALES TAX ELECTION

Mayor Bronaugh stated that the next item for consideration was Second Reading of an Ordinance calling for an Economic Development Sales Tax election.

City Manager Maclin stated that he would like to clarify one thing that had been discussed at the last meeting and that is that Mr. Gorden was correct in his statement that if the election were not to pass in February then we would have to wait 12 months to take it to the voters again, which is State law. Mr. Maclin stated that also the question was asked about if item #1 was to pass and item #2 were to fail, basically you would remove 1/8th of a cent of your sales tax for the reduction of property tax regardless of what happens with item #2. Mr. Maclin stated that if item #1 passes and item #2 doesn't that would be the result, but then you could take it back to the voters in 12 months.

Councilmember Langston stated that he would like to make a statement at this time. Councilmember Langston stated that one reason he decided to become proactive in City government and seek this office was in response to a concern over associates and others he came in contact with over the loss of the good paying jobs we have in the manufacturing and industrial sector here in Lufkin. Councilmember Langston stated that he had lived here for 47 years and has seen first hand the rise and now the decline in those good paying jobs and he knew over time even with an increase in employment that we've had in the lower paying jobs, service sector jobs, the net result would be a decline in wage earnings and that will result in an increasing financial burden on those property owners who choose to live here and raise their families here. Councilmember Langston stated that they will find themselves having to shoulder more and more of the cost of maintaining the services, the excellent services our City has provided through the taxpayers payments to us. Councilmember Langston stated that, in his opinion, his responsibility as a member of this Council has been to seek ways to maximize the benefit of all the money our citizens invest in our City through their payment not only through taxes but services and utilities. Councilmember Langston stated that he thinks by us as a Council investing some of citizen's money toward attracting these good paying jobs will ultimately expand our opportunities to provide a better, higher quality of life for less money, and that is done by expanding our tax base. Councilmember Langston stated that we as a City have gone as far as we can in his opinion in meeting these competitive challenges that are proposed to us when we seek to attract new industrial, manufacturing jobs. Councilmember Langston stated that he has said, and he will say again, 513 other cities in Texas have realized the best means of holding the line on taxes is to grow good paying jobs. Councilmember Langston stated that by these cities passing an economic development sales tax their ability to attract new industry and retain existing industry gives them an enormous advantage over Lufkin. Councilmember Langston stated that he believes that it is imperative that we respond to this competitive challenge now and not let another job growth opportunity allude us. Councilmember Langston stated that at the last meeting there was some concern brought up – Dennis brought up a very valid concern about – and, it is recorded in the Minutes, that he doesn't see the economic development sales tax fixing those infrastructure things in his ward that he would like to see happen now. Councilmember Langston stated that he does see the economic development sales tax doing that over time, perhaps not now, but over time and he doesn't see this City being able to continue spending what it has in the past without new, good paying job growth. Councilmember Langston stated that he was concerned about the statements that perhaps we were not paying attention to certain parts of the City. Councilmember Langston stated that he had in his hands copies of the work, the infrastructure improvements that we have done in North Lufkin, which would include Ward 6 over the past 12 years and it is \$22 million. Councilmember Langston stated that we have \$25 million forecast over the next 13 years to be spent in those areas because there is a great deal of need there and the City recognizes that need and has made, even though he was not a part of the Council when these decisions were made, have made some

