**MINUTES OF REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF LUFKIN, TEXAS, HELD ON THE 17th DAY OF JULY 2001 AT 5:00 P. M.**

On the 17th day of July 2001 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 Bronaugh | Mayor |
| Dennis Robertson | Mayor pro tem |
| R. L. Kuykendall | Councilmember, Ward No. 1 |
| Bob Bowman | Councilmember, Ward No. 4 |
| Jack Gorden, Jr. | Councilmember, Ward No. 5 |
| C. G. Maclin | City Manager |
| James Hager | Asst. City Manager/Finance |
| Atha Stokes Martin | City Secretary |
| Bob Flournoy | City Attorney |
| Keith Wright | City Engineer |
| Kenneth Williams | Director of Public Works |

Being present, and

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| Don Boyd | Councilmember, Ward No. 2 |

Being absent when the following business was transacted.

1. Rev. Frank Starr, First Lutheran Church, opened meeting with prayer.

2. Mayor Bronaugh welcomed visitors present. Mayor Bronaugh stated that Councilmember Boyd was absent because he was in the hospital.

3. **APPROVAL OF MINUTES**

Motion was made by Councilmember Lynn Torres and seconded by Councilmember R. L. Kuykendall that the minutes of the Regular Meeting of July 3, 2001 be approved as presented. A unanimous affirmative vote was recorded.

4. **ORDINANCE – TABLED – FIRST READING – ZONE CHANGE – LARGE SINGLE FAMILY DWELLING TO APARTMENT – 2015 OLD MILL ROAD**

Mayor Bronaugh stated that the first item for consideration was a request of the Angelina County Citizens Chamber to change the zoning from a "Large Single Family Dwelling" to an "Apartment" zoning classification on approximately 0.85 acres of land described as Tract 585 of the A. Barela Survey (Abstract No. 49) and more commonly known as 2015 Old Mill Road.

City Manager Maclin stated that this item was scheduled to go before the Planning & Zoning Commission last week but they were unable to have a quorum due to the Fourth of July vacation holidays and it has been re-scheduled for the end of this month. Mr. Maclin stated that at this time it would be appropriate for Council to table this item until such time as a recommendation is forwarded to Council from the Planning & Zoning Commission.

Motion was made by Councilmember Dennis Robertson and seconded by Councilmember R. L. Kuykendall that the request of the Angelina County Citizens Chamber to change the zoning from a "Large Single Family Dwelling" to an "Apartment" zoning classification on approximately 0.85 acres of land described as Tract 585 of the A. Barela Survey (Abstract No. 49) and more commonly known as 2015 Old Mill Road be tabled until it is forwarded to Council with a recommendation from the Planning & Zoning Commission. A unanimous affirmative vote was recorded.

## 5. ANNUAL CITIZENS DONATION REPORT – ANGELINA BEAUTIFUL/CLEAN

Mayor Bronaugh stated that the next item for consideration was the annual citizen's donation report from Angelina Beautiful/Clean.

Melinda Kartye stated that on behalf of the Angelina Beautiful/Clean Board of Directors she was present today to say "Thank You" for the City's continued support to AB/C through the $1 donation on the water bill. Ms. Kartye stated that the support of citizens and City employees does not go unrecognized. Ms. Kartye stated that for 17 years AB/C has been true to their mission of educating and empowering East Texans to take responsibility for enhancing their community environment through litter prevention and cleanup, solid waste management, landscaping, tree planting and public awareness. Ms. Kartye stated that through collaborated efforts between City and government, Code Enforcement, Community Police, schools, neighborhoods and civic clubs, they feel that AB/C makes a significant difference making the public aware of the importance of a clean and beautiful community.

