

**MINUTES OF REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF
LUFKIN, TEXAS, HELD ON THE
15th OF OCTOBER 2002**

On the 15th day of October 2002 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 |
| Lynn Torres | Mayor pro tem |
| R. L. Kuykendall | Councilmember, Ward No. 1 |
| Bob Bowman | Councilmember, Ward No. 4 |
| Jack Gorden, Jr. | Councilmember, Ward No. 5 |
| Dennis Robertson | Councilmember, Ward No. 6 |
| C. G. Maclin | City Manager |
| James Hager | Asst. City Manager |
| Atha Martin | City Secretary |
| Bob Flournoy | City Attorney |
| Keith Wright | City Engineer |
| Kenneth Williams | Director of Public Works |
| Stephen Abraham | Director of Planning |

being present, and

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| Rose Faine Boyd | Councilmember, Ward No. 2 |
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being absent when the following business was transacted.

1. Meeting was opened with prayer by Rev. James Townes, New Life Missionary Baptist Church.
2. Mayor welcomed visitors present.

3. APPROVAL OF MINUTES

Minutes of the Regular Meeting of October 1, 2002 were approved on a motion by Councilmember R. L. Kuykendall and seconded by Councilmember Dennis Robertson. A unanimous affirmative vote was recorded.

4. ORDINANCE – APPROVED – SECOND READING – ZONE CHANGE – APARTMENT, LOCAL BUSINESS AND COMMERCIAL TO RESTRICTIVE PROFESSIONAL OFFICE – 209 AND 315 GASLIGHT BOULEVARD – MICHAEL PARKER – GASLIGHT PROPERTIES, LTD

Mayor Bronaugh stated that the next item for consideration was Second Reading of an Ordinance to change the zoning from “Apartment, Local Business and Commercial” to a “Restrictive Professional Office” zoning district on approximately 14.747 acres of land located between 209 and 315 Gaslight Boulevard as requested by Michael Parker on behalf of Gaslight Properties, LTD.

Motion was made by Councilmember Lynn Torres and seconded by Councilmember Bob Bowman that Ordinance to change the zoning from “Apartment, Local Business and Commercial” to a “Restrictive Professional Office” zoning district on approximately 14.747 acres of land located between 209 and 315 Gaslight Boulevard as requested by Michael Parker on behalf of Gaslight Properties, LTD be approved on Second and Final Reading as presented. A unanimous affirmative vote was recorded.

5. ORDINANCE – DISCONTINUED – SECOND READING – TAX INCREMENT FINANCING DISTRICT

Mayor Bronaugh stated that the next item for consideration was Second Reading of an Ordinance designating a Tax Increment Financing District.

City Manager Maclin stated that as suggested by Council, staff went to the County Commissioner's Court last Tuesday to seek the County's participation, and they declined to participate thereby eliminating the advantage of the opportunity to utilize a Tax Increment Financing District. Mr. Maclin stated that basically the City cannot have a second reading today in the form of the original motion because the original motion as approved two weeks ago required that the other two taxing entities (the County and the College), likewise participate thereby providing the combination of tax rates to make the Tax Increment Financing District feasible.

City Manager Maclin stated that staff has looked at other types of alternatives such as including in a future CIP, or amending the current Capital Improvement Program, to consider adding a street. Mr. Maclin stated that what he would like to seek from Council today, recognizing that we don't need a second reading on the TIF because it cannot be completed in its original form, but what he would suggest to Council is to allow staff a little more time to research other financing alternatives, and there are several things that they are looking at. Mr. Maclin stated that he had listed other ideas in the Council packet, one being taking the vote to the public, amending the bond election that was approved by the voters for one of the four streets that was included in the bond election of 2001. Mr. Maclin stated that once staff has gotten some detailed and firm information on those potential opportunities, they would come back to Council.

Councilmember Gorden stated that he agreed because it was important that staff continue looking at a more viable way to address this need. Councilmember Bowman stated that he would concur with Councilmember Gorden. Councilmember Torres stated that she too concurred and that she did not want Council to give up on extending Whitehouse because the community is really going to need those improvements prior to the U. S. 59 improvements in 2006. Councilmember Kuykendall stated that he would agree also.

