MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF LUFKIN, TEXAS HELD ON THE 21st DAY OF AUGUST, 2007

On the 21st day of August, 2007, 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:

Jack Gorden, Jr.	Mayor
Rose Faine Boyd	Mayor Pro-Tem
R. L. Kuykendall	Councilmember, Ward No. 1
Lynn Torres	Councilmember, Ward No. 3
Don Langston	Councilmember, Ward No. 4
Rufus Duncan	Councilmember, Ward No. 5
Phil Medford	Councilmember, Ward No. 6
Paul L. Parker	City Manager
Keith Wright	Assistant City Manager
Robert Flournoy	City Attorney
Renee Thompson	City Secretary
Larry Brazil	Police Chief
Scott Marcotte	Assistant Police Chief
Pete Prewitt	Fire Chief
David Koonce	Human Resource Director
Doug Wood	Finance Director
Scott Rayburn	Planning Department
Barbara Thompson	Main Street Director
Jim Wehmeier	Economic Development Director
Belinda Southern	Finance Senior Accountant

being present, when the following business was transacted:

1. The meeting was opened with prayer by Pastor Carlos Alegria of Iglesia Cristiana Bautista Church.

2. Mayor Gorden welcomed visitors present.

3. **APPROVAL OF MINUTES**

   Minutes of the Regular Meeting on August 7th, 2007 were approved on a motion by Councilmember Rose Faine Boyd, and seconded by Councilmember Lynn Torres. A unanimous affirmative vote was recorded.

OLD BUSINESS:

4. **CONDUCT A PUBLIC HEARING AND CONSIDER ON SECOND READING AN ORDINANCE AMENDING THE FUTURE LAND USE PLAN OF THE 2001 COMPREHENSIVE PLAN OF THE CITY OF LUFKIN, TEXAS, - APPROVED - BY CHANGING THE ZONING AND FUTURE LAND USE PLAN DESIGNATION ON APPROXIMATELY 10 ACRES OF LAND DESCRIBED AS TRACT 294 AND 268 OF THE A. BARELA SURVEY, ABSTRACT 49 TO A "LIGHT MANUFACTURING" ZONING DISTRICT WITH A "SPECIAL USE" PERMIT FOR INDUSTRIAL PARKING AND WATER RETENTION FOR A WOOD-FIRED BIOMASS POWER PLANT AND THE FUTURE LAND USE PLAN OF THE 2001 COMPREHENSIVE PLAN TO THE CLASSIFICATION OF INDUSTRIAL.**

   Mayor Jack Gorden stated that the next item for consideration was to conduct a Public Hearing and consider on Second Reading an Ordinance amending the Future Land Use Plan of the 2001 Comprehensive Plan of the City of Lufkin, Texas, by changing the Zoning and Future Land Use Plan designation on approximately 10 acres of land described as Tract 294 and 268 of the A. Barela Survey, Abstract 49 to a "Light Manufacturing" Zoning District with a "Special Use" Permit for industrial parking and water retention for a wood-fired biomass power plant and the Future Land Use Plan of the 2001 Comprehensive Plan to the classification of Industrial.

City Manager Paul Parker stated that this was the second reading of this item and that Council was very aware of the history due to numerous meetings concerning the Bio Mass Power Plant. City Manager Parker stated that this was a request to rezone ten (10) acres of land and that this request was amended from the initial application to a more restrictive use which was approved by a five (5) to two (2) vote at the Council Meeting of August 7, 2007 and that Staff was ready to answer any questions that Council may have.

Mayor Gorden opened the Public Hearing at 5:04 p.m. and asked anyone who wished to speak on this item to please step forward.

There appearing to be no one wishing to speak, Mayor Gorden closed the public hearing at 5:05 p.m.

Mayor Gorden then entertained questions and/or motions from Council on this item.

Council member Rufus Duncan moved to approve on Second Reading an Ordinance amending the Future Land Use Plan of the 2001 Comprehensive Plan of the City of Lufkin, Texas, by changing the Zoning and Future Land Use Plan designation on approximately 10 acres of land described as Tract 294 and 268 of the A. Barela Survey, Abstract 49 to a "Light Manufacturing" Zoning District with a "Special Use" Permit for industrial parking and water retention for a wood-fired biomass power plant and the Future Land Use Plan of the 2001 Comprehensive Plan to the classification of Industrial. Council member Don Langston seconded the motion.
The following vote was recorded:

Aye: Council Members Rufus Duncan, Don Langston, Phil Medford, Lynn Torres and Mayor Gorden.