good decisions that have provided a lot of relief in an area that has been neglected for years. Councilmember Langston stated that he is convinced that without new growth, good paying jobs, we will not be able to continue the capital spending as aggressively as this City has done over the past 12 years. Councilmember Langston stated that we simply cannot count on the economy growing us into prosperity and that is really what has happened in the past 10 years. Councilmember Langston stated that we've seen already that it won't, and we can't take a short term approach to a long term problem. Councilmember Langston stated that we must be proactive and use the economic development sales tax tool given us by the State to move us forward - increased jobs mean increased revenues. Councilmember Langston stated that increased revenues mean money for capital improvements. Councilmember Langston stated that without job growth we would have to raise revenues through taxes in order to continue spending on capital improvements at the rate we have in the past. Councilmember Langston stated that his constituents are not for raising taxes. Councilmember Langston stated that he was convinced that if the voters are informed about this issue they will vote for it - it will not raise their taxes to vote for both items. Councilmember Langston stated that it will not lower their taxes to vote for lowering the sales tax and against the economic development sales tax. Councilmember Langston stated that this Council has discussed lowering the fund balance temporarily only as a means to provide an offset to revenue loss from the reduction of the sales tax by 1/8th cent and only if the citizens pass both items. Councilmember Langston stated that in effect we are asking our citizens if they want to invest in new jobs at no cost to them. Councilmember Langston stated that if their answer is "yes", we will lower the fund balance as we've said until the economy allows us to replace those funds through growth. Councilmember Langston stated that as we have discussed he sees no reason to lower the fund balance if the voters don't pass both items. Councilmember Langston asked "why", because the voters by passing the first item and not passing the second item are simply saying they do not want to offset their ad valorem taxes with sales taxes. Councilmember Langston stated that in effect they want to lose the benefit of having people who live outside of Lufkin pay a portion of those taxes through the sales tax. Councilmember Langston stated that from his perspective he believes that the citizens count on the Council to work hard to provide the maximum benefit we can with the resources they provide to us. Councilmember Langston stated that he trusts that they will know we are proposing this election because we believe it is in the best interest of this City and its future and they will respond positively.

Councilmember Robertson stated that he respected Don's position on this but he still has some philosophical concerns about how this will operate and what it does mean to the trade offs to the City's general fund budget. Councilmember Robertson stated that he will remain opposed to this (the economic development sales tax election).

Councilmember Gorden stated that he is stronger everyday in support of this. Councilmember Gorden stated that Don is exactly right and we have seen the results in other places that good solid job creation is the foundation for a better Lufkin.

Mayor Bronaugh said to Councilmember Robertson that if there is something that he does not understand then we are not getting the job done in getting our thoughts on how this will work to him.

Councilmember Robertson stated that he's asked these questions every time we've brought the subject up in terms of defining those deficiencies and how we are going to fund those other things in the General Fund - that \$700,000 is going to be taken out and he does not think that that has been explained to the Council or anybody else what the trade offs are going to be in taking \$700,000 out of the General Fund budget. Councilmember Robertson stated that he still does not see those figures in terms of what the job growth - how long it takes for that to generate what Mr. Langston is talking about in terms of benefiting the City in the long term. Councilmember Robertson stated that he does not discount the need for a long term strategy on this, but like he told somebody he is a short timer in terms of what he wants to see done.

Councilmember Robertson stated that we are going to vote on something pretty quick about being 65 years old. Councilmember Robertson stated that he is 65 years old and will not be on the Council very long and he wants to see some things happening and more things fixed that he thinks we could do with the \$700,000 in the General Fund now as opposed to putting it in a fund that may or may not reap some benefits 15-20 years from now. Councilmember Robertson stated that he did not feel that that has been properly displayed in terms of tradeoffs – the economic development versus what our investment in the current infrastructure would be now and bringing folks who want to come to Lufkin because it's a better looking City or a better facility City or whatever. Councilmember Robertson stated that it is a difference to him on which comes first – do we make the City more attractive with the money we have now to do that or put the funds into something that may generate some funds somewhere down the road. Councilmember Robertson stated that the economics of this has not been displayed to him or anybody else and that is the thing that concerns him.

Councilmember Langston stated that he wanted to make a comment about something that had been pointed out to him that turned the light on perhaps two Council meetings ago when we were discussing the development along the Loop and the infrastructure improvements we needed to make in regard to that development and the cost to the City at that time was about a quarter of a million dollars. Councilmember Langston stated that, in his opinion, it would free up an expenditure we now have to make to accommodate a development, a growth in Lufkin through the economic development sales tax, to relieve that portion of that revenue for other uses. Councilmember Langston stated that the economics of it we've talked about almost exhaustingly and it is an investment and as with any investment all we can do is look at past results because we can't predict the future and if we look at the other cities and the results they've achieved through the passage of this he thinks it speaks for itself and he thinks the citizens will understand that.