Ms. Kartye stated that this year alone AB/C volunteers gave more than 32,000 hours for cleaning and beautifying our community. Ms. Kartye stated that businesses donated $217,926 worth of goods and services to aid them in their endeavors. Ms. Kartye stated that they ran a total of 621 TV PSA's and 58 news stories at 5, 6 and 10 o'clock. Thirty-two radio PSA's were taped and aired on eight different radio stations along with 20 radio talk shows for a total of 2,305 minutes. Ms. Kartye stated that they reached close to 310,00 listeners by radio and 210,000 by television. Local newspapers printed a total of 110 news stories and advertisements, totaling 5,698 column inches reaching 28,500 with each edition. They distributed 447,073 brochures and handouts and 12,946 litter bags. Ms. Kartye stated that according to their last cost benefit ratio analysis, for every one dollar donated to AB/C they returned $36 worth of goods and services back into the community.

Ms. Kartye stated that although they worked with communities throughout the county, they are very careful in making sure that the $1 donation money is only spent within the City of Lufkin.

Ms. Kartye stated that at the close of their fiscal year-end in April 2001 a total of $32,238 had been donated through the $1 donations for the year. Ms. Kartye stated that this year's budget includes: Awards and Photos at $2,500, Miscellaneous beautification at $10,000, Median Maintenance at $6,000, Promotional Items at $500, School Landscaping at $1,000 and $10,000 for AB/C administrative cost. Ms. Kartye stated that total expenditures for May 1, 2000 to April 30, 2001 are as follows:

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| Awards and Photos | $1,404.59 |
| Misc. beautification | 13,781.80 |
| Promotional items | 500.00 |
| Administrative costs | 10,000.00 |

Ms. Kartye stated that any remaining funds at year-end are placed in a special Citizens Donations Carryover Fund and are earmarked for future projects within the City of Lufkin.

Ms. Kartye stated that AB/C looks forward to building it's partnership with Lufkin and ask that each Councilmember represented here today help them to do that. Ms. Kartye stated that they encourage the City's input and their involvement to attain a goal that we all have and that is to keep Lufkin beautiful.

Ms. Kartye stated that she would like to make a special presentation to the Mayor as a gesture of their appreciation to the City of Lufkin. Ms. Kartye stated that this Star of Texas was presented to Lufkin at a Keep Lufkin Beautiful convention in Ft. Worth for 11 years of sustained excellence in the Keep Texas Beautiful system. Ms. Kartye stated that she would like for the Mayor to display this award in his office as a reminder that Lufkin is a Keep Texas Beautiful proud community.

Mayor Bronaugh stated that Ms. Kartye's efforts along with the Angelina Beautiful/Clean Board and staff at the Chamber have made the City proud. Mayor Bronaugh stated that he would proudly display the award.

In response to question by Councilmember Robertson, City Manager Maclin stated that the $1 participation might vary from month to month, but he would run the statistics on it for Mr. Robertson.

Ms. Kartye introduced Carolyn Elmore, Chairman of AB/C, and member Billy Ball, and Diana Chatman.

6. **ELECTRIC SERVICE OPTIONS**

Mayor Bronaugh stated that the next item for consideration was options for provision of electric services for January 1st thru December 30, 2002.

City Manager Maclin stated that included in the Council packet is an analysis of monthly indexes from natural gas going back to January of 1999. Mr. Maclin stated that the low was in March of 1999 at $1.65 and in the fall it started going up, and peaked in January at $9.84. Mr. Maclin stated that included in the packet is also a copy of a contract from TXU for electric services, and the information after that is a chart that shows the rates per year. Mr. Maclin stated that an updated copy of the rates per year has been placed on the Council table.

Tim Allen, Account Manager, TXU Energy Services, stated that deregulation is new for everyone and has been a learning curve the past couple of months. Mr. Allen stated that the Council should be impressed with deregulation after looking at the pricing sheet.

