

MINUTES OF REGULAR MEETING OF THE CITY COMMISSION OF THE CITY OF LUFKIN, TEXAS, HELD ON THE 16TH DAY OF FEBRUARY, 1982, AT 5:00 P.M.

On the 16th day of February, 1982, the City Commission of the City of Lufkin Texas, convened in regular meeting in the Council Room at City Hall with the following members thereof, to-wit:

Percy A. Simond, Jr.	Commissioner, Ward No. 1
Don E. Boyd	Commissioner, Ward No. 2
Bob McCurry	Commissioner, Ward No. 3
Pat Foley	Commissioner, Ward No. 4
Richard Thompson	Commissioner, Ward No. 5
E. C. Wareing	Commissioner, Ward No. 6
Harvey Westerholm	City Manager
Roger G. Johnson	Assistant City Manager
Robert Flournoy	City Attorney
Ann Griffin	City Secretary

being present, and

Pitser H. Garrison	Mayor
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being absent when the following business was transacted.

1. Meeting opened with prayer by Rev. W. E. Lockett, Pastor of Long's Chapel C.M.E. Church, Lufkin.
2. Mayor Pro Tem Wareing welcomed visitors present.
3. Approval of Minutes

Minutes of regular meeting of February 2, 1982, were approved on motion by Richard Thompson, and seconded by Pat Foley. A unanimous affirmative vote was recorded.

This item was inadvertently omitted from Agenda, but City Commission decided to take necessary action.

4. LPG and Natural Gas Conversion for City Vehicles - Proposals Postponed

Mayor Pro Tem Wareing stated that the Commission had requested additional information regarding the use of natural gas in City Vehicles. Mayor Pro Tem Wareing recognized Mr. Hal Adams, representative of Dual Fuels, Lufkin, who presented his plan for the use of Liquid Propane Gas in City Vehicles rather than Natural Gas.

Mr. Adams stated that LPG was perfectly safe as a fuel for vehicles: it would be the primary fuel for the vehicle, and each vehicle could refuel weekly. Mr. Adams further stated that each vehicle is inspected before the LPG system is installed to be sure the vehicle is in good working order. In answer to question by Commissioner Pat Foley, Mr. Adams stated that a 10% decrease in mileage of vehicle could be expected, but LPG is presently selling for 64¢ a gallon verses \$1.15 a gallon for gasoline.

Commissioner Bob McCurry stated that LPG is manufactured from oil, which is in short supply, but there is a surplus of natural gas at the present time.

Mayor Pro Tem Wareing recognized William Gammon, representative of Dual Fuel Systems of California, proponent of natural gas conversion for City vehicles. Mr. Gammon stated that natural gas is lighter than air and if a leak developed it would evaporate, but liquid propane is very explosive and when leaked puddles. Mr. Gammon further stated that the natural gas is supplied to the fueling area 24 hours a day, 7 days a week, but liquid propane must be delivered by truck. Mr. Gammon stated that he had reviewed the driving records of City vehicles and determined how much fuel was needed for each vehicle.

Mayor Pro Tem Wareing stated that both systems had good selling points, and he felt the City Manager should furnish a list of customers for each representative that could be contacted regarding usage of each type system.

Commissioner Pat Foley stated that he was not prepared to make a decision tonight, and he would like information from the two (2) school districts presently using LPG, and from the Sheriff's Department, regarding the placement of LPG tanks in the trunk with radio equipment. Commissioner Foley stated that information was needed regarding the range of vehicles and safety of system.

Commissioner Percy Simond stated that a decision should be postponed until additional information is received for next meeting date.

Mayor Pro Tem Wareing stated that if additional questions developed, the City Manager should be contacted, and a decision regarding both proposals would be postponed until further information can be received.

5. Amendment to Electrical Ordinance - Approved - Second Reading - National Electrical Code Adopted

Mayor Pro Tem Wareing stated that proposed amendment to the Electrical Ordinance was approved on first reading at last meeting of City Commission. There was no opposition present.

City Manager Westerholm stated that the major changes were that some Commercial wiring was exempt from being placed in conduit, some fees were increased, and this action would adopt the 1981 edition of the National Electrical Code.