Councilmember Gorden stated that it is well documented that we have lost well in excess of 1,000 really good paying jobs in this City in the last two years. Councilmember Gorden stated that there are approximately 7,500 jobs in Lufkin and we have lost well over 1,000 jobs and who is going to pay the taxes for these infrastructure improvements that we all want. Councilmember Gorden stated that Don made a good documentation, we've made great strides in that area in the past few years, and who is going to pay for that if we don't create some good jobs. Councilmember Gorden stated that when you talk about people wanting to come to Lufkin, what are they going to come for – we can have great parks and sidewalks, but if they can't come here and make a living that's like putting the cart before the horse. Councilmember Gorden stated that we all want what Councilmember Robertson is talking about but the key word here is jobs.

Councilmember Kuykendall stated that what we are speaking about is well founded in the Councilmember's research, but we need some open hearings for the people to get a chance to say what they want and to ask questions. Councilmember Kuykendall stated that we need to have as many hearings as possible before it is time for the citizens to vote for them to know and understand why we are voting. Councilmember Kuykendall stated that we have two items on the ballot and it is confusing and they will have to understand in terms of their own understanding. Councilmember Kuykendall stated that right now we are above the general public in terms of what we are seeing right now. Councilmember Kuykendall stated that this is something we need to work on. Councilmember Kuykendall stated that he feels to a degree like Councilmember Robertson also, not trying to fight anything, but at the same time he is conscious of what happens when someone says this is now taking place in this Ward. Councilmember Kuykendall stated that the people in his Ward will ask questions of what this will mean to them, so we need to have open meetings where the people can come out and ask these questions.

Councilmember Robertson stated that it is important that we bring jobs to town and Don pointed out there has been a tremendous improvement in the 12 years he has been in Lufkin, and the City staff and C. G. have done an excellent job with the money we have to improve water lines, streets, etc. Councilmember Robertson stated that the amount of investment and the quality of life, which he does not discount at all, but he is concerned about the details of the tradeoffs of that amount of money coming out of the General Fund every year just to go over into a fund – and we will spend about \$200,000 for administrative and promotional costs in terms of the staff that will operate that. Councilmember Robertson stated that comes back to \$500,000 and he would like to see Council take \$500,000 dedicated in the General Fund as it is now for economic development and we don't have to create this other mechanical operation to have the economic corporation sitting over as a sideline to City Council making decisions on the priorities of what that money should be spent for. Councilmember Robertson stated that there will be Councilmembers sitting on that Board but he is concerned about the bureaucracy we are building to maintain it. Councilmember Robertson stated that, in his opinion, we can do some of these things without creating this other bureaucratic organization to run it.

Councilmember Langston stated that he agreed with that and that is a point he has made in the past. Councilmember Langston stated that there are a number of cities that have not created another bureaucratic layer in order to administer these funds. Councilmember Langston stated that that is something that this Council will have to make a decision on if the voters approve this. Councilmember Langston stated that that is not any decision that the Council has made at this point to create a \$200,000 administrative expenses towards operating this fund.

Councilmember Robertson stated that brings up the exact point that he wants to make and these are the details, and maybe it is premature, that he doesn't see the Council talking about now before we take it to the voters and we are not going to have a public forum evidently for the public to come and ask those questions of Council. Councilmember Robertson stated that, in his opinion, the Council owes the public those kinds of discussions before we take it to the voters and that is the reason he is the only one on the Council opposing this and maybe he is way off base on this. Councilmember Robertson stated that he does not discount the need for looking at the long range picture of Lufkin.

Councilmember Torres asked the City Manager help her understand the \$700,000. Councilmember Torres stated that to her when she looks at this the \$700,000 it is not taxes that have happened already, they are coming in the future. Councilmember Torres stated that we are not really taking \$700,000 away from what we have right now, we are banking on future growth and that \$700,000 in addition to the ones we have right now are not coming to us but being diverted to sales tax or to this economic development sales tax. City Manager Maclin stated that the part about the future growth is definitely what we are banking on, that we will be able to utilize these incentive dollars because if we do create the jobs then we create additional tax base as a multiplier effect. Mr. Maclin stated that the reason for the reduction in the fund balance is to minimize that loss of that \$700,000 that was currently in this year's budget so that it will be able to be used for economic development by lowering the fund balance then you have freed up those dollars to still be used in the General Fund.

