

MINUTES OF REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF
LUFKIN, TEXAS, HELD ON THE
21ST DAY OF JULY, 1998 AT 5:00 P. M.

On the 21st day of July, 1998 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:

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| Louis A. Bronaugh | Mayor |
| Jack Gorden, Jr. | Mayor pro tem |
| R. L. Kuykendall | Councilmember, Ward No. 1 |
| Don Boyd | Councilmember, Ward No. 2 |
| Betty Jones | Councilmember, Ward No. 3 |
| Bob Bowman | Councilmember, Ward No. 4 |
| Tucker Weems | Councilmember, Ward No. 6 |
| C. G. Maclin | City Manager |
| James Hager | Asst. City Manager/Finance |
| Bob Flournoy | City Attorney |
| Atha Stokes | City Secretary |
| Keith Wright | City Engineer |
| Stephen Abraham | Director of Planning |
| Kenneth Williams | Director of Public Works |

being present when the following business was transacted.

1. Meeting was opened with prayer by City Attorney Bob Flournoy.
2. Mayor Bronaugh welcomed visitors present.

3. **APPROVAL OF MINUTES**

Motion was made by Councilmember Don Boyd and seconded by Councilmember R. L. Kuykendall that the minutes of the Regular Meeting of July 7, 1998 be approved as presented. A unanimous affirmative vote was recorded.

4. **ORDINANCE - APPROVED - SECOND READING - ZONE CHANGE - RESIDENTIAL MEDIUM SINGLE FAMILY TO LOCAL BUSINESS - OAKLAND ADDITION - MOORE AVENUE - BLEDSOE STREET - CULLEN DAVIS**

Mayor Bronaugh stated that the next item for consideration was Second Reading of an Ordinance to change the zoning from "RM" Residential Medium Single Family to "LB" Local Business on Lots 1, 2 and 3, Block 3 of the Oakland Addition and generally located on Moore Avenue west of Bledsoe Street as requested by Cullen Davis.

Motion was made by Councilmember Don Boyd and seconded by Councilmember Jack Gorden, Jr. that Ordinance to change the zoning from "RM" Residential Medium Single Family to "LB" Local Business on Lots 1, 2 and 3, Block 3 of the Oakland Addition and generally located on Moore Avenue west of Bledsoe Street as requested by Cullen Davis be approved on Second and Final Reading as presented. A unanimous affirmative vote was recorded.

5. **ORDINANCE - DENIED- FIRST READING - ZONE CHANGE - PLANNED UNIT DEVELOPMENT AND RESIDENTIAL LARGE SINGLE FAMILY TO PLANNED UNIT DEVELOPMENT - HARMONY HILL DRIVE - TULANE DRIVE - DAVID MILES - CARD MILES ENTERPRISES**

Mayor Bronaugh stated that the next item for consideration was the request of David Miles of Card Miles Enterprises to change the zoning from "PUD" Planned Unit Development and "RL" Residential Large Single Family to "PUD" Planned Unit Development on approximately 11.959 acres of land located on the north side

of Harmony Hill Drive and beginning approximately eight hundred feet east of Tulane Drive.

David Miles stated that he is presenting a zone change request to the City Council for approval to expand Timber Cove, an already approved 21 patio home subdivision to 40 patio homes and neighborhood activity center and pocket park. Mr. Miles stated that flexibility in the lot layout will allow for common areas and tree preservation. Mr. Miles stated that a PUD zoning for this site would reduce the potential of home sites from 44 to 40, and increase the minimum square footage from 1200 SF to 1400 SF. Mr. Miles passed around a brochure of the fencing for the subdivision along Harmony Hill with a plat layout and a typical higher end home that will be in the subdivision. Mr. Miles stated that the homes will range from \$115,000 to \$215,000, and that Timber Cove offers a variety of lifestyle amenities for convenience living, an ideal location close to shopping, restaurants and professional services. Mr. Miles stated that there is a gated entrance, walking trails, and it is fenced along Harmony Hill with brick and wrought iron. Mr. Miles stated that the homes fronting Harmony Hill will remain Residential Large and driveway access to Harmony Hill will be eliminated. Mr. Miles stated that he recognized the need for this type of residential community for Lufkin several years ago and due to the rapid change of Lufkin's retail growth he has altered his original plans and has earmarked this site for the next phase of development in Card Forest. Mr. Miles stated that he wants this development to be harmonious to existing properties on Harmony Hill and feels this is a direct contribution to Lufkin's overall growth. Mr. Miles stated that it is the intent of his family business to follow through with the original plans of retirement living for those who currently reside in Lufkin and those who might locate from outside Lufkin. Mr. Miles stated that to retain some of the historical character in the area is their utmost priority. Mr. Miles stated that he would respectfully request that the City Council approve the zone change request so that they might have a positive impact on Lufkin's future.