Mr. Allen stated that what Mr. Maclin was talking about is the information on the gas indexes and the chart that shows how the electric prices follow the gas index was more of a sense of urgency that Council may want to act on while gas prices are at a reasonable price. Mr. Allen stated that it would be anyone's intelligent guess as to where the bottom of the market is, where a good fair price is. Mr. Allen stated that he wanted Council to know how volatile the electric market is going to be in the future. Mr. Allen stated that on the pricing sheet a pink line shows that on June 5th the commodity price was 4.82, on June 22 it had dropped down to 4.55, on July 16 it was back up to 4.83 and today it is back down to 4.77. Mr. Allen stated that it is a full commodity item just as if you were buying soybeans or stock of a company. Mr. Allen stated that part of what he has brought to the City is the history of what gas has been doing and the chart showing the correlation between natural gas and electricity. Mr. Allen stated that it has a very strong tie solely due to a large percentage of the generation in Texas is natural gas. Mr. Allen stated that when it was just TXU serving this area about half of their load was lignite, about one-third was nuclear and the rest was gas. Mr. Allen stated that now you need to look at basically the entire state as a whole and the majority of the generation is natural gas. Mr. Allen stated that a good thing they had between last year and this year was about 20% new generation coming on line. The total amount of generation available in Texas increased about 20% between last year and this year. Mr. Allen stated that there is another little over 30% planned to hit the ground or has already broken ground. Mr. Allen stated that he did not want Council to have the concern that Texas is going to end up like California.

Mr. Allen stated that they just completed a major transmission line that connects north and south Texas, and there is a major line going on between west and east Texas that will be completed next year, and four other large transmission projects that will be completed next year or a few months after that. Mr. Allen stated that ERCOT, who is in control of the grid inside of Texas, has the responsibility to make sure that there is enough generation there and that they can move it within the state. Mr. Allen stated that they have done a good job and the bill has been very impressive for Texas for independent people to come in and build power plants there. Mr. Allen stated that is showing the volatility; the outlook is good. Mr. Allen stated that his position today is to bring that information to you. Mr. Allen stated that TXU Energy Services still want to be a full provider to the City of Lufkin as they have been in years past and work with the City looking for the best rates to satisfy the City's needs and be the total provider.

In response to question by Councilmember Gorden about the 20% that came on line last year and the 30% for this year and what type of production they are using, Mr. Allen stated almost all of it is natural gas. Mr. Allen stated that that amounts to about a 50% increase in two years. Mr. Allen stated that you could construct a natural gas power plant very quickly because the permits are easier to obtain.

In response to question by Councilmember Robertson, Mr. Allen stated that the Comanche Peak Nuclear Generation Power is the lowest fuel source available and he doubts very seriously if we see any more nuclear generation at this point because of the time frame to get it constructed and the cost of it due to all the requirements that are necessary to meet the safety standards. Mr. Allen stated that it is a lot more economical to build a gas-powered plant at this point. Mr. Allen stated that in the future as some of the standards lessen up, which he doesn't foresee them doing, it might be more feasible. Mr. Allen stated that nuclear generation is definitely the best fuel source available, and if you look at your home bills as well as the City bills and how the fuel portion of the rates moved last year, the lignite and the nuclear was the strong base that they had that kept it from moving that way. Mr. Allen stated that a couple of the other utilities in the state, which were more dominant on the gas side, increased their fuel twice as much as what ours did.

City Manager Maclin asked that Mr. Allen explain the 6% reduction as mandated by the PUC. Mr. Allen stated that on the bottom line is 2000 MS rate and that is the rate that is a closed rate that they grandfathered for the municipal rates. Mr. Allen stated that it is a rate that basically they kept open that had no demand charges; it was just a flat kilowatt-hour cost. Mr. Allen stated that if the City does not act on any contracts like from TXU Energy Services they would automatically fall back to a 6% reduction on the existing rate. Mr. Allen stated that the rate is made up of a rate portion and a fuel portion, and the City gets 6% off of its rate portion. Mr. Allen stated that he took out the 6% of the existing rate and added in the fuel that the PUC has approved for the coming year and it shows what the kilowatt-hour cost would be for November through May. Mr. Allen stated that the right hand column shows the yearly kilowatt-hour total and in the last 12 months that is the kilowatt consumption of all the City accounts. Mr. Allen stated that he had installed that column so that Council could see some annual dollar amounts. Mr. Allen stated that on the bottom line he had used the average of 9.2 cents, which is conservative because the City will have a higher load during the summer months due to air conditioning.