Councilmember Gorden asked if the City has not identified the new retail on line to open in Lufkin in the next 12 months to cover a substantial part of that just by itself. Mr. Maclin stated that "yes", and it is hard to predict because the Comptroller's Office will not give us the individual store numbers, but rather a block group number. Councilmember Gorden stated that it is kind of a leap of faith but it is a calculated leap in that these major retailers that will open within the next 12 months in Lufkin will substantially increase the sales tax revenue by themselves. Mr. Maclin stated that within 12 months you will have 10 major retailers that will open in Lufkin. Councilmember Gorden stated that it is a known fact that most of those dollars are

actually spent by people from outside of this County. Councilmember Gorden stated that there are factors there that the odds are very good that this leap of faith is going to work well and it is not going to be like we are removing \$700,000 from the budget of the City of Lufkin.

In response to question by Councilmember Kuykendall regarding having open meetings for the public, Mr. Maclin stated that we will have whatever Council wants to have. Councilmember Kuykendall stated that this is something that he feels the general public does not have the same knowledge that the Council might have. Councilmember Kuykendall stated that he is telling people who ask him about the economic sales tax election that there will be public hearings to explain the details. Councilmember Kuykendall stated that the ballot in itself is confusing so the public needs to hear something by word of mouth so they can go back and decide one way or the other.

Mayor Bronaugh stated that as for as public hearings sake he and Mr. Maclin would get together and have as many public hearings as the public wants to be heard in churches, neighborhood association, etc. Councilmember Kuykendall asked if there would be public hearings at City Hall. Mr. Maclin stated that if Mr. Kuykendall will tell him where he wants the public hearings to be held, he will be there and promote it and answer any questions.

Mayor Bronaugh stated that the Council needs to understand this themselves.

Motion was made by Councilmember Jack Gorden, Jr. and seconded by Councilmember Lynn Torres that an Ordinance calling for an Economic Development Sales Tax election be approved on Second and Final Reading as presented.

The following vote was recorded:

Aye: Councilmembers Gorden, Torres, Kuykendall, Boyd, Langston and Mayor Bronaugh

Nay: Councilmember Robertson

Motion carried with six affirmative votes.

7. AMENDMENT – APPROVED – SECOND READING - SUBDIVISION ORDINANCE

Mayor Bronaugh stated that the next item for consideration was Second Reading of an Amendment to the Subdivision Ordinance.

City Manager Maclin stated that this just makes the sewer policy for upgrades the same as the water policy.

Motion was made by Councilmember Don Langston and seconded by Councilmember Rose Faine Boyd that Amendment to the Subdivision Ordinance be approved on Second and Final Reading as presented. A unanimous affirmative vote was recorded.

8. AGREEMENT – APPROVED – TxDOT – CITY’S CONTRIBUTION TO U S 59 IMPROVEMENTS – RIGHT-OF-WAY PROJECTS – PARCELS 14, 20 AND 23

Mayor Bronaugh stated that the next item was an Agreement with TxDOT for the City’s contribution to the U S 59 improvements right-of-way project, parcels 14, 20 and 23.

City Manager Maclin stated that included in the Council packet is a letter from John Evans, the Right-of-Way Administrator for the Lufkin District of TxDOT. Mr. Maclin stated that this is an opportunity to purchase three parcels that are valued at \$600,000, which would mean that 10% or \$60,000 would be the City’s 10% share. Mr. Maclin stated that these parcels are located on the west side of 59 South in the area where the

car wash, Phillips 66 station was, northeast of the Super Wal-Mart site. Mr. Maclin stated that part of the purpose in trying to secure these now before there is further development that will cause those values to go up even more. Mr. Maclin stated that Mr. Evans has been able to make application through a variety of sources to get some of these right-of-way funds, and here is an opportunity to actually save us and the State of Texas and our citizens some money by purchasing these before there is further development in that area which will drive the price up per square foot to higher levels. Mr. Maclin stated that staff is seeking Council's consideration to this agreement that is included in the Council packet. Mr. Maclin stated that Mr. Evans was present if Council had any specific questions of him.