Motion was made by Councilmember Bob Bowman and seconded by Councilmember Lynn Torres to discontinue the Ordinance implementing the Tax Increment Financing District, and allowing staff to continue forward with other alternatives. A unanimous affirmative vote was recorded.

6. ORDINANCE – APPROVED – SECOND READING – ADOPTION OF RULES AND REGULATIONS - MAINTENANCE AND OPERATION – CITY SEWER SYSTEM

Mayor Bronaugh stated that the next item for consideration was Second Reading of an Ordinance adopting rules and regulations for the maintenance and operation of the City of Lufkin sewer system.

Councilmember Gorden stated that Section 2.02 says: "The City Manager may on a case by case basis extend sewer service to non-profit corporations outside the City limits which are located within 100 feet of the sewer collection system." Councilmember Gorden stated that he would suggest, and Mr. Maclin concurred, that that paragraph be eliminated and that on a case-by-case basis the requests come to Council. Councilmember Bowman stated that he would concur.

Councilmember Robertson stated that at the last meeting the City Engineer stated that he would take out the term "animal excrement" in Section 2.04 and it was still in his copy. Mr. Wright stated that the new copy he had given the City Secretary had been corrected.

Motion was made by Councilmember Dennis Robertson and seconded by Councilmember R. L. Kuykendall that Ordinance adopting rules and regulations for the maintenance and operation of the City of Lufkin sewer system be approved on Second and Final Reading with corrections as approved at the last Council meeting and with the

corrections requested by Councilmember Gorden. A unanimous affirmative vote was recorded.

7. ORDINANCE – APPROVED – SECOND READING - AMENDMENT TO THE 1997 STANDARD FIRE PREVENTION CODE – UNATTENDED SELF-SERVICE STATIONS

Mayor Bronaugh stated that the next item for consideration was Second Reading of an Ordinance amending the 1997 Standard Fire Prevention Code regarding unattended self-service stations.

Motion was made by Councilmember Bob Bowman and seconded by Councilmember Jack Gorden, Jr. that Ordinance amending the 1997 Standard Fire Prevention Code regarding unattended self-service stations be approved on Second and Final Reading as presented. A unanimous affirmative vote was recorded.

City Manager Maclin reminded Councilmembers that this Ordinance has a January 1st effective date.

8. ORDINANCE – APPROVED – FIRST READING – CHAPTER 172 – TEXAS LOCAL GOVERNMENT CODE – TEXAS POLITICAL SUBDIVISION EMPLOYEES UNIFORM GROUP BENEFITS ACT

Mayor Bronaugh stated that the next item for consideration was an Ordinance adopting Chapter 172 of the Texas Local Government Code, the “Texas Political Subdivision Employees Uniform Group Benefits Act” to establish a risk pool to self-fund employee health benefits.

City Manager Maclin stated that this Ordinance is in light of some new laws that were passed by the State Legislature. Mr. Maclin stated that Council needs to approve this Ordinance to continue the implementation and utilization of the City’s self-funded health employees risk pool. Mr. Maclin stated that part of the requirements to this law is that you are required to have trustees and they must have 16 hours of training in accordance to this law. Mr. Maclin stated that staff is recommending that the trustees be the Human Resources Director, the City Manager and the City Attorney. Mr. Maclin stated that Texas Municipal Health Insurance, who is the City’s third party administrator, would provide the training in Lufkin in a few weeks if Council approves this Ordinance today. Mr. Maclin stated that basically this is a vehicle where the City can continue to utilize the Health Risk Pool that’s been very beneficial to the City and to the City employees in terms of cost savings, and in terms of new benefits.

Motion was made by Councilmember Dennis Robertson and seconded by Councilmember R. L. Kuykendall that Ordinance adopting Chapter 172 of the Texas Local Government Code, the “Texas Political Subdivision Employees Uniform Group Benefits Act” to establish a risk pool to self-fund employee health benefits be approved on First Reading as presented. A unanimous affirmative vote was recorded.

9. AMENDMENT TO CIP – APPROVED – SOUTH US 59 IMPROVEMENTS – TXDOT MATCHING FUNDS – CITY MANAGER AUTHORIZATION

Mayor Bronaugh stated that the next item for consideration was amendment to the CIP to provide for matching funds to TxDOT for South 59 improvements, and authorizing the City Manager to sign the agreement with TxDOT.

