

**MINUTES OF REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF  
LUFKIN, TEXAS, HELD ON THE  
5<sup>TH</sup> OF FEBRUARY 2002**

On the 5th day of February 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:

Louis A. Bronaugh	Mayor
Dennis Robertson	Mayor pro tem
R. L. Kuykendall	Councilmember, Ward No. 1
Don Boyd	Councilmember, Ward No. 2
Lynn Torres	Councilmember, Ward No. 3
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
Stephen Abraham	Director of Planning

Being present when the following business was transacted.

1. Reverend Eddie Ballard, Pastor, Kelty's First Baptist Church, opened meeting with prayer.
2. Mayor Bronaugh welcomed visitors present.

**3. APPROVAL OF MINUTES**

Minutes of the regular meeting of January 15, 2002 were approved on a motion by Councilmember Don Boyd and seconded by Councilmember Dennis Robertson. A unanimous affirmative vote was recorded.

**4. AUDIT REPORT – ALEXANDER LANGFORD & HIERS**

Mayor Bronaugh stated that the first item for consideration was the audit report by Alexander Langford & Hiers.

City Manager C. G. Maclin stated that the Finance Committee received a draft copy of the audit and had an opportunity at their meeting three weeks ago to review the fiscal year 2001 audit with Mr. Rudel from the City's outside audit firm, Alexander Langford & Hiers. Mr. Maclin stated that included in the Council's packet is a final copy of the audit and Mr. Rudel is present tonight to present an executive summary of the audit and answer any questions that Council may have.

Richard Rudel of Alexander Langford & Hiers stated that he would like to point out that this year the report was prepared by the City through the Accounting Department.

Mr. Rudel stated that his firm and the City are trying to get the report to where it meets all of the qualifications of the Certificate of Achievement. Mr. Rudel stated that this is a comprehensive annual financial report and is broken down into sections, which include the Introductory Section (includes the Letter of Transmittal, the Organizational Chart and the list of principle officials), the Financial Section, the Fiscal Section, and the Compliance Section. Mr. Rudel stated that he would like to point out this year that his firm performed an audit and the City's financial statements for the fiscal year which ended on September 30, 2001. Mr. Rudel stated that the Audit Report appears on page 11, and the Opinion covers the General Purpose Financial Statements and the Combining Financial Statements this year. Mr. Rudel stated that the City received an unqualified opinion, which is the highest opinion you can receive.

Mr. Rudel stated that on page 125 there is a quick summary of the audit report. Mr. Rudel stated that there were no material weaknesses identified and in regards to reportable conditions that are not considered to be material weaknesses, there was one identified which he will go over later. Mr. Rudel stated that as far as internal control or financial reporting, there were no material weaknesses identified. Mr. Rudel stated that in regard to internal control over federal awards there were no material weaknesses and there were no conditions that they consider to be a reportable condition that were identified. Mr. Rudel stated that as far as their report on compliance over major programs their report was an unqualified opinion. Mr. Rudel stated that they are required to identify major programs and these are the actual Federal awards or Federal and State awards that they tested for compliance. Mr. Rudel stated that these include the City's HOME Program as well as the loan grant. Mr. Rudel stated that the threshold for Type A and Type B programs was \$300,000 and the City did qualify as a low-risk auditee.

Mr. Rudel stated that Section B was the reportable condition, which is in regards to reconciling capital outlay expenditures to the fixed asset additions.

Councilmember Robertson asked if there were some trends that Council needs to be aware of that are good for the City or anything that would be considered negative in terms of the way trends of the different accounts are going. Mr. Rudel stated that there are several things that are very positive, especially the revenues of the City. Mr. Rudel stated that one of the things the City needs to look at is the Water and Sewer Revenue Fund as far as where the City stands. Mr. Rudel stated that the year 2001 was a drier year than the year 2000 so there were less water sales and the City did not have the actual net revenues that they had in the past. Mr. Rudel stated that the City would want to watch the revenue in the Proprietary Fund to be sure that the City is still staying profitable.

Councilmember Gorden stated that at the Finance Committee meeting Mr. Rudel told the Committee that all the minor weaknesses reported in last year's audit had been corrected. Councilmember Gorden stated that he would like to commend the staff for addressing those items and thanked Mr. Rudel for working on this for the City.