In response to statement by Councilmember Jones in regard to some of the letters that had been returned by the residents who are opposed to granting this request, one of them makes a good point that Mr. Miles has some other developments and the houses are not selling, and there have been some changes in his plans and it seems fairly uncertain as to what he is trying to do. Mr. Miles stated that he has contracts on two of the houses in the subdivision he put in the Courts of Card Forest and two more custom homes currently under construction. Mr. Miles stated that there are four lot sales at this time out of eleven. Mr. Miles stated that his understanding in Lufkin is that it seems to take about two years for a subdivision to start to sell.

In response to question by Councilmember Jones if Mr. Miles had another PUD close to this location, Mr. Miles stated that he did have another PUD adjacent to this location. In response to question by Councilmember Jones, Mr. Miles stated that the total acreage in this area is approximately 70 acres.

Councilmember Jones stated that it seemed to be a pretty intensive development for a small area, and she could understand the concern that has been expressed to her by some of the adjacent owners. Mr. Miles stated that he could understand their concern. Mr. Miles stated that the zone change today for this particular acreage of almost 12 acres will actually reduce the number of home sites that he could put there from the 44 to 40. Mr. Miles stated that for a Residential Large subdivision the minimum square foot is 1200 SF and he is placing a minimum at 1400 SF.

In response to question by Councilmember Gorden, Mr. Miles stated that in the new development there is a cul-de-sac and with the contiguous access it fits the plan for overall symmetry.

Mr. Miles stated that he is developing the subdivision in phase development and the first phase would be Phase I, and with success in Phase I he would extend the

road for Phase II. Mr. Miles stated that he is under construction with the acreage that has already been zoned. Mr. Miles stated that when he has six to eight homes in place and sold he will start the second phase of the patio home subdivision called Timber Cove.

Councilmember Gorden stated that he appreciated what Mr. Miles is trying to do but he would agree with Mrs. Jones about the character of the street and there being some opposition. Councilmember Gorden stated that Mr. Miles should wait to see how Phase I works before moving on to Phase II.

In response to question by Councilmember Gorden as to why he had changed his plans, Mr. Miles stated that he had basically changed his plans for marketing purposes. Mr. Miles stated that, in his opinion, if people just saw the cul-de-sac without the amenities, it would not be as marketable as one with amenities. Mr. Miles stated that he had already discussed with Mr. Stolz to begin the water and sewer. Mr. Miles stated that he feels that the sales will be very substantial with the Tulane improvements and the South Loop Crossing shopping center going in. Mr. Miles stated that in talking with EGA, the engineers for this subdivision, it was felt that it was most appropriate to go ahead and get the approval on the overall Timber Cove subdivision and get the water and sewer for the next phase, so that they could get the concrete in there and develop it in a timely manner.

Wayne Stolz of EGA stated that one of the main considerations for coming back to Council now is because of the street layout. Mr. Stolz stated that as Mr. Miles stated, with just the cul-de-sac in there they are limited as to what they could do on the property, and it would restrict the adjoining property. Mr. Stolz stated that it would be too late to go ahead and build the cul-de-sac because they would already have a platted subdivision and they would have to take the lots out and revise the street plan to tie those two streets together. Mr. Stolz stated that it was their opinion that it would be better planning to go ahead and do that now.

In response to question by Councilmember Gorden, Mr. Miles stated that there would be two accesses on Harmony Hill Drive with gated entrances. In response to question by Councilmember Gorden, Mr. Miles stated that there will be a Homeowners Association and for a monthly fee, semi-annually assessed, they will pay for the maintenance and upkeep of the grounds and common areas.