Motion was made by Councilmember Jack Gorden, Jr. and seconded by Councilmember Don Langston that Agreement with TxDOT for the City's contribution to the U S 59 improvements right-of-way project, parcels 14, 20 and 23 be approved as presented. A unanimous affirmative vote was recorded.

9. ORDINANCE – APPROVED – FIRST READING – FREEZING TAXES - DISABLED AND SENIOR CITIZENS

Mayor Bronaugh stated that the next item for consideration was an Ordinance freezing taxes for disabled and senior citizens.

City Manager Maclin stated that back in the legislative session the State Legislation approved and passed a Bill that gives cities and counties the same authority that school districts have had for years to provide a tax break by freezing a value of a homestead at the value it is when the individual turns 65. Mr. Maclin stated that school districts have been using this as a way to protect fixed income senior citizens. Mr. Maclin stated that the way it works is that once you turn 65 if the value of your house is \$100,000 then it would stay at that \$100,000 thereafter and would not have increases based on reappraisals. Mr. Maclin stated that they had to approve a constitutional amendment to allow cities and counties to utilize this same authority and in September the citizens of Texas approved that State constitutional amendment. Mr. Maclin stated that if Council desires to implement this Ordinance, basically the Central Appraisal District would set the values in 2004 next spring and those values would be fixed for 2005 and each year thereafter for somebody who is already 65 and then when somebody turns 65 whatever their value happened to be the year they turned 65 it would be frozen at that value for the rest of the time they owned that as their homestead.

Mr. Maclin stated that staff asked Mr. Shanklin to give us an estimate of what would be the impact to our budget in terms of property tax loss for 2005 and he gave an estimate of \$13,375. Mr. Maclin stated that will continue to grow as the City has more retirees come to our community and as the "baby boomers" turn 65. Mr. Maclin stated that this is a number that will exponentially increase over the years to come, but once you get used to not having it you make arrangements through your budgeting process to absorb it. Mr. Maclin stated that if this is something that Council is ready to implement, then passage of this Ordinance would trigger the CAD to take the values arrived in 2004 and you would see the impact in 2005.

Councilmember Robertson stated that this is one of the things in terms of economics we can do to improve the attractiveness of Lufkin for senior citizens. Councilmember Robertson stated that some of the statistics he reads is that the senior citizens spend more of their spend able money in a local economy than people with jobs do. Councilmember Robertson stated that these folks that we can attract that are 65 and older that are retired may be more benefit to the community than one job. Councilmember Robertson stated that he is 65 and will recuse himself on the vote.

In response to question by Mayor Bronaugh, Mr. Flournoy stated that Mr. Robertson could recuse himself from voting, but he wouldn't have to because it would not be a conflict of interest.

Motion was made by Councilmember Jack Gorden, Jr. and seconded by Councilmember R. L. Kuykendall that Ordinance freezing the taxes for disabled and senior citizens be approved on First Reading as presented. A unanimous affirmative vote was recorded.

10. AMENDMENT – APPROVED – ORDINANCE NO. 3406 – TECHNOLOGY FUND – SERVICE AND MAINTENANCE AGREEMENTS ON TECHNOLOGY PURCHASED FOR COURTS

Mayor Bronaugh stated that the next item for consideration was an Amendment to Ordinance No. 3406 providing for the use of the technology fund for service and maintenance agreements on technology purchased for courts.

City Manager Maclin stated that the Council approved this Ordinance a few years ago when the State allowed cities to extract a portion of our fees collected from Municipal Court and use them for technology issues, in our case software, hardware, maintenance of our software. Mr. Maclin stated that the original Ordinance Council approved had a termination date of 2005 and we have the opportunity now through the legislature to extend that.

Motion was made by Councilmember Dennis Robertson and seconded by Councilmember Jack Gorden, Jr. that Amendment to Ordinance No. 3406 providing for the use of the technology fund for service and maintenance agreements on technology purchased for courts be approved on First Reading as presented. A unanimous affirmative vote was recorded.

11. RESOLUTION – APPROVED – JOINT AGREEMENT – CITY OF LUFKIN AND LOWER NECHES VALLEY AUTHORITY – TRANSFER OF WATER RIGHTS

Mayor Bronaugh stated that the next item for consideration was a Resolution of a joint agreement by the City of Lufkin and the Lower Neches Valley Authority (LNVA) for transfer of water rights.

