

MINUTES OF CALLED MEETING OF THE CITY COUNCIL OF THE CITY OF
LUFKIN, TEXAS, HELD ON THE
26th DAY OF JUNE 2000 AT 3:00 P. M.

On the 26th day of June 2000 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 Bronaugh	Mayor
R. L. Kuykendall	Mayor pro tem
Don Boyd	Councilmember, Ward No. 2
Bob Bowman	Councilmember, Ward No. 4
Jack Gorden, Jr.	Councilmember, Ward No. 5
Dennis Robertson	Councilmember, Ward No. 6
C. G. Maclin	City Manager
James Hager	Asst. City Manager/Finance
Atha Stokes Martin	City Secretary
Robert Flournoy	City Attorney
Kenneth Williams	Director of Public Works

being present, and

Lynn Torres	Councilmember, Ward No. 3
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Being absent when the following business was transacted.

1. Meeting was opened by Mayor Bronaugh.

2. BANK DEPOSITORY CONTRACTS – APPROVED – FIRST BANK & TRUST

Mayor Bronaugh stated that the first item for consideration was bids for the bank depository contract.

City Manager Maclin stated that staff had originally scheduled to have on the June 20th Council meeting agenda the award of the City's bank depository contract, but due to some unforeseen circumstances this item had to be delayed. Mr. Maclin stated that a special meeting was called today because the first meeting in July was delayed because it falls on July 4th. Mr. Maclin stated that the first meeting in July will be on July 11th and rather than wait another two weeks after that, staff wanted to address a couple of items on today's agenda that needed more attention than waiting until July 11th.

Mr. Maclin stated that a few weeks ago Mr. Hager prepared with the Accounting Department staff a bank depository bid proposal; a condensed version is on the Council table. Mr. Maclin stated that a copy of this proposal, in larger print, was included in the Council packet.

James Hager, Assistant City Manager, stated that several months ago staff prepared an RFP and sent it out to various banks in town and there were five responders to that RFP. Those who responded were: Bank of America, Commercial Bank, Compass Bank, First Bank & Trust of East Texas, and Regions Bank. Mr. Hager stated that this year staff looked primarily at electronic banking/internet banking, because it is the most cost-effective banking method and in the future it would be Internet banking which will even be cheaper. Mr. Hager stated that staff also looked at the total cost of services and netted that against any investment and earnings credit that the bank would provide based upon their investment vehicles in order to come with a net earnings or cost to the City for banking services. Mr. Hager stated that this bank bid is going to extend for a three-year period rather than a two-year period. Mr. Hager stated that it is rather costly for the City to change banks and consequently, staff would like to extend the contract to three years. Mr. Hager stated that each of the banks, as far as their net cost to the City, were very close. Mr. Hager stated that he and Doug Wood, Director of Accounting and Debra Vance, Asst. Accounting Director, reviewed the bids based upon the service criteria that they were seeking, interviews that they conducted with the businesses, as well as the cost that they quoted in their bid document. Mr.

Hager stated that considerable emphasis was put on the investment opportunities that they would assist the City with; consequently they extended that to provide the City a net banking cost. Mr. Hager stated that based upon staff's analysis and based upon the cost of what staff believes to be the best interest of the City, staff is recommending that First Bank & Trust be awarded the three year bid contract.

Mr. Hager stated that he would like to indicate that there were two errors on the memo, on the First Bank & Trust bid their bid is actually \$355 in cost rather than \$455, and under Commercial Bank investment earnings rather than \$3,955 it should have been \$3,484. Mr. Hager apologized for these errors.

Mr. Hager stated that staff had discussed the bank bids with the Finance Committee and have shared their recommendation with the Committee.

Councilmember Robertson stated that the Finance Committee would recommend, based on staff's report, that Council accept the recommendation of awarding the bid to First Bank & Trust of East Texas.

Motion was made by Councilmember Dennis Robertson and seconded by Councilmember R. L. Kuykendall to accept the staff recommendation of awarding the bid to First Bank & Trust of East Texas as the City's bank depository. The following vote was recorded:

Aye: Mayor Bronaugh, Councilmembers Robertson, Boyd, and Kuykendall
Councilmembers Jack Gorden, Jr. and Bob Bowman recused themselves from voting.

Motion carried with four affirmative votes.

2. BUDGET REVIEW – APPROVED – SPRAY PLAY PROJECT – PARKS DEPARTMENT- COX CONCRETE

Mayor Bronaugh stated that the next item for consideration was a budget review for the spray play project.

City Manager Maclin stated that included in the Council packet is a letter from the Director of Parks and Leisure Services, Don Hannabas, that reiterates some concerns with the original budget based on the bids that were received and other in-house cost for the spray play project at Chambers Park. Mr. Maclin stated that the City received a grant from the Pineywoods Foundation in the amount of \$40,000 for this project and the total cost will be \$68,443. Mr. Maclin stated that Mr. Hannabas listed four items in his letter that he indicates are reasons for the cost coming in higher than originally estimated. Mr. Maclin stated that it does also indicate that there are several areas even with this over run of a savings including the fact that the design was done by Keith Wright, City Engineer, and the water department installed the pipe to the site, the Street Department provided removal of soil and compacted clay for the foundation, and later on the City electrician will be installing a controller for the valves. Mr. Maclin stated that in order to move forward with the completion of the project, staff would like to seek Council's consideration of the use of \$28,443 in contingency funds. Mr. Maclin stated that if Council approves this bid and payment from the contingency funds, Mr. Hager will come back to Council at a future date with a budget amendment to reflect that \$28,443.

Mr. Maclin stated that Scott DeGrant, Parks Superintendent, was present to answer any specific questions about the installation.

City Manager Maclin stated that the low bid for concrete had been received from Cox Concrete in Nacogdoches in the amount of \$43,385.

In response to question by Councilmember Robertson, Mr. Wright stated that staff had discussed the recovery of the water and the use of it for irrigation but another tank would have to be built to catch the water and provide for a pumping system where it could be used for irrigation, and that is the long-term plan. Mr. Wright stated that it was his understanding that Mr. Hannabas would address this in next year's budget.

In response to question by Councilmember Gorden, Mr. DeGrant stated that if everything is completed on time the spray play should be operational in the next 60 days.


Motion was made by Councilmember Don Boyd and seconded by Councilmember R. L. Kuykendall to approve the staff recommendation that \$28,443 be taken from the contingency fund for the completion of the spray play project and that the bid of Cox Concrete in the amount of \$43,385 be approved as submitted. A unanimous affirmative vote was recorded.

4. COMMENTS

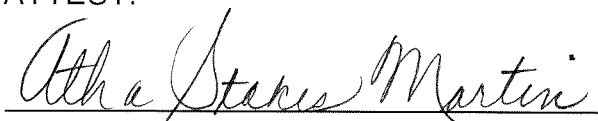
City Manager Maclin stated that the next Council meeting would be July 11th at 5:00 p.m. and would replace the July 4th meeting, which was a holiday.

There was discussion regarding the date for the budget workshop and it was determined that the meeting would be held on Monday, July 17th from 8:00 a.m. to 3:00 p.m.

5. There being no further business for consideration, meeting adjourned at 3:22 p.m.


Louis Bronaugh
Mayor

ATTEST:


Atha Stokes Martin - City Secretary