David Shirley stated that he would like to speak in favor of the Planned Unit Development (PUD). Mr. Shirley stated that the PUD, which he is also trying to do on White House Drive, is an unusual and new creature to the City of Lufkin. Mr. Shirley stated that the PUD will be something that is very good for the City, but what actually happens in the PUD process is that they are asked as developers to come in and tell the City five years in advance what they plan to do and agree to that. Mr. Shirley stated that they also go through negotiations as to what streets they can have, what entrances they can have, and work with a Planning staff to reach some negotiations on those things before they bring them to Planning & Zoning or the City Council. Mr. Shirley stated that as far as changing plans, nobody that has ever been in business or in life, can say they will never make changes. Mr. Shirley stated that about 10 years ago the City sat down and said this is the way it is going to look forever. Mr. Shirley stated that the City of Lufkin found out in the last three years that there have been great changes that no one anticipated. Mr. Shirley stated that as a developer he has found that he has had to make changes and changes that he negotiates with the City. Mr. Shirley stated that it is his understanding that once a PUD is agreed to you have to follow the site plan, the projection of what they are putting in, etc. Mr. Shirley stated that the only way that can be changed is to come back before the City Council and negotiate that with the City and make those changes. Mr. Shirley stated that a developer is not the only one who has input into the development. The City also has great input into a PUD, and they also have to encompass in that working in the Comprehensive Plan, which is being adjusted as the City grows. Mr. Shirley stated that he was speaking in favor of this project because it is a PUD, which gives the City greater control over what actually happens

in that area. Mr. Shirley stated that he was not only supporting Mr. Miles in this project, but was also supporting the PUD process in the City of Lufkin.

Councilmember Boyd stated that, in his opinion, the misnomer is that Mr. Miles could go back and put smaller homes on the lots, but he cannot do that because the property is zoned Residential Large.

City Manager Maclin stated that Mr. Shirley does reiterate the fact that with a PUD the City has more controls and the ability to require landscaping and things that the City does not require in any other zoning district of that nature.

City Manager Maclin stated that the Planning & Zoning Commission, by unanimous vote, recommends approval of this zone change request with four stipulations: (1) The front setback line for all units shall be 25 feet as shown on the proposed concept plan; (2) The side yard setback on the interior of the property shall be 10 feet on one side and 0 feet on the other; (3) There shall be a minimum living area of 1,400 square feet per unit; and (4) No lot shall have access onto Harmony Hill Drive. City Manager Maclin stated that despite the fact that this request does come to the City Council with a recommendation of approval from the Planning & Zoning Commission, it will require six affirmative votes for approval due to the fact that property owners of twenty-one percent of the area submitted opposition, and by State law that will require a 5/6 vote, which in this case is six out of seven.

City Attorney Flournoy stated that as the property is now zoned, they can go in and put 44 homes on this piece of property now without anything else to be approved other than their streets. Mr. Flournoy stated that this zone change will affect the density, but other than that he could do this without a zone change.

Motion was made by Councilmember Don Boyd and seconded by Councilmember R. L. Kuykendall that Ordinance to change the zoning from "PUD" Planned Unit Development and "RL" Residential Large Single Family to "PUD" Planned Unit Development on approximately 11.959 acres of land located on the north side of Harmony Hill Drive and beginning approximately eight hundred feet east of Tulane Drive be approved on First Reading as presented. The following vote was recorded:

Aye: Councilmembers Boyd, Kuykendall, Gorden, Bowman and Mayor Bronaugh
Nay: Councilmember Jones

Motion failed to receive six affirmative votes.

City Attorney Flournoy stated that this request was not voted down, it just failed to pass, and could be brought up again when there is a full Council.

Mr. Miles asked if the request could be resubmitted in two weeks. Mr. Abraham stated that he would need to have time to get the notices out to the residents, and this could possibly be done in two weeks.

6. ORDINANCE - APPROVED - FIRST READING - SPECIAL USE PERMIT - RESTAURANT WITH A PRIVATE CLUB - COMMERCIAL DISTRICT - SOUTHLOOP CROSSING SHOPPING CENTER - MEDFORD DRIVE (LOOP 287) - SOUTH FIRST STREET (U. S. HIGHWAY 59) - APPLEBEE'S - GARY FISCHER

Mayor Bronaugh stated that the next item for consideration was a request of Gary Fischer of Applebee's to grant a Special Use Permit for a "Restaurant with a Private Club" within a "C" Commercial District located in the Southloop Crossing Shopping Center and generally located approximately one-half block southeast of the intersection of Medford Drive (Loop 287) and South First Street (U. S. Highway 59).