City Manager Maclin stated that included in the Council packet is a memo of explanation and a letter from John Evans the Right-of-Way Administrator for the Lufkin District of the Texas Department of Transportation, as well as a Resolution. Mr. Maclin stated that as TxDOT begins to move forward with the widening and expansion and rehabilitation of US 59 south from the Loop to the south side of town, they are purchasing right-of-way, and by law the City is required to pay 10% matching funds on those purchases. Mr. Maclin stated that they do not at this point have a scheduled acquisition in terms of dollars available, but occasionally there are certain Federal funds or State funds that are released before right-of-way acquisition so they get a little trickle down of funds towards this very expensive project. Mr. Maclin stated that they have that at this point for some properties on the west side of the freeway just south of the

Loop and those properties amount to about \$750,000, therefore the City's 10% share would be \$75,000. Mr. Maclin stated that the City has done this with the Shrimp Boat Manny's property previously and are seeking Council's approval of this \$75,000 to include it as an amendment to the Capital Improvement Program.

In response to question by Councilmember Gorden as to whether the City put all the money it would take to buy this right-of-way in the CIP, Mr. Maclin stated that staff had not because they do not know the answer to that yet nor do they know the timing. Mr. Maclin stated that there are several projects in the CIP program such as streets, parks, and radio improvements for Public Safety, and as shown in the finance report earlier today there is about \$4.4 million in that particular fund. Mr. Maclin stated that there are things that are ahead of schedule and there are things that are behind schedule. Mr. Maclin stated that staff is recommending that Council place that right-of-way matching fund in the CIP, which ultimately comes to the end of the CIP and a new CIP started and there will be some carryover items, and this in essence would be a part of some type of carryover item.

Mr. Maclin stated that TxDOT plans to come up with a multi-year \$6 million, and at that time staff will come up with a new CIP strictly for that. Councilmember Gorden stated that he would like to state tonight that he strongly opposes the City having to spend that \$6 million.

In response to question by Councilmember Bowman, Mr. Maclin stated that this property is in the vicinity of Kenco Pool Supply just south of Beard's.

In response to question by Councilmember Bowman, Mr. Wright stated that the City is negotiating with property owners on Whitehouse Drive at this time for right-of-way acquisition.

Motion was made by Councilmember Bob Bowman and seconded by Councilmember Jack Gorden, Jr. that Amendment to the CIP to provide for matching funds of \$75,000 to TxDOT for South 59 improvements, and authorizing the City Manager to sign the agreement with TxDOT be approved as presented. A unanimous affirmative vote was recorded.

10. REQUEST – DENIED – WAIVER OF SEWER TAP FEES – FREEMAN HOUSE – BURKE CENTER

Mayor Bronaugh stated that the next item for consideration was the request of the Burke Center for the City to waive sewer tap fees for the Freeman House.

Murphy George stated that he would not make any comments until this item had been presented to the Council.

City Manager Maclin stated that staff had received a letter from Harold Parish, the Chief Operating Office of the Burke Center, requesting that the Burke Center be reimbursed for the \$796 that they paid as a sewer tap fee for their home on Freeman Street.

Mr. George stated that the Burke Center has not requested a waiver of that tap fee; they requested a refund of the funds that were submitted to the City in error. City Manager Maclin asked how was it submitted in error. Mr. George stated that they first requested that the Freeman House be connected to the City sewer, which was right across the street. Mr. George stated that it was the indication of the Burke Center that there would not be any charge for the tap, and there wasn't any mention for any charge for the tap. Mr. George stated that he was out of town and someone called the Burke Center Office, maybe from the Engineering Department, and requested a check for \$796. Mr. George stated that he did not know what the conversation was, but the Burke Center submitted a check for \$796. Mr. George stated that the problem with that was two fold – one was that the Burke Center was under the impression that there wouldn't be a charge for hooking up the sewer, and second, they are so short on funds that if they were going to have to pay for the tap, more than likely, they would just stay with the septic system they have.

City Manager Maclin stated that the reason the Engineering Department called is because they can't make the tap until the funds have been paid and there is nothing in the City's policy that allows for an exception. Mr. Maclin stated that staff does not have authorization to give exceptions to the policy; that is a Council decision. Mr. Maclin stated that all customers have to pay a tap fee.

