MINUTES OF REGULAR MEETING OF THE CITY COMMISSION OF THE CITY OF LUFKIN, TEXAS, HELD ON THE 2ND DAY OF APRIL, 1991, AT 5:00 P.M.

On the 2nd day of April, 1991, the City Commission of the City of Lufkin, Texas, convened in regular meeting in the Council Chambers of City Hall with the following members thereof, to wit:

Louis A. Bronaugh	Mayor
Percy Simond, Jr.	Commissioner, Ward No. 1
Don Boyd	Commissioner, Ward No. 2
Danny Roper	Commissioner, Ward No. 3
Bob Bowman	Commissioner, Ward No. 4
Jack Gorden	Commissioner, Ward No. 5
Paul Mayberry	Commissioner, Ward No. 6
C. G. Maclin	City Manager
Ron Wesch	Public Works Director/ Assistant to City Manager
Bob Flournoy	City Attorney
Atha Stokes	City Secretary
David Cochran	Purchasing Agent

being present when the following business was transacted.

1. Meeting was opened with prayer by Commissioner Paul Mayberry.

2. Mayor Bronaugh welcomed visitors present.

3. APPROVAL OF MINUTES

Minutes of regular meeting of March 19, 1991 were approved on a motion by Commissioner Don Boyd and seconded by Commissioner Bob Bowman. A unanimous affirmative vote was recorded.

4. ORDINANCE - APPROVED - SECOND READING - MILLIE LOWRY REEVES - 418 GROESBECK - DUPLEX TO NEIGHBORHOOD RETAIL, SPECIAL USE (ATTORNEY'S OFFICE; REQUIRING THREE (3) OFF-STREET PARKING SPACES)

Mayor Bronaugh stated that the first item for consideration was Second Reading of Ordinance for Zone Change as requested by Millie Lowry Reeves for property located at 418 Groesbeck from Duplex to Neighborhood Retail, Special Use (Attorney's office; requiring three (3) off-street parking spaces).

There was no opposition present.

Motion was made by Commissioner Don Boyd and seconded by Commissioner Bob Bowman that Ordinance be approved on Second and Final Reading. A unanimous affirmative vote was recorded.

5. ORDINANCE - APPROVED - SECOND READING - RECORDS INFORMATION MANAGEMENT PROGRAM - DESIGNATION OF RECORDS MANAGEMENT OFFICER

Mayor Bronaugh stated that the next item for consideration was Second Reading of Ordinance providing for the establishment and administration of a Records and Information Management Program for the City of Lufkin and designation of a Records Management Officer.

In response to question by Mayor Bronaugh, City Manager Maclin stated that the City Secretary will be the Records Management Officer.

Motion was made by Commissioner Don Boyd and seconded by Commissioner Danny Roper that Ordinance be approved on Second and Final Reading. A unanimous affirmative vote was recorded.

6. RESOLUTION - APPROVED - PARTICIPATION IN TELEPHONE FRANCHISE STEERING COMMITTEE

Mayor Bronaugh stated that the next item for consideration was a Resolution authorizing participation in a telephone franchise steering committee and declaring an effective date.

City Manager Maclin stated that a copy of the Resolution prepared by the Texas Municipal League had been included in the Commissioner's packets. City Manager Maclin stated that this effort is based on a group of cities who have their telephone service provided by Southwestern Bell, and Southwestern Bell is in effect trying to negate the cities authority to impose a franchise arrangement over the telephone company.

City Manager Maclin stated that the reason he was requesting the Commission's consideration to participate in this Resolution, which does not produce any financial commitments on the part of the City, would be because this is a precedent setting measure. City Manager Maclin stated that if Southwestern Bell is successful in achieving their goal of removal of franchise authority from their telephone service, then every other telephone service in the State of Texas would probably follow suite in order to avoid that authority placed over them by the local municipal governments.

City Manager Maclin stated that, in his opinion, it is appropriate even though Lufkin is not served by Southwestern Bell, that the City join together with TML's efforts to retain and maintain our authority through the franchising agreements with public telephone service.

Motion was made by Commissioner Paul Mayberry and seconded by Commissioner Jack Gorden that Resolution authorizing participation in a telephone steering committee be approved as presented. A unanimous affirmative vote was recorded.