City Manager Maclin stated that this is the culmination of the City's efforts for years to get to the point where we receive our water rights permit on Rayburn from the Texas Commission on Environmental Quality. Mr. Maclin stated that in 1967 the City Council entered into an agreement with the Corps of Engineers and the Lower Neches Valley Authority and basically we were purchasing water rights from the LNVA over a 40 year period. Mr. Maclin stated that the City has now paid that off early. Mr. Maclin stated that the City owed about \$157,000 between now and 2014. Mr. Maclin stated that the City has paid this off early in an effort to obtain this permit. Until the City paid this off we would not be able to have a clear and free permit for our water rights; now that it has been paid off we need this Resolution approved by both the City and the LNVA. Mr. Maclin stated that the Resolution will then be submitted to the TCEQ and they have indicated within a month after that the City will receive its water rights permit as a transfer of old water rights from LNVA to the City of Lufkin predicated on our contract of 1967.

Mr. Maclin stated that the City started a research and study a few years ago about going to Rayburn for surface water and we wanted to get all our permits in place before we began to consider any type of serious investment of funds. Mr. Maclin stated that by approval of this by both parties within a reasonable time we will be able to obtain that water rights permit and therefore give the City of Lufkin the security and confidence that we need in terms of ownership of those water rights to move forward with further consideration of going to Sam Rayburn for surface water.

Motion was made by Councilmember R. L. Kuykendall and seconded by Councilmember Rose Faine Boyd that Resolution of a joint agreement by the City of

Lufkin and the Lower Neches Valley Authority (LNVA) for transfer of water rights be approved as presented. A unanimous affirmative vote was recorded.

12. **RESOLUTION – APPROVED – DETCOG – SOLID WASTE ENFORCEMENT GRANT APPLICATION**

Mayor Bronaugh stated that the next item for consideration was a Resolution for the DETCOG Solid Waste Enforcement Grant application.

City Manager Maclin stated that the DETCOG Solid Waste Enforcement Grant is for \$40,000 and staff is seeking Council's approval through this Resolution to submit this application to DETCOG. Mr. Maclin stated that there are only two entities applying for the money with the other entity being Angelina Neches River Authority and that would be for a regional composting facility study. Mr. Maclin stated that the City is looking at requesting funds for a regional mobile recycling unit, which would be a trailer vehicle with bins on it that would allow us to take a mobile recycling unit to various communities and do promotions. Mr. Maclin stated that the City is seeking the grant to allow us to truly improve our regional recycling efforts through a regional recycling mobile unit.

In response to question by Mayor Bronaugh, Melinda Kartye, Recycling Coordinator, stated that the scope of the area to be covered is the 12 DETCOG counties.

In response to question by Councilmember Boyd, Ms. Kartye stated that the actual cost of the trailer is \$16,530, and they are also asking for the grant to pay for a three quarter ton Chevrolet pickup, which would pull the trailer and an additional \$5,000 would be needed to help educate the citizens within the region. Ms. Kartye stated that the estimated cost of the project is \$46,530, which would mean that the City would need to match the grant at \$6,530. Ms. Kartye stated that the estimated in-kind services over the next five years of what the City's responsibility would be for the project would be to provide insurance for the truck, pay the gas costs, and some of the labor costs that would be involved.

Ms. Kartye stated that they are expecting to get an increase in production because of the automated system over the next five years, which would help off-set the cost.

Motion was made by Councilmember Lynn Torres and seconded by Councilmember Rose Faine Boyd that Resolution for the DETCOG Solid Waste Enforcement Grant application be approved as presented. A unanimous affirmative vote was recorded.

13. **STEP WAVE GRANT AGREEMENT – APPROVED – ADDITIONAL SPEED AND OCCUPANT RESTRAINT ENFORCEMENT – SURVEYS – EDUCATION AND MEDIA ACTIVITY – SELECTED HOLIDAY PERIODS**

Mayor Bronaugh stated that the next item for consideration was approval of a STEP Wave Grant Agreement to conduct additional speed and occupant restraint enforcement, surveys, and education and media activity during selected holiday periods.