Mr. Allen stated that he wanted to clarify that, on the two green lines; the only difference between those two is the wires cost. Mr. Allen stated that at this time the wires cost has not been approved in Austin with the PUC. Mr. Allen stated that the .99411 is what is currently there before the Commission, and the 1.37 is the highest that the rates could have been. Mr. Allen stated that the wires cost are regulated rates and they are approved by the PUC. Mr. Allen stated that if the wires company needs to alter those rates, they have to go to Austin and present a rate package and justify the new rates before the Commission.

In response to question by City Manager Maclin about the wires rate not being approved by the PUC yet, Mr. Allen stated that that is coming in October. Mr. Maclin asked what happens if Mr. Allen gives him a contract and the City Council agrees to sign it and it is based on the .99411, and the PUC comes back in October and says that TXU can charge more than that. Mr. Allen stated that the wires cost is a straight pass through cost; whatever they approve is passed on. Mr. Allen stated that he would be giving the City a contract for the commodity price. Mr. Allen stated that if the City operates just like it has done for the past 12 months, that is what the wire cost would be. Mr. Allen stated that the wire cost could fluctuate a little bit. Mr. Allen stated that if the demand part of the City's accounts goes up, and the kilowatt hour drops off with a low factor percentage the wire cost can go up for a price per kilowatt hour. Mr. Allen stated that if you become more efficient where you control your demand and raise your kilowatt-hours, this price per kilowatt-hour could go down.

City Manager Maclin stated that what Mr. Allen is saying is that the .99411 is his best guess for today but it doesn't really matter whether the City signs the contract now or in November, the City will pay whatever the PUC approves. Mr. Allen stated that he is in

Austin lobbying against the wires company to make sure that their rates are as justified as possible.

In response to question by City Manager Maclin, Mr. Allen stated that .99411 predicated on the 12 months and to his best knowledge is reasonable to expect come October. Mr. Allen stated that the 1.37 would be the City's worst case, and these were the rates that were first introduced in Austin. Mr. Maclin stated that the one-year flat rate (the blue line on the chart) with a total of $1,222,242 versus the 202 MS rate, PUC 6% reduction rate, is $1,948,225. Mr. Maclin stated that Mr. Allen is indicating that if the wires number is correct and verified by the PUC in October, then the City of Lufkin based on 21,000,000 kilowatt hours would save $725,903 in one year. Mr. Allen stated that that is correct. Mr. Allen stated that the "wires" is working out to be about 20% of an average bill.

In response to question by Councilmember Gorden, Mr. Allen stated that it is an intelligent guess as to what the market is going to do. Mr. Allen stated that what they are seeing is a down trend the first couple of years and when you get to four and five years it is starting to level out. Mr. Allen stated that the more players you get in the market the more liquidity you get and the more movement you will start seeing. Mr. Allen stated that a lot of it would be based off of natural gas. Mr. Allen stated that what has helped in the natural gas market the last three months is production started increasing at the end of last year. Mr. Allen stated that we have had extremely mild weather this year, especially in the summer. Mr. Allen stated that some of the larger companies had made some major purchases and did not have to use it so they have injected a lot back into storage. Mr. Allen stated that the storage report nationally is almost back at the five-year average total.

In response to question by Councilmember Gorden if the futures market effectively factor in increase production as far as gas, Mr. Allen stated that it is real dominantly influenced by natural gas prices. Mr. Allen stated that looking at the three or four year column, you are guaranteed that price for three or four years, whichever column you choose. Mr. Allen stated that if you are budgeting you know for four years you are guaranteed that price. Mr. Allen stated that if the market goes up there are no fuel surcharges, you are locked in at that rate. Mr. Allen stated that one thing his company does offer is if you are at this level and the market drops down, normally you have to get half-way through your contract before it is feasible, there is a blending tool where you have to sell what is left of your contract and purchase a new set of commodity and blend that price. Mr. Allen stated that his job for the City would be to constantly monitor the market, look at the price of their contract and look for any opportunities that he can to either protect the City from rising costs or take advantage of lower costs.