7. REQUEST - TABLED - PINEYWOODS APARTMENT ASSOCIATION - SANITATION ORDINANCE

Mayor Bronaugh stated that the next item for consideration was a request by Attorney John Baum representing the Pineywoods Apartment Association to discuss amending the Sanitation Ordinance.

City Manager Maclin stated that Mr. Baum met with City staff regarding this request on behalf of the Pineywoods Apartment Association. City Manager Maclin stated that after reviewing the information provided by staff in reference to his original letter requesting an appearance before the Council, when he was informed that sanitation fees will be reviewed as part of the budgetary process, Mr. Baum indicated that he would not be present at tonight's meeting but would table his request until the budget is completed later this summer.

City Manager Maclin stated that Mr. Baum has arranged a meeting with apartment managers for April 12th to discuss some of the things he and the City staff discussed on Friday. City Manager Maclin stated that the Apartment Association is wanting consideration by Council to change their status from Residential with the discount that is provided to a Commercial status. City Manager Maclin stated that as the staff and Council enter into the budget process this request will be brought up for review and consideration and all the financial implications that it will have both for the City and the apartment complexes.

In response to question by Mayor Bronaugh, City Manager Maclin stated that there could possibly be come cost savings by voluntary recycling at the apartment complexes, with the City providing the dumpsters. (This will be discussed with apartment managers at the April 12th meeting.)

Commissioner Simond stated that, for the record, he would like to make it clear that Inez Tims Apartments are not a member of the Pineywoods Apartment Association.

8. AGREEMENT - APPROVED - ANGELINA COUNTY/CITIES HEALTH DISTRICT

Mayor Bronaugh stated that the next item for consideration was a proposed cooperative agreement with the Angelina County/Cities Health District.

Mayor Bronaugh stated that the intent of the new agreement is to allow the veterinary and pharmaceutical representatives of the Board to become voting members, and to put the Agreement into a form more acceptable to the State.

Motion was made by Commissioner Paul Mayberry and seconded by Commissioner Bob Bowman that changes to the proposed cooperative Agreement with the Angelina County/Cities Health District be approved as presented. A unanimous affirmative vote was recorded.

9. REGIONAL WATER PLAN - DISCUSSED

Mayor Bronaugh stated that the next item for consideration was other alternatives for the regional water plan.

Mayor Bronaugh stated that over the past few years the City of Lufkin's Council and staff has given serious consideration to the water program, and to the problems that may exist in the future. Mayor Bronaugh stated that for the past two years the City has been working on an Angelina County Water Distribution System, and there is now some discussion as how to further proceed.

Commissioner Gorden stated that he is for the City trying to help in this situation.

City Attorney Flournoy stated that a Workshop meeting that included Commissioners Bowman and Mayberry, Mayor Bronaugh, Jimmy Griffith, Gary Neighbors and the City Manager had been held last week, and the letter handed out just prior to the meeting tonight was the recommendation he was presenting for consideration by the Council as a result of that Workshop. (The letter of recommendation by Mr. Flournoy was read to members of the audience and is on file in the City Secretary's office.)

Mr. Flournoy stated that ANRA was the motivation for putting the plan together and their position as the entity that all of the other entities would look to is important (the City would contract with ANRA instead of all the individual entities).
Mr. Flournoy stated that many of the entities do not need water at this time and are hesitant about becoming involved. Mr. Flournoy stated that since the City already needs the particular facilities that are proposed (East Loop line and elevated storage tank), they can be built with a contract with ANRA for a certain amount of water and can size the lines at that time to sell water to the other entities in the future.

Mr. Flournoy stated that under the Plan that was proposed earlier the City of Lufkin would have to buy 1,350,000 gallons of water it didn't need at this particular time. Mr. Flournoy stated that the option he is proposing is a much more workable plan and the entities will feel comfortable with it once it is explained to them.

Commissioner Bowman stated that he would like to see an increase in water rates incorporated into the Plan to build up a surplus of funds for the time when the City needs to go to Rayburn water.

Commissioner Roper stated that he would like to have some assurance that the City will not contract away more water than it can produce, yet not handle the needs of Lufkin.

Mr. Flournoy stated that one of the things the City of Lufkin is in a position to do because of their valuable rights in Sam Rayburn is to contract with Champion (the other major user in the Aquifer) to exchange surface rights for ground water rights.