City Manager Maclin stated that he would like to express his appreciation to Mr. Rudel and his staff and to Mr. Wood and his staff for the excellent manner in which they worked together. Mr. Maclin stated that personally this is the best audit he has seen in the years he has been with the City. Mr. Maclin stated that staff would be looking at rate increases in water sales this next year. Mr. Maclin stated that staff has been trying to stay with the 2% rate increase for the \$16 million asbestos/cement pipe replacement. Mr. Maclin stated that if the City is fortunate enough from a water revenue standpoint to have another dry year where we go from May to August without a measurable rainfall then it might theoretically make itself up, but if that doesn't happen then staff needs to be looking at possible rate increases to make sure that our utility fund stays as healthy in the future as it has in the past.

Motion was made by Councilmember Lynn Torres and seconded by Councilmember Bob Bowman to accept the audit report as prepared by Alexander Langford & Hiers as presented. A unanimous affirmative vote was recorded.

##### **5. FORFEITED FUNDS BUDGET – APPROVED – FISCAL YEAR 2001-2002 – POLICE DEPARTMENT**

Mayor Bronaugh stated that the next item for consideration was the forfeited funds budget for fiscal year 2001-2002 for the Police Department.

City Manager Maclin stated that included in the Council packet is a memorandum from the Chief of Police regarding proposed budget of items that might be purchased during the current fiscal year with forfeited funds. Mr. Maclin stated that the budget includes \$7,500 for storage buildings, \$9,000 for video recording equipment, \$10,000 for pay off of seized vehicles, \$6,000 for office furniture and equipment and \$7,000 for purchase of training for explosive detection dog and narcotics dog. Mr. Maclin stated that these are things that if the funds become available through the forfeited assets over the period of

a year, then Chief Brazil, based on Council's approved today, would have the authorization to move forward with the expenditure of this budget.

Councilmember Boyd asked if the Department had a narcotics dog at this time. Chief Brazil stated that the City had a narcotics dog but he had to be retired because of age. Chief Brazil stated that the Department is planning to train their own dog that has been donated. Chief Brazil stated that the Department would probably buy the explosive detecting dog, which will have already been trained.

In response to question by Mayor Bronaugh, Chief Brazil stated that he did not think an explosive detecting dog could be found locally but that they would probably have to go to Ft. Polk to find one.

In response to question by Councilmember Gorden, Chief Brazil stated that sometimes the Department sells the seized vehicles but if they are in good condition they are used by the Department in the Narcotics Section.

Motion was made by Councilmember Lynn Torres and seconded by Councilmember Jack Gorden, Jr. that the forfeited funds budget for fiscal year 2001-2002 for the Police Department be approved as presented. A unanimous affirmative vote was recorded.

#### **6. BID – APPROVED – WATER TREATMENT PLANT FENCING - ALLEN LOGGINS & SONS**

Mayor Bronaugh stated that the next item for consideration was bids for fencing at the Water Treatment Plant.

City Manager Maclin stated that included in the Council packet is the bid tabulation for this proposed project. Mr. Maclin stated that the purpose of this is to meet the recommendations and suggestions of the new Homeland Security Office. Mr. Maclin stated that after September 11<sup>th</sup> one of the items that the government placed on the list for areas of concern or alert was water treatment systems because water treatment systems obviously if accessed could create some havoc for a City if a terrorist chose to try to place some type of chemical or poison in the City's water supply. Mr. Maclin stated that the City has increased our patrols and surveillance of the Water Treatment Plant but are proposing to add this fence which makes it much more difficult to access the property, along with accenting this with surveillance cameras which will give the City the opportunity and availability to view over the Intranet.

Mr. Maclin stated that these funds have not been specifically budgeted as the budget had already been approved by the time of the September 11<sup>th</sup> event took place. Mr. Maclin stated that staff is recommending that these funds come from the Depreciation Fund. Mr. Maclin stated that in staff's opinion, this was of an emergency enough in nature to go ahead and amend the Depreciation Fund for this priority to have this level of security.