Nay: Council Members R. L. Kuykendall and Rose Faine Boyd

The motion carried with five (5) affirmative votes.

5. <u>CONSIDER ON SECOND READING AN ORDINANCE OF THE CITY OF LUFKIN, TEXAS, AMENDING ORDINANCE NO. 427 – APPROVED - AND AMENDING THE CODE OF ORDINANCES OF THE CITY OF LUFKIN BY AMENDING TITLE VII ("TRAFFIC CODE") TO MAKE THE ORDINANCE CONSISTENT WITH TITLE VII OF THE TEXAS TRANSPORTATION CODE THAT WAS RECENTLY AMENDED, PROVIDING A SEVERABILITY CLAUSE AND PROVIDING AN EFFECTIVE DATE.</u>

Mayor Gorden stated that the next item on the agenda was to consider on Second Reading an Ordinance of the City of Lufkin, Texas, amending Ordinance No. 427 and amending the Code of Ordinances of the City of Lufkin by amending Title VII ("Traffic Code") to make the Ordinance consistent with Title VII of the Texas Transportation Code that was recently amended, providing a severability clause and providing an effective date.

City Manager Paul Parker stated that approval of this amendment would bring the City Ordinance in relation to traffic signal enforcement into compliance with State law due to new legislation passed by the State after the City Ordinance had been adopted. City Manager Parker continued that the City would eventually have eleven (11) red light cameras in place, with the first five (5) cameras scheduled to be in operation by the end of August and that during the first thirty (30) days of operation, only warning citations would be issued to those citizens committing a violation.

Mayor Gorden then entertained questions and/or motions from the Council on this item.

Council member R.L. Kuykendall moved to approve on Second Reading an Ordinance of the City of Lufkin, Texas, amending Ordinance No. 427 and amending the Code of Ordinances of the City of Lufkin by amending Title VII ("Traffic Code") to make the Ordinance consistent with Title VII of the Texas Transportation Code that was recently amended, providing a severability clause and providing an effective date. Council member Phil Medford seconded the motion. A unanimous vote was recorded

NEW BUSINESS:

6. **CONDUCT A PUBLIC HEARING AND CONSIDER ON FIRST READING AN ORDINANCE AMENDING THE ZONING ORDINANCE OF THE CITY OF LUFKIN, TEXAS BY GRANTING A "SPECIAL USE" PERMIT FOR A RESTAURANT WITH A PRIVATE CLUB WITHIN A "LOCAL BUSINESS" ZONING DISTRICT- APPROVED - ON CERTAIN TRACTS OR PARCELS OF LAND WITHIN THE CORPORATE LIMITS OF THE CITY OF LUFKIN, TEXAS, DESCRIBED AS LOT 2 OF THE GARDEN DISTRICT SHOPPING VILLAGE PHASE IV REVISED AND AUTHORIZING THE CITY PLANNER TO MAKE SUCH CHANGES ON THE OFFICIAL MAP.**

Mayor Jack Gorden stated that the next item on the agenda was to Conduct a Public Hearing and consider on First Reading an Ordinance amending the Zoning Ordinance of the City of Lufkin, Texas by granting a "Special Use" Permit for a Restaurant with a Private Club within a "Local Business" Zoning District on certain tracts or parcels of land within the corporate limits of the City of Lufkin, Texas, described as Lot 2 of the Garden District Shopping Village Phase IV revised and authorizing the City Planner to make such changes on the official map.

City Manager Paul Parker stated that this application was in regard to a proposed Olive Garden Restaurant. City Manager Parker continued that even though Angelina County had been voted wet in the past year, this did not supersede the City of Lufkin Zoning Ordinance which requires that places serving alcohol must still apply for and receive a Special Use Permit, which must be approved by City Council. City Manager Parker explained that Olive Garden was a sit down, family oriented eat-in restaurant that wished to serve alcoholic beverages and that the restaurant would be approximately seven thousand four hundred forty-one (7,441) square feet with a total occupancy of two hundred eighty-seven (287) persons. City Manager Parker stated that the restaurant would be located in the Card Miles development area and would be surrounded by similar restaurants that sell alcohol and other commercial uses. City Manager Parker continued that both the Planning Department and the Planning & Zoning Commission recommended approval of this request.