In response to question by Commissioner Simond, Mr. Flournoy stated that the City of Lufkin will be jointly and severely liable for all of the bonds. Mr. Flournoy stated that he is suggesting two issues of the bonds, one for the facilities inside the City limits and one for those lines outside the City limits.

Mr. Flournoy stated that there seems to be some misunderstanding regarding regionalization. Mr. Flournoy stated that regionalization doesn't always mean "joint ownership", rather it is a cooperative effort between parties to supply a need (pooling resources or abilities, etc.).

In response to question by Commissioner Simond, Mayor Bronaugh stated that the possibility of an agreement between the City of Lufkin and Champion was considered but it was only in the discussion stage, nothing was ever put in writing.

Mayor Bronaugh stated that he would like to clarify a statement that has been used referring to "Lufkin water" - by the laws of the State of Texas, the water belongs to anyone who drills deep enough to get it and furnish the means to transport it from one location to another.

In response to question by Commissioner Simond, Mr. Flournoy stated that ANRA would have two positions - (1) they could own all of the facilities outside the Lufkin City limits except those facilities that are inside other city limits, and (2) would sell the Bonds and would look to the entities that contract with them to take water from them. Mr. Flournoy stated that the City of Lufkin would contract with ANRA and ANRA would contract with all the other entities. Mr. Flournoy stated that ANRA in its role of trying to assist everyone simply has come to the City of Lufkin and has asked if the City will help to supply water to the entities that need it. Mr. Flournoy stated that ANRA is taking the resource they have (the ability to sell the bonds and the ability to bring the other entities together) and then look to the City of Lufkin for a supply of water at the Lufkin City limits.

Col. Ben Newsom and Fenner Roth made statements regarding the regional water plan.

Mr. Flournoy stated that neither the ANRA Board or Gary Neighbors or any of the entities have seen the proposal he has submitted tonight and he did not want to suggest that the proposal was acceptable to any of them.

In response to question by Commissioner Bowman, Mayor Bronaugh stated that in comparison to other cities, the City of Lufkin's water rates are very low.

Gary Neighbors, General Manager of ANRA, stated that he wanted to make it clear that ANRA is not an advocate for anyone, but their purpose is to serve the best interest of the people in the County. Mr. Neighbors stated that the contract presented by ANRA was a result of two-years of effort on the part of people other than himself to put together what they thought was a good proposal for both the cities and the other participants. Mr. Neighbors stated that approximately a year ago the City of Lufkin voted to go into regionalization and asked ANRA to draw up a contract. Mr. Neighbors stated that there were five meetings to review the contract where representatives of the City were present and changes were made based on inputs from the people who were working as a management committee. Mr. Neighbors stated that ANRA would go back to bond counsel and to general counsel to make sure that everything was in order to be able to sell the bonds.

Mr. Neighbors stated that he had presented a contract to the City in summary, and the City now needs to accept or reject the contract. Mr. Neighbors stated that if the City doesn't accept the proposal they can come back with a counter-proposal and ANRA will go forward and work with the other entities on the counter-proposal.

Mr. Neighbors stated that on April 5th the ANRA is no longer associated with this program if they do not receive any funds to go ahead with the Plan. Mr. Neighbors stated that it has cost ANRA approximately $20,000 for the planning over the past year and a half. Mr. Neighbors stated that if the City wants ANRA in as part of the Plan, they need something to keep them going with the planning effort.

In response to question by Commissioner Simond, Mr. Neighbors stated that if ANRA doesn't receive any notification by April 5th, then the City is not a participant (in the Regional Water Plan).

Motion was made by Commissioner Bob Bowman and seconded by Commissioner Paul Mayberry to reject existing contract on the table; to reimburse up to $5,000 to ANRA for future costs relating to alternate proposal; and that the City Attorney pursue his proposal as an alternative for the presentation back to the Angelina County Water Study Committee and ANRA.

In response to question by Commissioner Gorden, City Manager Maclin stated that Council had authorized ANRA to prepare a contract on June 5, 1990, and that a copy of the minutes from that meeting were included in the packet when the contract was discussed at a previous meeting.

In response to question, Mayor Bronaugh stated that the original committee for the Regional Water Plan was made up of representatives from the City and County along with a representative of the water supply corporations of the County and a representative of the water districts - a committee of 10 that worked on the Plan for approximately two years. Mayor Bronaugh stated that ANRA's general counsel attended three of the planning meetings and that their financial counsel and bond counsel were in attendance for some of the meetings.