Mr. George asked if the City has ever done any sewer or water for any organization without charge. Mr. Maclin stated that the only organizations that have received exceptions are the ones the City sponsors; Pineywoods Home Team and one tap fee given for Habitat for Humanity. Mr. George asked, "no churches?" Mr. Maclin replied, "Not in the last 12 years."

Councilmember Bowman asked if there was a waiver made in advance. Mr. George replied, no request for waiver.

Mayor Bronaugh stated that the original request was to connect the Freeman House to the sewer system and our comments were that we do not connect to the people outside the City limits. Mayor Bronaugh stated that it was suggested that the Freeman House be annexed, therefore making it legal to our policy to attach the sewer system. Mayor Bronaugh stated that the City had done this for Trinity Baptist Church even though they were not inside the City limits and when we found out we did it for the Trinity Church, even though the church paid the connection fee to the City. Mr. Wright stated that that connection was also based on the fact that part of the property is located within the City limits.

Mr. George stated that his last comment would be that if the Council chooses not to waive the fee for the Burke Center, he would ask the City to refund the money and not tap them into the sewer.

Councilmember Robertson stated that he would like to have clarification on the letter from Harold Parish where he said that it was indicated to the Burke Center that there would be no charge to the Burke Center for this work. Mr. Maclin stated that no one from the City of Lufkin made that indication to Mr. Parish; this is a standard operating procedure.

Mr. George stated that it is just common sense that if you ask for a job done someone will tell you how much it will cost, and there was no discussion about the cost at all for the tap, so they assumed that there was no cost.

In response to question by Councilmember Gorden, Mr. Wright stated that the Engineering Department was contacted by the Burke Center to provide a tap and there were discussions about whether they were located in the City limits or not, and whether that would require City Council approval. Mr. Wright stated that based on the fact that part of the property was located within the City limits staff decided it would be appropriate to connect them, and they came in and applied for a tap and paid the fee. In response to question by Councilmember Bowman, Mr. Wright stated that any time someone comes in and asks for a tap his staff tells that person the price. Mr. Wright stated that he did not talk to the representative from the Burke Center himself and he was not aware if they paid voluntarily or protested.

Councilmember Kuykendall asked if someone paid the fees how would they know the direct price if it wasn't given to them. City Manager Maclin stated that the amount of the fee was given to them and they paid the fee.

Councilmember Bowman asked if when the Burke Center paid the fee if they had requested a waiver, Mr. Wright replied, "No."

City Attorney Flournoy stated that there might have been a misunderstanding about what was going to be provided from whomever this conversation was with. Mr. Flournoy stated that the big problem is that it doesn't matter whether it's inside the City or outside the City, obviously the City decided to allow them to connect up even though they were outside the City. Mr. Flournoy stated that the City has a policy that requires everyone; no matter if they are a great organization like the Burke Center or Goodwill, Salvation Army, Federal or State organizations or whatever, the policy is that they must

pay the tap fee. Mr. Flournoy stated that you would need to re-write your policy to make exceptions if you did anything other than require them to pay that fee. Mr. Flournoy stated that Council could do what Mr. George is asking, and that is if you cannot waive the fee then disconnect and refund the Burke Center.

Councilmember Gorden stated that he has been very vocal about making connections outside the City for various reasons. Councilmember Gorden stated that his concern in this instance is the communication, and if there was some type of commitment made. Mr. Wright stated that the only tap fees that have been waived have been approved by Council at different requests – Pineywoods Home Team and Habitat for Humanities.

Mr. George stated that he had not come down to the Council meeting tonight to embarrass anyone, and he certainly did not want to embarrass himself. Mr. George stated that this is a very minor thing for the City and he hated to see the Council take up time for it, but he did want to make a comment. Mr. George stated that there was really no question whether or not the Burke Center was supposed to pay for the tap fee. Mr. George stated that whenever he asked for the refund back several times he went to several different people within the City to get the money back and they all assured him that he could get the money back. Mr. George stated that he talked to the City Planner and he called him back in two days and stated that he had talked to the City Manager and all that he needed was a voucher from the Mayor to write Mr. George a check and pay him back. Mr. George stated that the only thing that he does not understand is how laws and policy can change so quickly. Mr. George stated that in the last administration the Mayor ran the whole City single-handed and today we have two other people who run the City – the City Manager and the City Attorney. Mr. George stated that it passes from one to the other and we never can agree on who has the authority to do what.