City Manager Maclin stated that he had a sheet that he had pulled today from the New York Mercantile Exchange for Henry Hubb Natural Gas that quotes through November of 2002 and it is similar to the electrical charts, going up through the winter months and coming back down a little bit in the summer months. Mr. Maclin stated that from August 2001 and November 2002 it never gets below 3.14 and gets to a high in November 2002 of 3.9.

City Manager Maclin stated that he has researched the potential of joining the coalition and the downside to that is that it will cost anywhere from $8,000 to $10,000 for a city our size based on population to join. Mr. Maclin stated that the other factor is that you are joining a coalition of similar demand users so that you are not necessarily gaining the advantage. Mr. Maclin stated that if the City was able to partner with someone else who had a different demand there is a greater potential for a better price based on demand factor. Mr. Maclin stated that if you get 150 cities that join together as a coalition and you all have similar utilization, and then it is not logical that you will get a better price on the demand side. Mr. Maclin stated that there might be some economies of scale that you gain and certainly that is what the coalitions are hoping for is economies of scale. Mr. Maclin stated that another factor is that there are no frames of reference for Texas, because we have never been deregulated before. Mr. Maclin stated that it would take a while for the market and competition to settle out. Mr. Maclin stated that looking at the potential in savings for the City to lock in a price where you don't have to worry about a fuel surcharge or other types of surcharges from a budgeting standpoint it will be a lot easier to budget the City energy costs per department when we know that we are not going to have to worry about a surcharge in the summer months.

In response to question by City Manager Maclin, Mr. Allen stated that this is a flat rate.

In response to question by Councilmember Gorden, Mr. Allen stated that the wire side of the company will still do the City's street lights and guard lights.

City Manager Maclin stated that one thing that is a little disturbing to him, but doesn't outweigh the potential in savings, is the fact that in this contract you are estimating the kilowatt hours you are going to use, and when you sign the contract you say you are going to pay for that amount of kilowatt hours. Mr. Maclin stated that if you don't use that amount of kilowatt-hours then the company could still charge you, so it is a "take-or-pay" kind of situation. Mr. Maclin stated that from that standpoint it encourages you to guess low because nobody wants to pay for something they didn't use. Mr. Maclin stated that then if you guess low and you use more kilowatt hours then what you contracted for, then for the above hours they have the right to charge you market rate.

In response to question by Councilmember Gorden, Mr. Allen stated that the City would have to estimate their usage monthly. Mr. Allen stated that the City's accounts have routines and he does not see the kilowatt-hours fluctuating that much. Mr. Allen stated that there is a plus or minus 5% allowance. Mr. Allen stated that when TXU settles up with the power plant people they have to do it per hour so there is a risk factor on their side by settling up hourly to settle up with the City monthly. Mr. Allen stated that in their terms and conditions it states that they can settle up with the City monthly, but right now that doesn't guarantee that they would. Mr. Allen stated that one of the things they are looking at is possibly moving it to a quarterly, semi-annually, or an annual settlement. Mr. Allen stated that, in his opinion, it would be a reduction in risk factor saying that they could settle up with the City monthly if needed. Mr. Allen stated that looking at the kilowatt-hour usage, they could probably go back several years and see that there are fairly consistent measures.

Mr. Allen stated that if the City shuts down a well or an account they need to let him know because they have ways of altering the kilowatt-hours, possibly by selling the power for the City. Mr. Allen stated that if the City increases their load they could do the same thing by purchasing additional power. Mr. Allen stated that he is local and will help the City manage their account.

In response to question by Mayor Bronaugh, Mr. Allen stated that the wires portion of the bill would encourage the City to be conservative, especially on the demand side.