Mayor Gorden opened the public hearing at 5:10 p.m. and asked those wishing to speak on the matter to please step forward.

There appearing to be no one wishing to speak on the item, Mayor Gorden closed the public hearing at 5:11 p.m.

Council member Phil Medford moved to approve on First Reading an Ordinance amending the Zoning Ordinance of the City of Lufkin, Texas by granting a "Special Use" Permit for a Restaurant with a Private Club within a "Local Business" Zoning District on certain tracts or parcels of land within the corporate limits of the City of Lufkin, Texas, described as Lot 2 of the Garden District Shopping Village Phase IV revised and authorizing the City Planner to make such changes on the official map. Council member Lynn Torres seconded the motion. A unanimous vote was recorded.

7. **CONDUCT A PUBLIC HEARING AND CONSIDER ON FIRST READING AN ORDINANCE AMENDING THE ZONING ORDINANCE AND THE FUTURE LAND USE PLAN OF THE 2001 COMPREHENSIVE PLAN OF THE CITY OF LUFKIN, TEXAS, - APPROVED - BY CHANGING THE ZONING AND FUTURE LAND USE PLAN DESIGNATION OF BLOCK 52, LOTS 4, 5, AND 6 OF THE LUFKIN LAND AND LUMBER CO. #2 SUBDIVISION AND TRACTS 6 AND 7 OF THE G. W. MASSINGILL SURVEY TO A COMMERCIAL ZONING DISTRICT AND THE FUTURE LAND USE PLAN OF THE 2001 COMPREHENSIVE PLAN TO THE CLASSIFICATION OF COMMERCIAL.**

Mayor Gorden stated that the next item on the agenda was to conduct a Public Hearing and consider on First Reading an Ordinance amending the Zoning Ordinance and the

Future Land Use Plan of the 2001 Comprehensive Plan of the City of Lufkin, Texas, by changing the Zoning and Future Land Use Plan designation of Block 52, Lots 4, 5, and 6 of the Lufkin Land and Lumber Co. #2 Subdivision and Tracts 6 and 7 of the G. W. Massingill Survey to a Commercial Zoning District and the Future Land Use Plan of the 2001 Comprehensive Plan to the classification of Commercial.

City Manager Parker stated that this was a request from Mr. Tim Cahill for a zone change request from "Commercial", "Apartment", and "Large Single-Family Dwelling" district to a single classification of "Commercial" on properties located on Ford Chapel Road between Loop 287 and Renfro Drive with the intent to develop the property for a commercial use of a proposed golf driving range. City Manager Parker furthered that this request, if granted, would create a unified zoning for approximately 8.3 acres and that currently the subject property is approximately six (6) acres and currently divided into five (5) parcels with various zoning. City Manager Parker stated that the Future Land Use Plan classifies the subject area as "Low Density Residential" and that the Planning Department has recommended rezoning of the property due to the proximity of the property to Loop 287 and existing uses and that should the area be developed as residential; it would be adversely affected by noise from Loop 287. City Manager Parker continued that the Planning & Zoning Commission, by a four (4) to two (2) vote, recommended that this request be approved. City Manager Parker also stated that surrounding property owners were concerned about potential uses of the property should the golf driving range not be successful, as well as concerns about increased traffic in the area. City Manager Parker continued that there was a thirty-eight percent (38%) written protest filed in opposition of this request and as Council is aware, by State law, when the protest factor is greater than twenty percent (20%), there must be six (6) of the seven (7) Council members voting in favor of this item in order for it to be approved.

Mayor Gorden opened the public hearing at 5:15 p.m. and asked those wishing to speak on the matter to please step forward.

Mr. Tim Cahill, the applicant, presented a power point presentation on the request.

Others speaking on the zone change request were:

Jo Grimes
Mike Sigrest
Cathy Wallace
Pastor Carlos Alegria

Mayor Gorden closed the public hearing at 5:39 p.m.

Council member Don Langston expressed his concern of what the property could be used for once it is zoned Commercial, but that the proposed use of a golf driving range is probably the least obtrusive use of this property.