Mr. Flournoy stated that Mr. George's statement requires a comment so that the public would understand. Mr. Flournoy stated that the City of Lufkin is a Council form of Government with the City Manager in charge and has been almost since it's beginning. Mr. Flournoy stated that Mr. George is referring to Mr. Garrison who was a very strong mayor and might have even taken on more authority than he had under the Charter on occasion. Mr. Flournoy stated that the Mayor does not have the authority to make any decisions that this Council doesn't give to him, and if that is what the reference was to by Mr. George, he is limited to what he can do, and this is a City Manager form of government.

Councilmember Gorden asked if the resolution of this situation could be as simple as just apologizing to Mr. George and the Burke Center by saying that we are deeply sorry and regret any miscommunication, and in an on-going way maybe do not feel that Council can waive this fee.

Motion was made by Councilmember Jack Gorden, Jr. and seconded by Councilmember R. L. Kuykendall that the City refund the sewer tap fee deposit of \$796 to the Burke Center and that the system be disconnected as requested by Murphy George. A unanimous affirmative vote was recorded.

11. BOYS & GIRLS CLUB – APPROVED – COST ASSOCIATED WITH SWAP OF LAND

Mayor Bronaugh stated that the next item for consideration was costs associated with the swap of land requested by the Boys & Girls Club.

City Manager Maclin stated that the City Attorney has prepared some information regarding this item, which was in the Council packet, and he would defer to Mr. Flournoy. Mr. Flournoy stated that the City swapped some land to the Boys and Girls Club on part of the old Junior High West property. Mr. Flournoy stated that the City had done a simultaneous swap with the LISD. Mr. Flournoy stated that LISD needed some baseball fields and the City had them and swapped some of the fields for Junior High West property. Mr. Flournoy stated that at the same time they agreed to make a swap to the Boys and Girls Club for a nine acre tract of land they had on Highway 69. Mr. Flournoy stated that the City cannot make gifts or contributions even to charitable, non-profit organizations, therefore, the City had to do an even swap. Mr. Flournoy

stated that it turned out that out of the swap, the Boys and Girls property had a value of \$181,000 and the City swapped it some property that wound up at approximately \$150,000. Mr. Flournoy stated that there were a lot of negotiations that went on in getting that together. Mr. Flournoy stated that the City basically expended thousands of dollars, as did the Boys and Girls Club, in trying to reach an agreement that would allow them to build a facility that they wanted to build at the old Junior High West. Mr. Flournoy stated that there is a requirement that anything that is built in the City now has to take into consideration retention for water; a holding facility that would help with the drainage, and this was required of the Boys and Girls Club. Mr. Flournoy stated that the City, by and through Kurth Memorial Library had already constructed a retention pond, which was required of them. Mr. Flournoy stated that staff felt like by an expansion of the retention pond that was already there would be able to provide the required retention for the Boys and Girls Club facility. Mr. Flournoy stated that in the process of trying to finalize the swap, the City agreed it would for \$5,000 build an addition or the expansion of that retention pond on behalf of the Boys and Girls Club. Mr. Flournoy stated that there is a requirement of certain hydrological information that has to be generated so you know how much potential run-off there is and that had not been done. Mr. Flournoy stated that there was an estimate of what the cost was going to be. The City estimated that the cost of the construction would be approximately \$5,000. Mr. Flournoy stated that he would give the City's position and then that of the Boys and Girls Club. Mr. Flournoy stated that after the swap had been finished the City expected to receive the engineering hydrological information from the engineers for the Boys and Girls Club and when that was not forthcoming the City knowing they had to have it, employed Everett Griffith & Associate Engineers to prepare that information at a cost of approximately \$3,400. Mr. Flournoy stated that by this time the City knows how much the retention pond will cost in actual construction and it is about \$9,700 but because the City had agreed that they would do it for \$5,000, the City feels obligated to that amount. Mr. Flournoy stated that there was going to be some "boot" going toward the Boys and Girls Club of about \$20,000 that would go to them and then they were going to pay their own water tap, sewer tap, etc, which was about \$6,200. Mr. Flournoy stated that the Boys and Girls Club feels the agreement of the City was that this \$3,400 in engineering costs was supposed to be part of the detention, and certainly that argument could be made. Mr. Flournoy stated that when you talk about costs, cost would include all the engineering costs as well as the construction costs. Mr. Flournoy stated that the City believed that it was part of the \$5,000 and believes that is the cost that the Boys and Girls should be responsible for. Mr. Flournoy stated that on the other hand, the Boys and Girls Club feel as strongly on the other side that that \$3,400 should be paid by the City. Mr. Flournoy stated that there is a disagreement about what the agreement was, and who pays the \$3,400.