City Manager Maclin stated that included in the Council packet is a cover letter of explanation from Chief Brazil along with the TxDOT paperwork for a STEP grant. Mr. Maclin stated that the City has participated in this program for several years. Mr. Maclin stated that this would be a maximum of \$10,000 to pay for overtime for Police officers to provide speed enforcement and seat belt restraint violations during Thanksgiving, Memorial Day, July 4th and Labor Day. Mr. Maclin stated that as far as the 10% match which is made up of in-kind from the cost of the vehicle mileage and the time spent in the paperwork completed by Sgt. Walker, the grant coordinator. Mr. Maclin stated that staff is seeking Council's approval to seek these funds again to assist in this effort.

Councilmember Robertson stated that it seems that there is a tremendous amount more reporting required than normal Police action. Councilmember Robertson asked if this is something to be concerned about in implementing one of these programs.

Mr. Maclin stated that this is not any different than any other grant. Mr. Maclin stated that the Police Department has uniform crime reports that we have to do as part of the normal reporting but any time you receive grant funds there is historically additional documentation required for that whether it is a Community policing block grant or a STEP Grant, they all have a certain amount of paperwork that is required.

Councilmember Robertson stated that philosophically he had a hard time in targeting these people just on holidays. Councilmember Robertson stated that he feels like people have a certain inherent responsibility to take care of themselves instead of being a hazard to someone else on the road. Councilmember Robertson stated that from yesterday's paper we seem to have a rash of incidents on parking lots in the City and whether or not that takes our policemen away from those areas to do this is one of his concerns. Councilmember Robertson stated that how we operate the program is up to Chief Brazil.

Mr. Maclin stated that it is money to pay overtime so you are not pulling someone off another shift because you are pulling someone who is off duty and paying them overtime, which is one of the advantages of why it shouldn't adversely impact normal, routine services. Mr. Maclin stated that the reason for the holidays is because you have increased travel that puts increased people on the road and the number one goal has been to reduce fatalities, and the number two goal is to reduce accidents.

Motion was made by Councilmember Jack Gorden, Jr. and seconded by Councilmember Lynn Torres that STEP Wave Grant Agreement to conduct additional speed and occupant restraint enforcement, surveys, and education and media activity during selected holiday periods be approved as presented. A unanimous affirmative vote was recorded.

13. BUDGET AMENDMENT NO. 1

Mayor Bronaugh stated that the next item for consideration was Budget Amendment No. 1.

City Manager Maclin stated that included in the Council packet is an interoffice memorandum from the Director of Accounting Doug Wood that itemizes all of these budget amendments. Mr. Maclin stated that the vast majority of these are amendments from last year's budget of items that were appropriated but not completed so in essence it is a carryover designation. Mr. Maclin stated that included is the \$60,000 that was discussed earlier with TxDOT to be allocated to the Capital Improvements Fund, but most all the rest represent carryover or minor errors through the hidden cells in the budget formulas.

Motion was made by Councilmember Don Langston and seconded by Councilmember Lynn Torres that Budget Amendment No. 1 be approved as presented. A unanimous affirmative vote was recorded.

14. ANNUAL REPORT – BRIAN McCLAIN – ANGELINA COUNTY SMALL BUSINESS DEVELOPMENT CENTER

Brian McClain with the Angelina County Small Business Development Center presented the annual report to Council. A copy of the report is on file in the City Secretary's Office.

16a). **BID – APPROVED – TWO FRONT LOADING GARBAGE TRUCKS – ONE SIDE LOADING RESIDENTIAL TRUCK – SOLID WASTE DEPARTMENT – TEXAS LOCAL GOVERNMENT PURCHASING COOPERATIVE**

Mayor Bronaugh stated that the next items for consideration were two front loading garbage trucks and one side loading residential truck for the Solid Waste Department.

City Manager Maclin stated that staff is recommending that these vehicles be purchased through the low bid of the Texas Local Government Purchasing Cooperative in the amount of \$437,259.

Motion was made by Councilmember Lynn Torres and seconded by Councilmember Rose Faine Boyd to award the low bid through the Texas Local Government Purchasing Cooperative for three Autocar trucks on Heil bodies in the total amount of \$437,259. A unanimous affirmative vote was recorded.