City Manager Maclin stated that included in the Council packet is a memorandum

of explanation from the Planning Department, and comes to Council by unanimous vote of approval by the Planning & Zoning Commission recommending approval of the Special Use Permit with the following condition: The Special Use Permit is for the sale of alcoholic beverages only in conjunction with a full service restaurant facility, and shall not be construed as allowing the structure to be used in a manner which constitutes a night club, tavern, lounge, dance hall or commercial amusement establishment.

In response to question by Councilmember Boyd, City Manager Maclin stated that this property is located adjacent to the Ramada Inn.

Motion was made by Councilmember Don Boyd and seconded by Councilmember R. L. Kuykendall that Ordinance for a Special Use Permit for a "Restaurant with a Private Club" within a "C" Commercial District located in the Southloop Crossing Shopping Center and generally located approximately one-half block southeast of the intersection of Medford Drive (Loop 287) and South First Street (U. S. Highway 59) be approved on First Reading with the following condition: The Special Use Permit is for the sale of alcoholic beverages only in conjunction with a full service restaurant facility, and shall not be construed as allowing the structure to be used in a manner which constitutes a night club, tavern, lounge, dance hall or commercial amusement establishment. A unanimous affirmative vote was recorded.

7. ORDINANCE - APPROVED - FIRST READING - SPECIAL USE PERMIT - DAY CARE CENTER - LOCAL BUSINESS - 704 ELLIS AVENUE - JACQUELINE SUDDS

Mayor Bronaugh stated that the next item for consideration was the request of Jacqueline Suds, on behalf of Rufus Duncan, Jr. to grant a Special Use Permit on property zoned "LB" Local Business to allow for a day care center located at 704 Ellis Avenue.

City Manager Maclin stated that the Council packet provides a memorandum of explanation from the Planning Department. The request comes to City Council from the Planning & Zoning Commission with a recommendation of approval with the following conditions: (1) There shall be required striped parking spaces provided for pick up and drop off at a ratio of one space per each four children plus one space per each instructor; (2) There shall be one sign permitted as indicated on the site plan which shall not exceed 6 feet in height or 24 square feet in areas; and (3) Any existing holes in the pavement shall be repaired prior to the issuance of a Certificate of Occupancy to allow for safer ingress and egress.

Motion was made by Councilmember Bob Bowman and seconded by Councilmember Jack Gorden, Jr. that Ordinance to grant a Special Use Permit on property zoned "LB" Local Business to allow for a day care center located at 704 Ellis Avenue as requested by Jacqueline Suds, on behalf of Rufus Duncan, Jr. be approved on First Reading with the following conditions: (1) There shall be required stiped parking spaces provided for pick up and drop off at a ratio of one space per each four children plus one space per each instructor; (2) There shall be one sign permitted as indicated on the site plan which shall not exceed 6 feet in height or 24 square feet in area; and, (3) Any existing holes in the pavement shall be repaired prior to the issuance of a Certificate of Occupancy to allow for safer ingress and egress. A unanimous affirmative vote was recorded.

8. RESOLUTION - APPROVED - AMENDMENT - 1996 HOME PROGRAM GUIDELINES CONTRACT

Mayor Bronaugh stated that the next item for consideration was a Resolution authorizing an amendment to the 1996 HOME Program Guidelines Contract.

City Manager Maclin stated that this Resolution comes from the City's grant consultant to reflect a need for increased allowance of funds and down payment assistance.

Annie Fields, Code Enforcement Director, stated that basically in the June 12th board meeting of the Texas Department of Housing and Community Affairs, Joe Mann proposed to the Board that they were having difficulty in spending the money for the homeowners down payment assistance program, and that this problem was occurring statewide. Mrs. Fields stated that Mr. Mann proposed to the Board that they would increase the down payment assistance from \$5,000 to \$7,500 to hopefully decrease the gap that the homeowner would have to supply to obtain financing for the home. Mrs. Fields stated that these funds would come from TDHCA and would be good for the local citizens who are trying to get into a home and are having a problem in gathering the down payment.