Council member Lynn Torres confirmed with Mr. Tim Cahill the exact size of the property and the direction that the proposed driving range would face and what direction the balls would travel when hit from the tee. Mr. Cahill responded that the balls would travel parallel with Ford Chapel Road. City Manager Parker clarified with Mr. Cahill, the size of the property. Mr. Cahill stated that the property was two hundred forty yards (240) in length, and a fence and net would also be installed to prevent golf balls from going into the adjoining property. Council member Rufus Duncan questioned whether or not the property could be zoned Commercial with a Special Use permit for a specific use, or whether it was just Commercial. Mr. Scott Rayburn, with the Planning Department, answered that currently the uses allowed under Commercial were defined by right. Council member Torres clarified that if the property was rezoned, it could be used for any use listed under the zoning classification of Commercial. Mr. Rayburn stated that yes that was correct.

Council member Phil Medford stated that he concurred that this use was less onerous than any other use, but that it was unfortunate that the only choice for rezoning for the proposed development was a Commercial classification under the City of Lufkin Zoning

Ordinance, but the residents will be better protected under Commercial than if the zoning should stay Apartment.

Mayor Gorden then entertained comments and /or motions from Council.

Council member Lynn Torres moved to approve on First Reading an Ordinance amending the Zoning Ordinance and the Future Land Use Plan of the 2001 Comprehensive Plan of the City of Lufkin, Texas, by changing the Zoning and Future Land Use Plan designation of Block 52, Lots 4, 5, and 6 of the Lufkin Land and Lumber Co. #2 Subdivision and Tracts 6 and 7 of the G. W. Massingill Survey to a Commercial Zoning District and the Future Land Use Plan of the 2001 Comprehensive Plan to the classification of Commercial. Council member Don Langston seconded the motion. A unanimous vote was recorded.

8. <u>CONSIDER ON FIRST READING AN APPROPRIATIONS ORDINANCE-APPROVED - ADOPTING A BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2007, AND ENDING SEPTEMBER 30, 2008.</u>

Mayor Gorden stated that the next item was to consider on First Reading an Appropriations Ordinance adopting a Budget for the Fiscal Year beginning October 1, 2007, and ending September 30, 2008.

City Manager Parker stated that Council was very familiar with the budget due to numerous meetings and workshops; but he would highlight some items and then answer any questions that Council may have. City Manager Parker stated that this year's budget would keep the tax rate the same as last year at 0.5554 per hundred dollars of valuation and unless property had risen in value or substantial improvements have been made, property owners will not pay any additional property taxes. City Manager Parker continued that tax revenue will increase by approximately four hundred eighty-three thousand dollars ($483,000). City Manager Parker stated that the proposed budget contains a three percent (3%) cost of living adjustment (COLA) for all employees, with the exception of the Fire Department. City Manager Parker further stated that due to the fact that the Fire Department Civil Service salaried positions fall below other cities similar in size, a proposed salary increase of an average of 13.81% will be instituted along with a three percent (3%) increase to the Firemen's Retirement Fund which will total one hundred twenty thousand dollars ($120,000). City Manager Parker stated that there would be no increase for Solid Waste services, however due to rising costs, there will be a recommended increase in water and wastewater rate charges which will be detailed in the next two (2) agenda items and this increase will average 8.14%, depending on the user.

City Manager Parker stated that Staff had done an excellent job of submitting reasonable and justified budgets and due to hard work by Council, Staff and Administration, he felt that the submitted budget was very sound.

City Manager Parker stated that he would be glad to answer any questions.

Mayor Gorden then entertained comments and / or motions from Council.

Council member Don Langston stated he was still concerned that with the increase in property tax being more than the inflation increase, that the City should show the public where the additional funding was being used through either a Capital Improvement Program or give it back to the citizens. Council member Langston stated that even with additional projects, the City's fund balance continued to grow, and that the City should be accounting for the extra revenue received as a goodwill gesture toward the citizens.

Mayor Gorden stated that Council member Langston made a good point and that he felt that Staff would work diligently on this issue.

Council member Lynn Torres moved to approve on First Reading an Appropriations Ordinance adopting a Budget for the Fiscal Year beginning October 1, 2007, and ending September 30, 2008. Council member Rose Faine Boyd seconded the motion.

The following vote was recorded:

Aye: Mayor Jack Gorden, Council Members Rufus Duncan, R.L. Kuykendall, Phil Medford, Lynn Torres, and Rose Faine Boyd

Nay: Council Member Don Langston

The motion carried with (6) six affirmative votes.