16b) **BID – APPROVED – FIBER OPTIC DETECTION SYSTEM – WATER POLLUTION CONTROL PLANT – FIBER SENSYS, INC.**

Mayor Bronaugh stated that the next item for consideration was a fiber optic detection system for the Water Pollution Control Plant.

City Manager Maclin stated that this will be for enhancing our security system and staff is recommending the low bid of Fiber SenSys, Inc. in the amount of \$32,984.50. Mr. Maclin stated that the installation will be provided by City staff.

Motion was made by Councilmember Rose Faine Boyd and seconded by Councilmember Lynn Torres to award the low bid from Fiber SenSys Inc. in the amount of \$32,984.50 for the fiber optic detection system at the Water Pollution Control Plant. A unanimous affirmative vote was recorded.

16c) **BID – APPROVED – INTERACTIVE POLICE FORCE TRAINING SYSTEM – POLICE DEPARTMENT – IES INTERACTIVE**

Mayor Bronaugh stated that the next item for consideration was a bid for interactive police force training system for the Police Department.

City Manager Maclin stated that this is the simulator that has been talked about previously and staff is recommending the low bid of IES Interactive in the amount of \$38,000. Mr. Maclin stated that this is being funded with the Department of Justice Block Grant.

Motion was made by Councilmember Lynn Torres and seconded by Councilmember Don Langston that the bid of IES Interactive in the amount of \$38,000 for an interactive police force training system for the Police Department be approved as submitted. A unanimous affirmative vote was recorded.

16d) **BID – APPROVED – REPAIR OF JONES PARK SWIMMING POOL – RFP DEPOT – DIAMOND QUALITY POOLS**

Mayor Bronaugh stated that the next item for consideration was for the repair of Jones Park swimming pool.

City Manager Maclin stated that staff is recommending the low bid through our RFP Depot bid system, which is Diamond Quality Pool in the amount of \$16,000. Mr. Maclin stated that this will be for repairs of the filtration system and a pump.

Motion was made by Councilmember Rose Faine Boyd and seconded by Councilmember Jack Gorden, Jr. to award the low bid of Diamond Quality Pools in the

amount of \$16,000 for the repair of Jones Park Swimming Pool be approved as submitted. A unanimous affirmative vote was recorded.

17. EXECUTIVE SESSION

Mayor Bronaugh recessed Regular Session at 10:03 a.m. to enter into Executive Session. Regular Session reconvened at 10:21 a.m. and Mayor Bronaugh stated that real estate had been discussed.

18. PURCHASE OF RIGHT-OF-WAY - APPROVED - EXTENSION OF WHITEHOUSE DRIVE

Mayor Bronaugh stated that the next item for consideration was the purchase of right-of-way for the extension of Whitehouse Drive.

City Manager Maclin stated that the City has successfully negotiated a donation/purchase of property needed for the extension of Whitehouse Drive over to FM 819 and staff is seeking Council's authorization to execute that donation/purchase for the property owned by Mrs. Jean McVickers on FM 819.

Motion was made by Councilmember Rose Faine Boyd and seconded by Councilmember Lynn Torres that purchase of right-of-way extension of Whitehouse Drive be approved as presented. A unanimous affirmative vote was recorded.

19. CALENDAR NOTATIONS FROM MAYOR, COUNCILMEMBERS AND CITY MANAGER

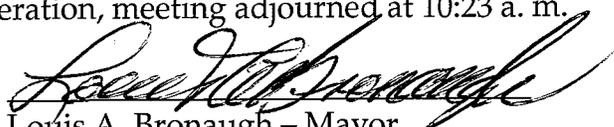
City Manager Maclin stated that the DETCOG meeting would be held this Thursday in Livingston due to the Thanksgiving holiday next week.

City Manager Maclin stated that the LNVA meeting would be held at City Hall on Wednesday, December 3rd at 1:30 p.m. preceded by lunch at 12:30 p. m.

20. There being no further business for consideration, meeting adjourned at 10:23 a. m.

ATTEST:

Atha Martin – City Secretary


Louis A. Bronaugh – Mayor