In response to question by Councilmember Gorden, Mrs. Fields stated that this is basically to inform the City that they have approved the increase, and the change will increase the down payment assistance that will be provided by TDHCA.

In response to question by Councilmember Gorden, Mrs. Fields stated that there are two slots that are currently open and there are potential applicants who are trying to find a house that fits the program guidelines and meets the housing requirement standards and the house value. Mrs. Fields stated that she is working with two families trying to get them approved with a local financial institution so they can get into their house. Mrs. Fields stated that these two families have submitted an application and have been tentatively pre-approved.

Motion was made by Councilmember Don Boyd and seconded by Councilmember Jack Gorden, Jr. that Resolution authorizing an amendment to the 1996 HOME Program Guidelines Contract be approved as presented. A unanimous affirmative vote was recorded.

9. PARKS MASTER PLAN CONSULTANT SELECTION

Mayor Bronaugh stated that the next item for consideration was selection of the Parks Master Plan consultant.

City Manager Maclin stated that included in the Council packet is a letter from the Director of Parks and Leisure Services, Don Hannabas, outlining the request to engage the services of Wilbur Smith & Associates to perform an updated park master plan. City Manager Maclin stated that a park master plan is an essential item for applications to the Texas Parks & Wildlife Department for matching grant funds. City Manager Maclin stated that staff would propose that this funding would come from the revenues from the sale of timber at Kit McConnico Park, which has been in coordination with the Tree Board.

Don Hannabas, Director of Parks and Leisure Services, stated that during this process staff has contacted about seven different companies to submit proposals to the City, and these were narrowed to three, and were interviewed by the Park Board. Mr. Hannabas stated that the three companies were narrowed to one and during that process staff also went through some negotiations with Wilbur Smith & Associates to discuss the scope of services to make sure they understood what the City was capable of providing and they were not going to duplicate something that had already been done by the City through the citizens master plan. Mr. Hannabas stated that the Park Board met and reviewed all the negotiations and ultimately decided to proceed with the Parks Master Plan.

In response to question by Councilmember Boyd, Mr. Hannabas stated that the amount for Phase I would be \$30,000, and \$5,150 would be for the consulting firm to submit an application for a grant to Texas Parks and Wildlife. Mr. Hannabas stated that he is asking Council to only consider the \$30,000 amount for the consultant tonight. City Manager Maclin stated that staff wants to do some more negotiations regarding the grant submittal and will come back to Council at a later date.

Motion was made by Councilmember Don Boyd and seconded by Councilmember Betty Jones that the City of Lufkin enter into a contract for professional services for the Parks Master Plan consultant with the firm of Wilbur Smith Associates in the amount of \$30,000. A unanimous affirmative vote was recorded.

10. BANK DEPOSITORY PROPOSAL TABULATION - AUTHORIZATION FOR CITY MANAGER TO ENTER INTO A BANK DEPOSITORY CONTRACT

Mayor Bronaugh stated that the next item for consideration was to review the bank depository proposals tabulation to consider the award of and authorization for the City Manager to enter into a bank depository contract.

City Manager Maclin stated that now is the appropriate time for the City to review the bank depository contract. City Manager Maclin stated that back in June staff prepared and mailed out requests for proposals for bank depository services to area banks and savings associations.

James Hager, Asst. City Manager, stated that staff received bids from four banks, and staff has developed its recommendation based upon the fees that were quoted in these bids. Mr. Hager stated that the bids were reviewed based upon two criteria primarily (1) the current banking process the City uses, which is primarily manual, and (2) electronic banking so that the 32 bank accounts can be collapsed into one primary account to achieve balance reporting and control disbursements so that the cash can be better managed. Mr. Hager stated that of the four banks that submitted bids, the lowest was Commercial Bank of Texas, and their total bid for the services that were requested under the current arrangement was \$560.92. The next lowest bank was First Bank & Trust of East Texas at \$789, Compass Bank at \$795, and NationsBank at \$1,165. Mr. Hager stated that with control disbursement and balance reporting features, which is what staff anticipates going to as rapidly as possible, Commercial Bank of Texas bid \$435.92; First Bank & Trust of East Texas bid \$1,930 with a footnote that they do not have electronic banking availability at this point but planned to get it in the future. Mr. Hager stated that this number is based upon a daily quote provided by them in their bid and it would have been a manual process. Mr. Hager stated that pc banking would bring that number down for them. Mr. Hager stated that the third bank was Compass Bank at \$822, and the fourth was NationsBank at \$995. Mr. Hager stated that staff is asking that Council approve Commercial Bank of Texas as the City's new depository and authorize the City Manager to sign a contract to enter into depository services with that bank.