In response to question by Mayor Bronaugh, Mr. Maclin stated that there is some fencing but on the backside and by the dam it would be pretty easy to access the plant and with the new fence it will minimize this ease of access. Mr. Wright stated that there are two plants and they are fenced separately which leaves the middle section between the two plants open. Mr. Wright stated that there have been some incidences of theft in the past. Mr. Wright stated that there is access to the filter bank and the treatment tanks and the fence would prevent vehicles from pulling up right next to the tanks and plant equipment. Mr. Wright stated that the fence would tie the two plants together with a gated access at the road. Mr. Wright stated that this is approximately 2100 linear feet of fence. Mr. Wright stated that this is a six-foot chain link fence with barbed wire on top.

Motion was made by Councilmember Don Boyd and seconded by Councilmember Dennis Robertson that the bid of Allen Loggins & Sons in the amount of \$45,600 for fencing at the Water Treatment Plant be approved as presented. A unanimous affirmative vote was recorded.

In response to question by Councilmember Gorden, City Manager Maclin stated that eventually the dispatch office would be able to monitor the cameras. Mr. Maclin stated that the City can use infrared alarms and if an alarm goes off, that will trigger the dispatcher to go to their computer and pull up the camera on the intranet. Mr. Maclin stated that if the dispatcher sees someone, when they dispatch the officer they could tell the officer where the violator is located.

#### **7. BUDGET AMENDMENT NO. 1 – APPROVED**

Mayor Bronaugh stated that the next item for consideration was Budget Amendment No. 1.

City Manager Maclin stated that included in the Council packet is a memorandum from the Asst. City Manager that enumerates each of these items for consideration for inclusion in this budget amendment. Mr. Maclin stated that several of these items are projects or pieces of equipment or programs that were scheduled in last year's budget but were not completed prior to September 30<sup>th</sup>, so therefore, the money has been carried over in the Fund Balance from a previous budget. Mr. Maclin stated that this is not a net new impact to this year's budget. Mr. Maclin stated that some of the items are grants that the City received that are pass through grants and likewise have little to no net general fund balance or the fund balance has zero impact. Mr. Maclin stated that the only one of the items he would call significant that is not a carryover or not a grant pass through is the Fire Department. Mr. Maclin stated that part of theirs includes a grant in the amount of \$42,595 for HazMat suits and infrared detectors, but the bulk of the money is for increased overtime. Mr. Maclin stated that this is to amend the line item within the Fire Department to increase the amount for overtime. Mr. Maclin stated that some of this is attributable to the response the City has made to the anthrax scare back in the fall. Mr. Maclin stated that the Fire Department made numerous responses at the height of the anthrax fear. Mr. Maclin stated that the balance represents a risk management implementation of calculation method for the overtime in the Fire Department being it is a 24/48 – on 24 hours and off 48 hours. Mr. Maclin stated that there was a lawsuit brought about by the Fire union in Waco against the City of Waco and Lufkin had some similarities to the methodology that is used in the overtime calculation. Mr. Maclin stated that staff visited with Attorney Betty Springer and her associates who represented the City of Waco. Mr. Maclin stated that Ms. Springer and her staff are considered the Personnel Law experts in the State of Texas. Mr. Maclin stated that staff consulted with them and they recommended that Lufkin amend their methodology for calculation of overtime. Mr. Maclin stated that staff, at the same time, wanted to bring the Fire Department into a 14-day pay schedule instead of an 18-day pay schedule. Mr. Maclin stated that the Fire Department has been on an 18 day pay schedule for years, and every other department is on a 14-day schedule which creates some confusion and some issues carrying over from one payroll to the next being that they are the only department that is on the 14 day cycle. Mr. Maclin stated that that is the primary reason for the increase in the overtime budget. Mr. Maclin stated that it is staff's opinion that it is appropriate for the City to take this action at this time to minimize any potential liability of the City in the future. Mr. Maclin stated that staff has determined that we feel like we have no liability based on the past.

In response to question by Councilmember Robertson, Mr. Maclin stated that this would affect the 2002 budget. Mr. Maclin stated that all of this item is an amendment to the fiscal 2002 budget. Mr. Maclin stated that there may have been some overruns in overtime in 2001 as indicated in the audit, but that is not being amended. Mr. Maclin stated that we are not over budget yet, but at the current pace we will be over budget soon and rather than come to Council in August when we are already close to \$300,000 over, staff is bringing this to Council now to address through a Budget Amendment at this time rather than wait until the end of the summer.