Tom Darmstadter stated that he had been active on the Boys and Girls Club Board of Directors the past seven years. Mr. Darmstadter stated that in the first quarter of 2001 the Temple Foundation granted to the Boys and Girls Club \$1 million to build a new structure provided they undertook in a fundraiser to obtain \$500,000 out of this community. Mr. Darmstadter stated that between March and October of last year they aggressively went into the community and were successful. Mr. Darmstadter stated that once they were successful and notified the Foundation that they had achieved their goal, they set out to undertake the building. Mr. Darmstadter stated that they looked at various locations but zeroed in on the old Junior High West gymnasium as well as the cafeteria. Mr. Darmstadter stated that for about four months they aggressively pursued plans, worked with a contractor, went out for bids and in January of 2002 they awarded the project to Langston Construction Company. Mr. Darmstadter stated that during this period of time, he was confident that Mr. Langston had worked with the City and notified them that this was the possible location. Mr. Darmstadter stated that shortly thereafter the City notified them that in this land swap they would like to retain the cafeteria as well as the gymnasium and they should try to relocate their building on another part of the property. Mr. Darmstadter stated that they pursued other sections of the property and finally zeroed in on a piece of the property that they thought would adequately show to the community a new building for the Boys and Girls Club. Mr. Darmstadter stated that they spend some \$15,000-18,000 in plans for where they originally were going to put the building and, therefore they incurred additional cost in the relocation to accommodate the City in their negotiations in locating and preserving the gymnasium and the cafeteria. Mr. Darmstadter stated that they only had one dispute and the dispute pertains to the retention pond. Mr. Darmstadter stated that it was represented

to him, and the City Manager was present as well as Bob Flournoy, that the retention requirements would be satisfied by \$5,000. Mr. Darmstadter stated that they assumed that in their total settlement that their funds would be reduced by \$5,000. Mr. Darmstadter stated that a letter from Mr. Flournoy dated July 16 states: "the property at Hwy. 69 is worth \$180,000 so we will owe them (the Boys and Girls Club) \$20,095, which they will apply to the retention pond and permits." Mr. Darmstadter stated that Mr. Flournoy never speaks to "plans" in his letter; in fact, it wasn't until a few months later that he received a letter and a bill for \$3,000. Mr. Darmstadter stated that no one from the City ever called him or Mr. George and said that they needed plans. Mr. Darmstadter stated that since they were the developers they wanted to pick the engineer even if there is only one in town. Mr. Darmstadter stated that they did not negotiate with the engineer, the City did. Mr. Darmstadter stated that they felt that they satisfied the financial requirements required by the City for the detention pond by their \$5,000 payment. Mr. Darmstadter handed out a synopsis of how he felt that the transaction transpired. Mr. Darmstadter stated that they closed this transaction three months ago and they were entitled to funds – the City has had use of the money. Mr. Darmstadter stated that they could use the money because they had to pay contractor's bills, etc. in regard to this particular transaction. Mr. Darmstadter stated that the only thing that he and Mr. Flournoy differ with is who pays for the engineering services. Mr. Darmstadter stated that Mr. George and Mr. Langston were present at the meeting where they were under the impression that the retention pond requirements were \$5,000, and in the event they weren't they should have been notified by the City. Mr. Darmstadter stated that he was asking the City Council to waive the amount that is required for engineering and to refund them a check in the amount of \$18,790.