Motion was made by Councilmember R. L. Kuykendall and seconded by Councilmember Bob Bowman to award the bank depository contract to Commercial Bank as presented.

Councilmember Gorden recused himself from voting.

Motion carried with five affirmative votes.

11. BURKE WATER SUPPLY CORPORATION

Mayor Bronaugh stated that the next item for consideration was the acquisition of the Burke Water Supply Corporation.

City Manager Maclin stated that the acquisition of the Burke Water Supply Corporation was discussed at length at the Council budget workshop last Wednesday. A complete financial analysis was provided by the Assistant City Manager. City Manager Maclin stated that to provide a recap summary, this potential acquisition as requested by the President of the Burke Water Supply Corporation Tom Selman, as indicated in the letter in the Council packet along with the vote of ballots with their membership indicates their desire for the City to take over the operation of the Burke Water Supply Corporation. City Manager Maclin

stated that it is his opinion that this is one of those unique opportunities that produces a win-win situation that everyone can benefit from. City Manager Maclin stated that the Burke Water Supply customers can benefit in that we will be able to provide them a lower rate for their service as well as make improvements to the system to improve water pressure, water quality, and service ability and maintenance of the system. City Manager Maclin stated that without the City's acquisition their leadership indicated the potential in the future of additional rate increase in order to keep up with the needed improvements and capital expenditures that would be required either to meet the needs of the system or State law. City Manager Maclin stated that the advantage to the City of Lufkin is that it provides a long range planning vehicle for the orderly growth of the City; most of the growth of the City in recent years has been on the south side, as indicated on the CCN map (Certificate of Convenience and Necessity), which is in essence the TNRCC franchise for the sale of water. City Manager Maclin stated that the Burke area covers pretty much everything to the South of Lufkin all the way to Diboll, and includes over 11,000 customers. City Manager Maclin stated that it will provide a vehicle for improving the water system so that it can handle the growth of the future and be available as the City needs to grow in that direction. City Manager Maclin stated that the fact that the Burke customers, even though they will be receiving about a 10% reduction in their current rates, the amount that they will be paying will be enough above our normal out-of-the City rates that we can earmark those extra funds for the capital improvements needed over the next five years. City Manager Maclin stated that Mr. Stolz with EGA has worked with the Burke Water Supply for several years and they provided the City with a capital improvements list which will be scheduled over the next five years, and use the additional proceeds above our normal 1 1/2 time rate, dedicate them for those improvements and still have a net positive cash flow that will make several hundred thousand dollars worth of improvements to the system while at the same time, not overburdening the Burke residents. City Manager Maclin stated that this transaction gives a unique opportunity to help each other by providing a quality service at a reasonable price, but yet have built in the funds from the Burke customers to make those improvements without it being a burden on the citizens of Lufkin customers.

City Manager Maclin stated that staff would like to recommend that the Council consider favorably the acquisition of the Burke Water Supply Corporation.

City Manager Maclin stated that there has been some speculations through 'Sound Off', a column in the Lufkin Daily News, regarding deposits, and it would be staff's recommendation that the current Burke customers not be required to place a deposit. City Manager Maclin stated that the Burke customers paid a membership fee to be a part of the Burke system and therefore, in his opinion, it would not be appropriate for the City to require a deposit for the existing Burke customers. City Manager Maclin stated that staff would, however, recommend a deposit for new connections, new customers who have not obviously paid the Burke Water membership fee, and therefore, would be required to place a deposit as we do for outside residents at 1 1/2 times our normal deposit rate, which in essence is designed to cover two months worth of billing, since our billing cycle is approximately 60 days behind cycle. City Manager Maclin stated that staff would consider customers on the first go around if they got cut off for non-payment, and would probably charge the same reconnect fee that we do as per our policy, but would not require a deposit the first time. City Manager Maclin stated that after the first time, failure to pay the bill and the account being cut off, then we would require a deposit just like we do all of our existing customers. City Manager Maclin stated that there are existing customers who have the old deposit from several years ago, and after they get cut off they have to up their deposit to the current deposit value to protect the City. City Manager Maclin stated that it is the deposits that enable the City, when there is a failure to pay and someone leaves town, to make up the difference and help the City maintain its high percentage collection rate.