In response to question by Councilmember Gorden, Mr. Maclin stated that staff has been negotiating with a local corporate entity that owns a lot of property and this property has some excellent quality dirt on it. Mr. Maclin stated that staff has done samples with a soil testing service and proven this dirt to be excellent quality material. Mr. Maclin stated that at this time the City is working with the legal department of this corporation waiting for them to finalize the approval of a lease. Mr. Maclin stated that upon receiving a satisfactory lease agreement it would be brought to Council for their

approval. Mr. Maclin stated that staff has looked at several sights and after taking a soil sample found that they were not the quality to merit the expense for the purchase. Mr. Maclin stated that in this particular case staff is looking at a long-term lease with the corporation and think it will be a very cost beneficial lease for the City to meet our dirt needs for the next couple of decades. In response to question by Councilmember Gorden, Mr. Maclin stated that the cost is being split between two different departments because the dirt is used by the Street Department and the Water Utilities Department.

In response to question by Councilmember Gorden, Mr. Maclin stated that the \$300,000 for the Fire Department overtime budget would be taken from the General Fund fund balance.

In response to question by Councilmember Robertson, Mr. Maclin stated that the lease for the dirt pit will be a per cubic yard lease. Mr. Maclin stated that the corporate entity at the end of the lease would be able to take the property back and continue to use it for their purposes. Mr. Maclin stated that the City of Lufkin would have exclusive rights under this lease agreement.

Motion was made by Councilmember Don Boyd and seconded by Councilmember Bob Bowman that Budget Amendment No. 1 be approved as presented. A unanimous affirmative vote was recorded.

#### **8. LETTER OF APPEAL – WITHDRAWN – JOURNEYMEN ELECTRICAL LICENSE – GARY WALLER**

Mayor Bronaugh stated that the next item for consideration was a letter of appeal in regard to suspension of Journeymen Electrical License. Mayor Bronaugh stated that this was an item that was tabled at the January 15<sup>th</sup> meeting and since that time the person who wrote the original letter to appear on the agenda has withdrawn his request.

Mr. Maclin stated that since the request for an appeal has been rescinded by the requestor it would be appropriate for this to be tabled indefinitely.

Motion was made by Councilmember Lynn Torres and seconded by Councilmember R. L. Kuykendall that this request be tabled indefinitely. A unanimous affirmative vote was recorded.

#### **9. ORDINANCE – APPROVED – FIRST READING – GENERAL ELECTION – MAY 4, 2002**

Mayor Bronaugh stated that the next item for consideration was First Reading of an Ordinance setting a time and date for the May 4<sup>th</sup> election.

City Manager Maclin stated that staff provided a copy of the Municipal Election Calendar for this year on the Council table. Mr. Maclin stated that the opening date for filing for Council position is February 18<sup>th</sup> and the positions that are open this year are Councilmember of Ward 5 and Councilmember of Ward 6. Mr. Maclin stated that the last day to file an application is March 20<sup>th</sup> and the last date for write-in candidacy by State law is March 25<sup>th</sup>.

Mr. Maclin stated that Early Voting begins on April 17<sup>th</sup> and the election day is Saturday, May 4<sup>th</sup> from 7a.m. until 7 p. m.

Motion was made by Councilmember Bob Bowman and seconded by Councilmember Dennis Robertson that Ordinance setting a time and date for the May 4<sup>th</sup> election be approved on First Reading as presented. A unanimous affirmative vote was recorded.

#### **10. EXECUTIVE SESSION**


Mayor Bronaugh recessed Regular Session at 5:36 p.m. to enter into Executive Session. Regular Session reconvened at 7:03 p.m. and Mayor Bronaugh stated that legal matters had been discussed and no decisions were made.

**11. CALENDAR NOTATIONS FROM MAYOR, COUNCILMEMBERS, AND CITY MANAGER**

City Manager Maclin stated that he would be speaking to the Homebuilders Association on Thursday regarding our new City web site. Mr. Maclin stated that staff will be going live with the Click2Gov in the next two or three weeks. Mr. Maclin stated that this would enable citizens to check their water consumption history for the past three years.

Mr. Maclin stated that next Wednesday, February 13<sup>th</sup>, the Texas Commission on Human Rights would be hosting a personnel law conference at the Civic Center.

12. There being no further business for consideration, meeting adjourned at 7:06 p.m.

  
Louis Bronaugh  
Mayor

ATTEST:

  
Atha Stokes Martin - City Secretary