Mr. Neighbors stated that he would like to make a statement as a citizen with respect to the motion that is being discussed. Mr. Neighbors stated that his comment before as the General Manager of ANRA, was that their cost of putting together the project would be reimbursed when they issued bonds. Mr. Neighbors stated that if ANRA goes forward and puts together a Plan that can meet everyones goals and interests, then that could be paid for in the future.

Commissioner Bowman stated that his motion was to reimburse ANRA for legal expenses they have incurred this far and it is his understanding now that if the City proceeds forward with the Plan, ANRA would like to be reimbursed for those future expenses. Mr. Neighbors concurred.

In response to question by Commissioner Gorden as to why the City would use ANRA to sell the bonds instead of First Southwest Company, Mr. Flournoy stated that ANRA would not sell the bonds but would issue the bonds through the Water Development Board.

Mr. Neighbors stated that part of the proposals that have been submitted to the participants is that part of financing during the pre-construction phase would be reimbursed out of the first bond issue.

Mayor Bronaugh stated that he would like to express his appreciation to Jimmy Griffith of EGA for the work that he had done on this project over the last two years.

Commissioner Bowman stated that he saw ANRA's role as one of issuing bonds; and not of running the City's water supply. Commissioner Bowman stated that what ANRA does with the entities outside the City is outside of the City of Lufkin's purview.

In response to question by Mayor Bronaugh, Mr. Neighbors stated that if ANRA issues bonds, their prior expenses to date have been under resolution to be reimbursed - any expenses forward he could not claim under the bond issue (any expenses forward would be billed to the City of Lufkin and the other participants).

A unanimous affirmative vote was recorded.

10. BID - APPROVED - LIABILITY INSURANCE - TML

Mayor Bronaugh stated that the next item for consideration was bids for liability insurance.

City Manager Maclin stated that TML is the only bidder that met the specification and staff recommendation is to go with TML's Option 3 Liability ($205,786) and Option 1 for property ($6,291) for a total of $212,077.

In response to question by Commissioner Roper, Daisy Palmer with the TML Risk Management Fund, stated that as of April 1st TML no longer excludes exemplary and punitive awards for law and public officials liability insurance and coverage is incorporated in this bid. City Manager Maclin stated that the policy being voted on tonight doesn't go into effect until April 30th.

Ms. Palmer introduced Scott Epperson from the Tyler office who will be available to service the City's account.

In response to question by Commissioner Mayberry, City Manager Maclin stated that the total expense of the coverage and the deductible increased due to poor claims experience for the City of Lufkin.

City Manager Maclin stated that the City has not had comprehensive coverage for some time and he would like to include comprehensive coverage for fire trucks, ambulances, etc. in the 1992 budget.

Ms. Palmer stated that the cost for coverage from May 1st to October 1st would be $88,365.

City Manager Maclin stated that he planned to implement, by the end of the summer, a very comprehensive inclusive updated risk management program that will include safety programs (education and training), and TML has pledged to provide support and expertise in this effort.

Motion was made by Commissioner Don Boyd and seconded by Commissioner Percy Simond to accept the bid of TML (Option 3) for liability coverage in the amount of $212,077 as submitted. A unanimous affirmative vote was recorded.

11. EXECUTIVE SESSION

Regular meeting adjourned at 6:47 p.m. to enter into Executive Session. Mayor Bronaugh reconvened regular session at 7:30 p.m.

and stated that dilapidated houses and appointments to Boards with members whose terms are expiring in May and June.

City Attorney Flournoy made recommendation that houses at the following locations be demolished:

1. Spence Street - Tracts 8, 9, and 10
2. 107 Addie Street
3. 113 Addie Street
4. Myrna and Jones

Motion was made by Commissioner Percy Simond and seconded by Commissioner Jack Gorden that the four (4) dilapidated houses as recommended by the City Attorney be approved for demolition. A unanimous affirmative vote was recorded.

<u>12.</u> <u>COMMENTS</u>

City Manager Maclin stated that officials of the City will be attending the Angelina/Nacogdoches County Day in Austin on April 9th.

13. There being no further business for discussion, meeting adjourned at 7:45 p.m.

Louis A. Bronaugh, Mayor

ATTEST:

Atha Stokes, City Secretary