Motion was made by Councilmember Bob Bowman and seconded by

Councilmember Jack Gorden, Jr. that the acquisition of the Burke Water Supply Corporation by the City of Lufkin be approved as presented. A unanimous affirmative vote was recorded.

City Manager Maclin stated that as a followup, recognizing the Council's confirmation of proceeding forward, he would like to request that Council allow the Burke Water leadership and the City of Lufkin staff to work together as far as a timely change over. City Manager Maclin stated that this is something that cannot be done over night, there needs to be some time and preparation. City Manager Maclin stated that the finalization of the acquisition should be sometime between now and January 1.

There was a consensus of opinion from Council that staff be allowed to work with the Burke Water Supply for a timely change over.

12. CONCERNED BLACK MEN OF LUFKIN, TEXAS, INC. - REQUEST FOR FUNDS - APPROVED - SUMMER YOUTH CAMP

Mayor Bronaugh stated that the next item for consideration was a request for funding from the Concerned Black Men of Lufkin, Texas, Inc. for the summer youth camp program.

Mayor Bronaugh stated that at this time of the year when Council is considering budget requests there are individual organizations who make requests for funding, and the Concerned Black Men of Lufkin, Texas, Inc. have requested funding for the past six years.

Councilmember Boyd, who is the President of the Concerned Black Men of Lufkin, Texas, Inc., stated that on behalf of the organization, he would like to thank the City for all they have done in the past, and was now asking for the City's continued support. Councilmember Boyd stated that this is the sixth year the organization has funded the summer youth program, and the funds they receive from the City help out tremendously. Councilmember Boyd stated that the organization also solicits funds from other community businesses to help with the summer youth program. Councilmember Boyd stated that this program has provided hundreds of youth with the opportunity to develop their physical fitness skills, introduce them to computers, personal development, and enhance their English, math, and science skills. Councilmember Boyd stated that this is an all-around summer youth program and is offered in two sessions. The first session this year began on June 8 - July 2, with kids from 8 to 11 years of age. The second session is now in progress and they are working with youth aged 12 to 14 years of age. Councilmember Boyd stated that this program is usually held in conjunction with the school district at the schools, but this year with the construction, they had to secure another location, which was the Salvation Army.

Councilmember Boyd recognized members and instructors of the organization, to include Marilyn Kegler, who is in charge of the basketball camp, and Mrs. Watts who is helping with reading and language.

Councilmember Boyd stated that the City has contributed \$4,000 each year and they were requesting this amount again this year. Councilmember Boyd stated that some of the money is used for speakers and trips. Councilmember Boyd stated that members of the organization pay yearly dues.

Royce Garrett presented Councilmembers and administrative staff with Concerned Black Men of Lufkin, Texas, shirts.

In response to question by Councilmember Jones, Councilmember Boyd stated that there were 45 kids in the first summer session and 40 youth in the second session. The program is held from 8:00 a.m. to 12 p.m.

Motion was made by Councilmember Bob Bowman and seconded by Councilmember Betty Jones that the request of the Concerned Black Men of Lufkin, Texas, Inc. for a contribution of \$4,000 to the summer youth camp program be approved as presented.

Councilmember Boyd recused himself from voting.

Motion passed with five affirmative votes.

13. EXECUTIVE SESSION

Mayor Bronaugh recessed Regular Session at 6:00 p.m. to enter into Executive Session. Regular Session was reconvened at 6:45 p.m. and Mayor Bronaugh stated that Council had discussed attorney/client matters and appointments to the Construction Board of Adjustment and Appeals.

14. APPOINTMENTS - APPROVED - CONSTRUCTION BOARD OF ADJUSTMENT AND APPEALS

Motion was made by Councilmember Bob Bowman and seconded by Councilmember Don Boyd that the following appointments be made to the Construction Board of Adjustment and Appeals:

City Manager Maclin stated that the proposal before Council this evening would be an expansion of the membership of the Construction Board to 15 members with members from Electrical, Plumbing, Mechanical, Residential, Builders, Engineering, Developers and one member from the public and two alternate members (one from the public and one from any area). City Manager Maclin stated that the terms will be staggered so that no more than one third of the Board is appointed or replaced in any 12 month period. City Manager Maclin stated that the two alternates, if appointed, shall serve one year terms; vacancies shall be filled for unexpired terms in the manner in which the original appointments are required to be made.