Motion was made by Commissioner Pat Foley and seconded by Commissioner Bob McCurry that Amendment to Electrical Ordinance be approved on second and final reading. A unanimous affirmative vote was recorded.

6. Resolution Designating "Reinvestment Zone" - Approved - Tax Abatement Program - Public Hearing Date Established

Mayor Pro Tem Wareing stated that John Duke, local owner of Duke Insurance Agency in downtown area, had initiated a request to participate in the tax abatement program which provided that all improvements made on property subsequent to the designation of a reinvestment zone could be exempt from taxation by all taxing jurisdictions for a period set by the Commission not to exceed 15 years.

City Manager Westerholm stated that if the City is willing to designate certain areas inside the City limits, the taxes can be frozen at present rate and any new improvements may be exempted from taxes for periods not to exceed 15 years. City Manager Westerholm further stated that it is an incentive to property owners to improve their property without receiving additional taxation, and all taxing agencies may negotiate similar agreements. City Manager Westerholm stated that Mr. Duke owns property on North First Street which qualifies for the program, and perhaps others might want to enter into the program.

Mayor Pro Tem Wareing stated that the City Commission needed to decide whether a public hearing would be held and determine what areas would be included in the program. Mayor Pro Tem Wareing stated that the Commission should be able to state at the public hearing what the program involves, and what area would be included.

City Manager Westerholm stated that areas considered eligible should be included, and same could be decreased at the public hearing if necessary.

Commissioner Bob McCurry requested information on who would determine what improvements would be made. City Manager Westerholm stated that the City and the Developer would enter into an agreement and the amount of improvements could determine the amount of years designated for tax abatement.

Motion was made by Commissioner Pat Foley and seconded by Commissioner Richard Thompson that the public hearing for this purpose be set for next meeting of City Commission. A unanimous affirmative vote was recorded.

Motion was made by Commissioner Pat Foley and seconded by Commissioner Don Boyd that area to be considered at Public Hearing would consist of property bounded on the North by Bremond Street, on the East by 3rd & 4th Streets, on the South by Denman Street and on the West by Angelina Street. A unanimous affirmative vote was recorded.

7. Christie Street Extension - Approved

Mayor Pro Tem Wareing stated that the Planning & Zoning Commission had reviewed a master plan for the Christie Street area which proposes a loop street that will reconnect to Loop 287, and the extension had been recommended to City Commission for approval.

Motion was made by Commissioner Pat Foley and seconded by Commissioner Percy Simond that Christie Street Extension be approved. A unanimous affirmative vote was recorded.

8. Petition for Paving - Approved - Glenn Street Property Owners

Mayor Pro Tem Wareing stated that the City has begun street improvement on Cain Street as authorized in the budget, and the property owners on Glenn Street have now agreed to participate in the program at the cost of \$15.89 per foot frontage.

City Manager Westerholm stated that adequate funds are budgeted to install the large 48" storm sewer from the intersection of Cain and Rowe to the intersection of Glenn and Culverhouse as well as all street improvements on Glenn and Cain Street. City Manager Westerholm further stated that the City would like to construct a concrete street because same could be poured in wet weather, and they would like to begin the project while work on Cain Street is in progress.

Motion was made by Commissioner Percy Simond and seconded by Commissioner Don Boyd that Ordinance providing for paving of Glenn Street be approved on first reading. A unanimous affirmative vote was recorded.

9. Change in March Meeting Dates of City Commission - Approved

Mayor Pro Tem Wareing stated that Mayor Garrison had respectfully requested consideration of changing the two March meeting dates from March 2 & 16th, to March 9 & 23rd, to allow him to be present for both meetings while still providing for two week intervals between March and April meetings.

Motion was made by Commissioner Pat Foley and seconded by Commissioner Richard Thompson that meeting dates for City Commission be changed to March 9th at 7:30 p.m., and March 23rd, at 5:00 p.m. A unanimous affirmative vote was recorded.