9. CONSIDER ON FIRST READING AN ORDINANCE AMENDING CHAPTER 51.111 OF THE CODE OF ORDINANCES OF THE CITY OF LUFKIN, TEXAS; - APPROVED - MAKING CERTAIN CHANGES IN THE SEWER RATES; REPEALING ALL ORDINANCES IN CONFLICT THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

Mayor Gorden stated that the next item of business was to consider on First Reading an Ordinance amending Chapter 51.111 of the Code of Ordinances of the City of Lufkin, Texas; making certain changes in the Sewer Rates; repealing all Ordinances in conflict therewith; and providing an effective date.

City Manager Parker stated that as Council was aware, last year the City had a large increase in electrical rates, but at that time Council decided not to increase wastewater rates until the actual cost of the services could be determined. City Manager Parker stated that in order to accomplish this, the City entered into contract with Freese & Nichols, LLC, to conduct a water and wastewater rate study to determine actual costs and the resulting study recommended a rate increase based on the type of user. City Manager Parker furthered that the minimum residential charge would increase from the present eight dollars and seventy-six cents ($8.76) to nine dollars and fifty cents ($9.50) and that Staff recommend approval of the proposed rate increase.

Mayor Gorden then entertained comments and / or motions from Council.

Council member Rose Faine Boyd moved to approve on the First Reading an Ordinance amending Chapter 51.111 of the Code of Ordinances of the City of Lufkin, Texas; making certain changes in the Sewer Rates; repealing all Ordinances in conflict therewith; and providing an effective date. Council member R.L. Kuykendall seconded the motion. A unanimous vote was recorded.

10. CONSIDER ON FIRST READING AN ORDINANCE AMENDING CHAPTER 52.15, (A), (1), (2), (3), (B), (1), (2), (3), (C), (1), (2), (3), (D), (1), (2), AND (E) OF THE CODE OF ORDINANCES OF THE CITY OF LUFKIN, TEXAS; APPROVED - MAKING A CHANGE IN THE RESIDENTIAL, COMMERCIAL, IRRIGATION, INDUSTRIAL AND WHOLESALE WATER RATES; REPEALING ALL ORDINANCES IN CONFLICT THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

Mayor Gorden stated that the next item on the agenda was to consider on First Reading an Ordinance amending Chapter 52.15, (A), (1), (2), (3), (B), (1), (2), (3), (C), (1), (2), (3), (D), (1), (2), and (E) of the Code of Ordinances of the City of Lufkin, Texas; making a change in the Residential, Commercial, Irrigation, Industrial and Wholesale Water Rates; repealing all Ordinances in conflict therewith; and providing an effective date.

City Manager Parker stated that again the rate increase proposed was the result of findings from the water & wastewater study conducted by Freese & Nichols and that with this increase, the minimum residential charge would increase from nine dollars and seventy-two cents ($9.72) to ten dollars and fifty cents ($10.50) and that Staff recommended approval of this item.

Mayor Gorden then entertained comments and / or motions from Council.

Council member R.L. Kuykendall moved to approve on First Reading an Ordinance amending Chapter 52.15, (A), (1), (2), (3), (B), (1), (2), (3), (C), (1), (2), (3), (D), (1), (2), and (E) of the Code of Ordinances of the City of Lufkin, Texas; making a change in the Residential, Commercial, Irrigation, Industrial and Wholesale Water Rates; repealing all

Ordinances in conflict therewith; and providing an effective date. Council member Phil Medford seconded the motion. A unanimous vote was recorded.

11. **CONDUCT A PUBLIC HEARING ON PROPOSED TAX RATE.**

Mayor Gorden stated that the next item was to conduct a Pubic Hearing on the proposed tax rate.

City Manager Parker stated that as Council was aware, State legislature required that cities hold two (2) public hearings on the adoption of the tax rate and this would be the first required public hearing, with the second to be held during a Special Called Council Meeting on August 28th, 2007 at 12:00 noon. City Manager Parker reiterated that the tax rate would not increase from last year, but the proposed rate was approximately three (3) cents above the effective tax rate, which would generate an additional four hundred eighty-three thousand dollars ($483,000) in revenue.

Mayor Gorden opened the Public Hearing at 6:00 p.m. and asked anyone present who wished to speak in regard to the item to please step forward.

There appearing to be no one wishing to speak on the item, Mayor Gorden closed the public hearing at 6:01 p.m.

No action was required to be taken on this item.