Councilmember Gorden stated that he wanted to make the motion as a gesture of good faith that the City pay the \$3,400. Councilmember Bowman stated that he would second that motion.

Councilmember Torres asked if it was really a check for \$18,000 because it still doesn't include the sewer tap fees and everything else that needs to be deducted. Mr. Flournoy stated that they have paid the permit fee, which is about \$4,000. Mr. Flournoy stated that originally when they had talked about this it came up about the tap fee and the City could not waive the tap fee, but would simply deduct it from what we owe them. Mr. Flournoy stated that they went ahead and paid the permit fee and now want to pay their tap fee, which is a total of about \$6,000. Mr. Flournoy stated that we would give them a check for \$18,790 if this passes and then they will pay for the tap fees. Mr. Flournoy stated that they had met on a daily basis for months. Mr. Flournoy stated that we could all be proud that the Boys and Girls Club has a great location and a wonderful facility and will provide great services, which is good for the City and good for everyone involved. Mr. Flournoy stated that it is a win-win situation and he is sorry that we had this disagreement. Mr. Flournoy stated that the City had one understanding about this engineering cost and the Boys and Girls Club had another understanding, the administration could not make a decision to give that to them, but the Council can.

Mr. George stated that he wanted to make a final comment. Mr. George stated that the point that he wanted to make to the Council is that most everyone sees the frustration in him every day that passes by, but he wanted to give an example of why he is frustrated. Mr. George stated that he's got the Boys and Girls Club deep in his heart. Mr. George stated that today they have 11 clubs in East Texas in 11 different cities and service about 4,000 children every day in those 11 clubs that would be on the streets. Mr. George stated that there are 185 to 240 here in Lufkin that would be on the streets for the City to contend with if they didn't have the Boys and Girls Club. Mr. George stated that they wanted to be partners with the City the same as they are with LISD. Mr. George stated that they wanted the field house in the Park in Crockett and he wrote them a check for \$1,100 for the Boys and Girls Club. Mr. George gave examples of how the Cities of Diboll, Nacogdoches and Jasper worked with the Boys and Girls Club. Mr. George stated that he wished that this Council and Administration in the City would try to come up with some unique way to get around the laws and policies, or change their policies to do something for the Boys and Girls Clubs, and other organizations.

Motion was made by Councilmember Jack Gorden, Jr. and seconded by Councilmember Bob Bowman that the Boys and Girls Club be reimbursed \$18,790. A unanimous affirmative vote was recorded.

12. BID – APPROVED – KIT McCONNICO PARK – ALLEN LOGGINS – GOLDEN TRIANGLE PIPE

Mayor Bronaugh stated that the next item for consideration was bids for Kit McConnico Park.

City Manager Maclin stated that included in the Council packet is the bid tabulation for two items – the roadway and site improvements and the other is for materials for the utilities. Mr. Maclin stated that staff is recommending the low bid of Allen Loggins for the roadway and site improvements in the amount of \$895,334.16 and the low bid of Golden Triangle Pipe for the materials in the amount of \$85,670.86.

Motion was made by Councilmember Lynn Torres and seconded by Councilmember R. L. Kuykendall that the bid of Allen Loggins in the amount of \$895,334.16 for roadway and site improvements to Kit McConnico Park and the bid of Golden Triangle Pipe in the amount of \$85,670.86 for materials for the utilities be approved as submitted. A unanimous affirmative vote was recorded.

In response to question by Councilmember Robertson regarding the status of the grant from Parks and Wildlife, Mr. Maclin stated that the grant application has been submitted and staff hopes to know something about it by the first of the year. Mr. Maclin stated that these items are not part of the grant; they are ineligible items or items that are not included in the grant application. Mr. Maclin stated that these are from the CIP Project.

13. FINANCE COMMITTEE REPORT

Councilmember Gorden stated that the Committee met at 3 p.m. this afternoon and covered several items. Mr. Gorden stated that the Committee and the Council are to review and re-approve the Investment Policy for the City each year. Councilmember Gorden stated that with the City's Financial Advisor Dick Long, the Committee went through some of the changes that might be necessary to be made in the policy. Councilmember Gorden stated that they did not finish all of their discussions but would try to do so between now and the next meeting. Councilmember Gorden stated that as a Committee they believe that the City is in compliance with the policy, one facet of which is 10 hours of training in that area for each individual who is on the Committee every two years. Councilmember Gorden stated that the bidding process for banks for the City's depository was discussed. Councilmember Gorden stated that there is some State legislative changes in that area that they need some more time to deal with.