City Manager Maclin stated that this would also provide for a liaison from the building community to the City Council for input on building related matters particularly areas like review of updates on Southern or Standard Building Codes.

City Manager Maclin stated that the proposed members for consideration of expansion to the Construction Board of Adjustment and Appeals are:

Mechanical Engineer - 3 year term - Irvin McWilliams
1 year term - Sammy Ferrara

Commercial Builders - 3 year term - Tony Perry
2 year term - Jerry Moore

Architect/Engineer - 2 year term - Gene Togio
1 year term - Mark Strong

From the Public Category - 2 year term - Layne Pittman

Residential Builders - 2 year term - Rick Ainsworth
3 year term - Jimmy Warren

Electrical - 3 year term - Jerry Payne
1 year term - Billy Weisinger

Developers - 2 year term - Mark Lowery
1 year term - David Shirley

Plumbing - 3 year term - Ray Johnson
1 year term - Gary Jenkins

Alternates - 1 year term - Leroy Shankle
1 year term - Kendall Mosley

Motion was made by Councilmember Bob Bowman and seconded by Councilmember Don Boyd that Irvin McWilliams, Sammy Ferrara, Tony Perry, Jerry Moore, Gene Togio, Mark Strong, Layne Pittman, Rick Ainsworth, Jimmy Warren, Jerry Payne, Billy Weisinger, Mark Lowery, David Shirley, Ray Johnson, Gary Jenkins, Leroy Shankle and Kendall Mosley be appointed to the Construction Board of Adjustment & Appeals.

A unanimous affirmative vote was recorded.

15. FINANCIAL POLICY ADOPTED - FINANCE COMMITTEE

City Manager Maclin stated that the Finance Committee has had several meetings to review a proposed policy draft prepared by the Assistant City Manager. City Manager Maclin stated that this will provide a documentation of what in the past has been unwritten policy or perceived or practice, but this will now provide Council with a directive in writing for staff in terms of financial matters relating to the budget and relating to other financial policies.

City Manager Maclin stated that, Mr. Weems in his absence, asked to be noted that he is in favor of these financial policies with one change that was made since the first meeting two weeks ago.

Councilmember Gorden stated that the Committee has met a couple of times, and most of the policies are in practice today, and as the City Manager said it is now written policy how the Council is directing management to handle the financial affairs of the City, which is a very conservative approach to the business of this City. Councilmember Gorden stated that he would recommend passage of the financial policy.

City Manager Maclin stated that this is a policy and not an Ordinance so Council can change it when they see fit.

Motion was made by Councilmember Don Boyd and seconded by Councilmember Betty Jones that the Financial Policy presented by the Finance Committee be adopted as presented. A unanimous affirmative vote was recorded.

16. QUARTERLY INVESTMENT REPORT - FINANCE COMMITTEE

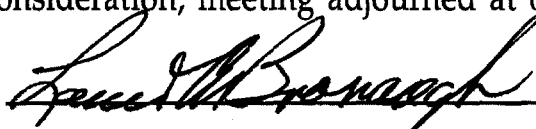
Councilmember Gorden stated that at the suggestion of the City Manager the quarterly investment report will be placed on the Council agenda as an agenda item rather than reported in the Comments section. Councilmember Gorden stated that the Finance Committee met this afternoon and reviewed the investments of the City with the Financial Advisor Dick Long, and everything was found to be in order.

17. COMMENTS

City Manager Maclin stated that the DETDA meeting will be held on Friday at Crown Colony at 10:00 a.m. and the guest speaker will be Bill Reedy, Regional Development Specialist for the Texas Department of Economic Development.

City Manager Maclin stated that there will be a called meeting of the Council at 9:00 a.m. on July 29 for the budget presentation.

18. There being no further business for consideration, meeting adjourned at 6:57 p.m.



Louis A. Bronaugh
Mayor

ATTEST



Atha Stokes - City Secretary