12. **CONSIDER A RESOLUTION DESIGNATING MAYOR JACK GORDEN, CITY MANAGER PAUL PARKER AND CITY SECRETARY RENEE THOMPSON AS AUTHORIZED SIGNATORS – APPROVED - FOR THE STATE OF TEXAS PURCHASE VOUCHER AND THE REQUEST FOR PAYMENT FOR THE TXCDBG DISASTER RECOVERY CONTRACT NO. DRS060052.**

Mayor Gorden stated that the next item on the agenda was to consider a Resolution designating Mayor Jack Gorden, City Manager Paul Parker and City Secretary Renee Thompson as authorized signators for the State of Texas Purchase Voucher and the Request for Payment for the TxCDBG Disaster Recovery Contract No. DRS060052.

City Manager Parker stated that this item would grant authorization to allow Mayor Jack Gorden, City Secretary Renee Thompson and himself to sign documents relating to the TxCDGB Disaster Recovery Grant. City Manager Parker furthered that this was the Grant awarded to the City for the purchase of generators to be installed at the Civic Center and Water Well No. 12 and Water Well No. 15.

Mayor Gorden then entertained comments and / or motions from Council.

Council member Rose Faine Boyd moved to approve the Resolution designating Mayor Jack Gorden, City Manager Paul Parker and City Secretary Renee Thompson as authorized signators for the State of Texas Purchase Voucher and the Request for Payment for the TxCDBG Disaster Recovery Contract No. DRS060052. Council member Lynn Torres seconded the motion. A unanimous vote was recorded.

13. **CONSIDER APPROVAL OF AN AGREEMENT WITH ANGELINA FUELS LLC – APPROVED - FOR THE DISPOSAL OF WOOD WASTE GENERATED WITHIN THE CITY OF LUFKIN AND COLLECTED BY CITY PERSONNEL.**

Mayor Gorden stated that the next item was to consider approval of an Agreement with Angelina Fuels, LLC, for the disposal of wood waste generated within the City of Lufkin and collected by City personnel.

City Manager Parker stated that previously the City owned and operated a tub grinder at the Solid Waste facility to grind wood waste, but due to a fire and a detailed cost study, it was determined that this cost the City considerable funds to dispose of wood waste. City Manager Parker stated that this contract would allow the City to take wood waste to the Kurth Drive location of Angelina Fuels, for grinding and disposal, with no charge to the

City. City Manager Parker stated this would be a benefit to the City enabling disposal of the wood waste with no cost to the City.

Mayor Gorden then entertained comments and / or motions from Council.

Council member Phil Medford moved to approve an Agreement with Angelina Fuels, LLC, for the disposal of wood waste generated within the City of Lufkin and collected by City personnel. Council member R.L. Kuykendall seconded the motion. A unanimous vote was recorded.

14. <u>CONSIDER APPROVAL OF MODIFICATIONS TO THE CITY OF LUFKIN FINANCIAL POLICY - APPROVED.</u>

Mayor Gorden stated that the next item of business was to consider approval of modifications to the City of Lufkin Financial Policy.

City Manager Parker stated that recently the City's retirement contribution percentage had been increased, and there was also the future potential for this percentage to continue to increase. City Manager Parker stated that this policy would allow monies allotted but not spent on this contribution to be held in reserve to offset future costs and that the estimate reserve for this year would be an additional thirty thousand dollars ($30,000).

Council member Rose Boyd asked if this would be done at the end of each year. City Manager Parker stated that yes; it would be done at the end of each fiscal year.

Council member Don Langston questioned whether this had been done with the Health Insurance fund. City Manager Parker stated yes, it had been done with that fund as well.

Mayor Gorden then entertained comments and /or motions from Council.

Council member Don Langston moved to approve this modification to the City of Lufkin Financial Policy. Council member Lynn Torres seconded the motion. A unanimous vote was recorded.

15. <u>CONSIDER APPROVAL OF BID TO REHABILITATE AND MODERNIZE TWO (2) 85' DIAMETER EIMCO CLARIFIERS – APPROVED -.</u>

Mayor Gorden stated that the next item on the agenda was to consider approval of bid to rehabilitate and modernize two (2) 85' diameter EIMCO clarifiers.

City Manager Parker stated that this was a single source bid to rehabilitate and retrofit two (2) clarifiers located at the Waste Water Treatment Plant. City Manager Parker stated that City crews would demolish the internal components of the first clarifier and send the existing drive to EIMCO for rebuilding, and the second clarifier would be demolished and refurbished by EIMCO. City Manager Parker stated that initially the budget for this project was three hundred seventeen thousand six hundred ninety dollars ($317,690), but the actual cost of the refurbishment would total two hundred eighty-six thousand six-hundred seventy-nine dollars ($286,679). City Manager Parker stated that Staff recommended that Council approve the award of this bid to EIMCO to repair and rebuild the two (2) clarifiers at the Waste Water Treatment Plant.