10. Bids - Approved - Central Heat & Air - Zoo Office & Residence

Mayor Pro Tem Wareing stated that the City had advertised for bids for central heat and air for the Zoo office and residence, but no bids had been received.

City Manager Westerholm stated that Zoo Director, Gordon Henley, subsequently secured quotations from three (3) companies with the lowest bid that met all specifications submitted by McWilliams & Son in the amount of \$4,733.

City Manager Westerholm also stated that \$3,500 had been budgeted for this amount, but the excess could be provided out of the Labor Operations designation in the Zoo budget.

In answer to question by Commissioner Pat Foley, Mr. Henley stated that T.P.&L. provided him with an extensive list of contractors that do this type work, and contacts were not initiated with each company.

Motion was made by Commissioner Percy Simond and seconded by Commissioner Bob McCurry that low bid by McWilliams & Son in the amount of \$4,733 be approved for completion of this work. A unanimous affirmative vote was recorded.

Commissioner Pat Foley stated that if bids are not received in the future on items, contact should be made with all local companies that could bid. Commissioner Richard Thompson suggested that any construction items that are advertised for bids be submitted to the A.G.C. office recently established in Lufkin.

11. T.P.&L. - Request for Rate Adjustment - Resolution Approved - Suspending Effective Date

Mayor Pro Tem Wareing stated that T.P.&L. had requested a rate increase be approved by the City Commission, and recognized James Kerbo their representative.

Mr. Kerbo stated that T.P.&L. was requesting a 15.1% increase in revenue. Mr. Kerbo stated that the PUC had granted a 5% rate increase in March, but the amount did not provide rate relief to T.P.&L. Mr. Kerbo further stated that if the rate increase was not granted the company would have to cut costs by termination of plans for future plants.

Mr. Kerbo further stated that if T.P.&L should continue to serve customers as they have in the past, the plants could not be delayed any longer. Mr. Kerbo stated that fuel costs account for  $\frac{1}{2}$  the customers' bill, and T.P.&L. was only asking that effective date be suspended for 120 days as provided by law.

Motion was made by Commissioner Don Boyd and seconded by Commissioner Pat Foley that action be suspended for 120 days effective March 19, 1982. A unanimous affirmative vote was recorded.

12. Universal Tank & Iron Works - Arbitration Hearing - Liquidated Damages to be Paid by City

Mayor Pro Tem Wareing stated that it was necessary for the City Commission to adjourn into Executive Session to discuss Attorney-Client Matters. Mayor Pro Tem Wareing recessed formal open meeting of the City Commission at 6:45 p.m. At 7:00 p.m., Mayor Pro Tem Wareing reconvened regular meeting of the City Commission and made announcement to individuals present regarding results of Executive Session.

Mayor Pro Tem Wareing stated that City Attorney Flournoy had briefed the City Commission on the results of an Arbitration Hearing held in regard to Universal Tank & Iron Works' construction of a water tank. Mayor Pro Tem Wareing stated that City Attorney Flournoy had advised the City Commission that the City had no choice but to pay the \$13,250 liquidated damages withheld from the company because of the late completion date of the water tank. Mayor Pro Tem Wareing stated that the City would release the funds to Universal Tank. City Attorney Flournoy stated that the arbiter in the case had ruled that the liquidated damages were considered a penalty which is not legal in contracts in Texas.

Motion was made by Commissioner Pat Foley and seconded by Commissioner Percy Simond that liquidated damages be released to Universal Tank. A unanimous affirmative vote was recorded.

13. Tax Abatement - Discussed

Commissioner Bob McCurry stated that he would like more information about Tax Abatement project. City Manager Westerholm stated that the taxes on subject property would remain the same for the length of time set by the City Commission to encourage improvements of downtown area, but once the time period had expired, taxes would be raised to include the improvements. City Manager Westerholm further stated that if the property owner does not fulfill the agreement to make improvements, taxes could be back-dated and collected on improvements that were made to property.

February 16, 1982

14. There being no further business for consideration, meeting adjourned at 7:05 p.m.



*Pitser H. Garrison*  
Pitser H. Garrison, Mayor

*Ann Lippin*  
City Secretary