Councilmember Bowman asked if, on the outside chance, a power plant would be built in the Lufkin area, the City would not be doing something here today to preclude them from talking to that power plant. Mr. Maclin stated that is why staff is recommending a one-year contract as opposed to a three or four year contract. Mr. Maclin stated that there is still potential for local industry to have a COGEN plant, and staff will bring back any information at such time as there are numbers for comparison, etc. Mr. Maclin stated that the best case scenario, even though gas powered plants are built quicker, it would take 24 months if a decision was made this fall before you would have electricity. Mr. Maclin stated that he was under the false assumption that the further distance you send the power the more you pay. Mr. Maclin stated that the wires cost is fixed, and you would pay the same cost whether the power plant is in Midland or in Lufkin. Mr. Maclin stated that there is no geographic advantage for having a power plant in your back yard.

Mr. Allen stated that when Senate Bill 7 was written they wanted to make sure there was no advantage within the State, it would not matter where the power goes into the grid or where it comes out, it is all the same price.

In response to question by Mayor Bronaugh, Mr. Allen stated that the grid is continually growing especially on the transmission side, and there are five major projects going on to tie in the large transmission lines. Mr. Allen stated that if you have a new subdivision going in, the wires company is still regulated just like they are now to go serve those customers. Mr. Allen stated that he is not sure but thinks the wires company will have a cost to install wires and whoever their electrical provider is will probably do it like they do now – offsetting the costs with the revenue that will be received and not having to charge customers to install service. Mr. Allen stated that in the future we would probably see something similar. Mr. Allen stated that his training and education as far as deregulation has been on the commercial side and he is not sure about the residential and how it will work.

In response to question by Councilmember Robertson, Mr. Allen stated that technically TXU Energy Services does not have access to the records of TXU Electric and Gas at this time, so they will have to go through the process of re-certifying everyone credit-wise. Mr. Allen stated that so far turning in the credit applications has been a formality and he does not see a deposit required by the City.

In response to question by Councilmember Robertson, Mr. Allen stated that the PUC would have a method of blocking all the solicitations for a charge of $5.00.

City Manager Maclin stated that when the staff talks about a one year contract that blocks them from January 1, 2002 to December 31, 2002 and about all the power plants that will be coming on line in the next few months, you can make one train of thought that says with all those additional plants coming on the competition may lower the price. Mr. Maclin stated that the reverse side of that is with all these additional plants coming on they are all buying natural gas and supply and demand runs up the cost of natural gas.

Mr. Allen stated that the City is looking at some significant savings with these rates and that will tell you that the PUC has narrowed this down and have done a lot of cutting and trimming as opposed to what it used to be. Mr. Allen stated that even some of the real large industries with machines that run all the time have a commodity rate that isn't that much lower than this rate. Mr. Allen stated that it's anybody's guess what the market will do next year and part of his job will be to keep the City staff informed.

Motion was made by Councilmember Jack Gorden, Jr. and seconded by Councilmember Lynn Torres to enter into a one-year contract with TXU for electric service. A unanimous affirmative vote was recorded.

## 7a. BID – APPROVED – ASPHALT LAY DOWN MACHINE – ROMCO EQUIPMENT

Mayor Bronaugh stated that the next item for consideration was bids for an asphalt lay down machine.

City Manager Maclin stated that staff recommendation is to award the low bid of Romco Equipment in the amount of $193,892.

Motion was made by Councilmember Bob Bowman and seconded by Councilmember Lynn Torres that the bid of Romco Equipment in the amount of $193,892 for an asphalt lay down machine be approved as submitted. A unanimous affirmative vote was recorded.

## 7b. BID – APPROVED – ANIMAL CONTROL SLIDE IN CAGE – JONES TRAILERS

Mayor Bronaugh stated that the next item for consideration was bids for an Animal Control slide in cage.