Council member Don Langston clarified that all bearings would be included in the contract. Assistant City Manager Keith Wright stated that he did not know, but he would verify that all were included.

Mayor Gorden then entertained comments and/or motions from Council.

Council member Phil Medford moved to approve the bid to rehabilitate and modernize two (2) 85' diameter EIMCO clarifiers.

16. <u>CONSIDER APPROVAL OF BID FOR WATER METER CHANGE-OUT PROJECT – APPROVED -.</u>

Mayor Gorden stated that the next item was to consider approval of a bid for Water Meter Change-Out Project.

City Manager Parker stated as Council was aware, the approval to purchase these meters was granted at a previous meeting and that this bid was for the installation of those radio read water meters. City Manager Parker stated that the apparent low bidder was National Metering Service, in the amount of twenty nine dollars and forty cents ($29.40) per meter and that references for this firm had checked out positively. City Manager Parker stated that Staff recommended approval of the award of bid to National Metering Service for the installation of radio read water meters for a total price of one hundred ninety-four thousand forty dollars ($194,040).

Mayor Gorden then entertained comments and/or motions from Council.

Council member Lynn Torres moved to approve the bid and authorize the contract with National Metering Services for the Water Meter Change-Out Project. Council member Rose Faine Boyd seconded the motion. A unanimous vote was recorded.

17. CITY MANAGER'S REPORT:

A. FINANCIAL STATUS REPORT

Mayor Gorden stated that the next item on the agenda was presentation of the City Manager's report.

City Manager Parker stated he wished to only highlight a few items in the financial status report including ad valorem tax, sales and use tax, general fund revenue and expenditures, water & wastewater budget and solid waste revenues. City Manager Parker stated that Hotel / Motel tax revenue was above budget projections. City Manager Parker stated that if there were no questions in regard to the financial report, he would move on to highlight items in the Project Status Report.

B. PROJECTS STATUS REPORT

City Manager Parker stated that the Whitehouse Expansion Project was currently out to bid, and that this item should be bid by the next Council meeting. City Manager Parker stated that Highway 59 expansion would be quite an expensive project for the City and this project is also a concern as far as future revenue from sales tax, and thus the reason for the necessity of completing the Whitehouse Expansion. City Manager Parker stated that the Music Festival was still in the works and asked Assistant City Manager Keith Wright to expand on this. Assistant City Manager Keith Wright stated that a potential act had been selected, Robert Earl Keen, and wanted to know Council's thoughts on this selection as well as the date selected, October 11th, 2007. Council member Don Langston questioned what the venue would be. City Manager Parker replied that Bronaugh Park would be the venue. Council concurred that Staff should move forward with this venture.

Mayor Jack Gorden recessed the Regular Session at 6:29 p.m. to enter into Executive Session.

18. EXECUTIVE SESSION: In accordance with the Texas Government Code Section 551.071 (2) Consultation with City Attorney on any Regular Session Agenda item requiring confidential, attorney/client advices necessitated by the deliberation or discussion of said items (as needed), and real estate, demolition of buildings, or appointments to boards and personnel may be discussed.

Mayor Jack Gorden reconvened the Regular Session at 7:10 p.m.

19. CALENDAR NOTATIONS FROM MAYOR, COUNCIL MEMBERS, AND CITY MANAGER

City Manager Parker stated that the first Council meeting of 2008 would fall on January 1st, a holiday, and in light of that, City Manager Parker suggested that the meeting be moved to Wednesday, January 2nd. Council agreed with this decision. City Manager

Parker also reminded Council that a Special Called Council Meeting would be held on Tuesday, August 28th, at noon, in order to hold a required Public Hearing on the tax rate and that lunch would be provided. Mayor Gorden reminded Council of the DETCOG meeting to be held on Thursday, August 23rd in Trinity. City Manager Parker also reminded Council of the upcoming TML regional meeting in Cleveland in September.

20. There being no further business for consideration, the meeting adjourned at 7:17 p.m.

Jack Gorden

Jack Gorden, Mayor

Renee Thompson

Renee Thompson – City Secretary