Councilmember Gorden stated that the Committee approved adding one broker/dealer to the list.

Councilmember Robertson stated that the Committee was apprised that the City had received an award from the Government Finance Officers Association of the United States and Canada. Councilmember Robertson read: "A Certificate of Achievement for excellence in financial reporting has been awarded to the City of Lufkin by the Government Finance Officers Association for its fiscal year 2001 Comprehensive Annual Report. This certificate of achievement is the highest form of recognition in the area of government accounting and financial reporting and its attainment represents a significant accomplishment by the City and its management." Councilmember Robertson stated that this is an excellent award to C. G., Doug Wood, and the Accounting staff. Councilmember Robertson presented the award to Doug Wood, Director of Accounting.

Motion was made by Councilmember Bob Bowman and seconded by Councilmember R. L. Kuykendall that Finance Committee Report be approved as presented. A unanimous affirmative vote was recorded.

14. CITY OF LUFKIN INVESTMENT STRATEGY AND INVESTMENT POLICY – TABLED

Mayor Bronaugh stated that the next item for consideration was the review and approval of the City of Lufkin's investment strategy and investment policy.

City Manager Maclin stated that staff is recommending that Council table this item today and allow time to make the changes and implement the corrections that were agreed upon by the Committee this afternoon. Mr. Maclin stated that once those changes are made the policy will be forwarded to the three committee members and once they have signed off on it, staff will put it back on the agenda for Council approval.

Motion was made by Councilmember Lynn Torres and seconded by Councilmember Bob Bowman to table the City of Lufkin Investment Strategy and Investment Policy review. A unanimous affirmative vote was recorded.

15. EXECUTIVE SESSION

Mayor Bronaugh recessed Regular Session at 6:15 p. m. and Councilmembers entered into Executive Session. Regular Session reconvened at 6:45 p.m. and Mayor Bronaugh stated that the Council had discussed attorney/client matters and demolition of dilapidated houses.

Mayor Bronaugh stated that Council had a letter from Diana Chapman, Main Street Director, requesting that Council appoint a Central Business District Advisory Committee to help the Main Street Program in the City of Lufkin.

Motion was made by Councilmember Bob Bowman and seconded by Councilmember R. L. Kuykendall that Heather Kartye, Justin Bullard, Nikki Handley, Diana Chatman and Kathi White be appointed to the Central Business District Committee. A unanimous affirmative vote was recorded.

Motion was made by Councilmember Dennis Robertson and seconded by Councilmember R. L. Kuykendall that upon the recommendation of the City Attorney Bob Flournoy the following dilapidated houses be demolished and a lien be filed against the properties:

1001 O'Quinn
322 Persimmon
709 O'Quinn
302 Banks
1609 Fair Street

A unanimous affirmative vote was recorded.

16. APPOINTMENTS – APPROVED – SUBDIVISION POLICY REVIEW BOARD

Mayor Bronaugh stated that the next item for consideration was appointment of a Subdivision Policy Review Board as requested by City Engineer Keith Wright.

Motion was made by Councilmember Dennis Robertson and seconded by Councilmember Lynn Torres that Mike Parker, Pat Oates, Rick Ainsworth, Trey Henderson, and R. L. Kuykendall be appointed to the Subdivision Policy Review Board. A unanimous affirmative vote was recorded.

17. CALENDAR NOTATIONS FROM MAYOR, COUNCILMEMBERS AND CITY MANAGER


City Manager Maclin stated that the TML Annual Conference is being held in Fort Worth, October 16- 19th.

City Manager Maclin reminded Councilmembers of the "Music in the Park" event every Friday through October.

City Manager Maclin stated that on October 21 and 22 there would be a DETCOG Regionalism Conference in Nacogdoches with numerous speakers.

City manager Maclin stated that the next DETCOG meeting would be on October 24.

18. There being no further business for consideration, meeting adjourned at 6:50 p. m.



Louis A. Bronaugh - Mayor

ATTEST:


Atha Martin - City Secretary