City Manager Maclin stated that this goes along with the truck that the Animal Control Director had requested at a previous meeting and these are the cages that slide in the bed of the pickup. Mr. Maclin stated that staff recommendation is the low bid of Jones Trailers in the amount of $4,778. Mr. Maclin stated that this would require a budget amendment that the Asst. City Manager will bring to Council at a future meeting.

Motion was made by Councilmember Lynn Torres and seconded by Councilmember Dennis Robertson that the bid of Jones Trailers in the amount of $4,778 for an Animal Control slide in cage be approved as submitted with a budget amendment for this item at a future meeting. A unanimous affirmative vote was recorded.

**7c. BID – APPROVED – 2001 MODEL HALF TON PICKUP – LAWRENCE MARSHALL DEALERSHIP – INSPECTION SERVICES DEPARTMENT**

Mayor Bronaugh stated that the next item for consideration was bids for a 2001 Model Half Ton Pickup to be used in the Inspection Services Department.

City Manager Maclin stated that the staff recommendation is to award the low bid of Lawrence Marshall Dealership in the amount of $15,537.

Motion was made by Councilmember Lynn Torres and seconded by Councilmember Jack Gorden, Jr. that the bid of Lawrence Marshall Dealership in the amount of $ 15,537 be approved as submitted. A unanimous affirmative vote was recorded.

8. **EXECUTIVE SESSION**

Mayor Bronaugh recessed Regular Session at 5:58 p. m. and entered into Executive Session. Regular Session reconvened at 6:33 p. m. and Mayor Bronaugh stated that Council had discussed appointments to Boards and Commissions.

City Attorney Flournoy stated that there has been a lot of drug activity going on at a house located at 113 McMullen and it was his recommendation that this house be demolished after 30 days if the owner does not bring the house up to Code.

Motion was made by Councilmember Lynn Torres and seconded by Councilmember Bob Bowman that approval be granted for demolition of a dilapidated house being used for drug activity at 113 McMullen after 30 days if the owner does not bring the house up to Code. A unanimous affirmative vote was recorded.

9. **APPOINTMENTS – APPROVED – CONSTRUCTION BOARD OF ADJUSTMENT & APPEALS - JERRY PAYNE – IRVIN McWILLIAMS – TONY PERRY – JIMMY WARREN**

Motion was made by Councilmember Dennis Robertson and seconded by Councilmember Bob Bowman that Jerry Payne, Irvin McWilliams, Tony Perry, and Jimmy Warren be reappointed to the Construction Board of Adjustment and Appeals. A unanimous affirmative vote was recorded.

10. **APPOINTMENTS – TABLED – KURTH MEMORIAL LIBRARY BOARD**

Motion was made by Councilmember Bob Bowman and seconded by Councilmember Dennis Robertson that appointments to the Kurth Memorial Library Board be tabled until the August 7th Council meeting. A unanimous affirmative vote was recorded.

11. **CALENDAR NOTATIONS FROM MAYOR, COUNCILMEMBERS AND CITY MANAGER – FINANCE COMMITTEE REPORT**

City Manager Maclin stated that the Finance Committee had met this afternoon for their quarterly meeting. Councilmember Gorden stated that the Committee agreed for the City to add an additional money market mutual fund to the two that they currently use for further diversification for the placement of those funds. Councilmember Gorden stated that the Committee had reviewed the general financial position of the City's earnings and adherence to the investment policy.

City Manager Maclin gave the following information concerning meeting dates:

July 26 – DETCOG meeting in Hemphill
July 26 - 10:30 a.m. dedication of the Lewis/Toran Community Center
July 26 – NAACP banquet at the Civic Center
July 30 – Budget draft meeting at City Hall
July 31 – "Undoing Racism" dinner and movie – 6:00 p.m.
August 3 – First Friday luncheon with Bob Udell, Communications VP for TXU

12. There being no further business for consideration, meeting adjourned at 6: 40 p.m.

Louis Bronaugh
Mayor

ATTEST:

Atha Stokes Martin - City Secretary