MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF LUFKIN, TEXAS HELD ON THE 21st DAY OF OCTOBER, 2008

On the 21st day of October, 2008, 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
Renee Thompson	City Secretary
Bob Flournoy	City Attorney
Larry Brazil	Police Chief
Scott Marcotte	Asst. Police Chief
Pete Prewitt	Fire Chief
Doug Wood	Finance Director
Don Hannabas	Parks and Recreation Director
Steve Floyd	Solid Waste and Recycling Director
Chuck Walker	City Engineer
Steve Poskey	Street Department Superintendent
Barbara Thompson	Main Street Director
Dorothy Wilson	Planning Director
Dale Allred	Inspection Services Director
Jim Wehmeier	Economic Development Director
Rhonda McLendon	Animal Control Director
Sue Randleman	Library Director
Gordon Henley	Zoo Director
Dr. Michael Nance	Zoo Veterinarian
Bill Cameron	City Webmaster
David Collier	Oncor Electric Delivery
Sarah Murray	Vice President PAWS
Janie Hunter	President PAWS
Dr. Sondra Khalil	

being present, when the following business was transacted:

1. The meeting was opened with prayer by Dr. Steven Frazier, First Presbyterian Church.

2. Mayor Jack Gorden welcomed visitors present. Councilmember Lynn Torres welcomed LISD students who were present satisfying their government class requirement.

3. **APPROVAL OF MINUTES**

   Minutes of the Regular Meeting of October 7, 2008 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. **PUBLIC HEARING AND SECOND READING OF AN ORDINANCE AMENDING THE ZONING ORDINANCE OF THE CITY OF LUFKIN, TEXAS, - APPROVED - BY GRANTING A ZONE CHANGE ON A CERTAIN TRACT OR PARCEL OF LAND WITHIN THE CORPORATE LIMITS OF THE CITY OF LUFKIN, TEXAS,**

DESCRIBED AS LOT 1 KILN STREET ADDITION NO. 1, LOCATED AT 1112 AND 1114 KILN STREET FROM THE ZONING CLASSIFICATION OF "RESIDENTIAL MEDIUM SINGLE FAMILY DWELLING" TO A "LOCAL BUSINESS ZONING DISTRICT" AND AMENDING THE FUTURE LAND USE PLAN DESIGNATION FROM "OFFICE" TO "COMMERCIAL" AND AUTHORIZING THE CITY PLANNER TO MAKE SUCH CHANGES ON THE OFFICIAL MAP

Mayor Jack Gorden stated that the next item for consideration was a Public Hearing and Second Reading of an Ordinance amending the Zoning Ordinance of the City of Lufkin, Texas, by granting a zone change on a certain tract or parcel of land within the corporate limits of the City of Lufkin, Texas, described as Lot 1 Kiln Street Addition No. 1, located at 1112 and 1114 Kiln Street from the zoning classification of "Residential Medium Single Family Dwelling" to a "Local Business Zoning District" and amending the Future Land Use Plan Designation from "Office" to "Commercial" and authorizing the city Planner to make such changes on the Official Map.

City Manager Parker stated that the Planning Staff and Planning and Zoning Commission both unanimously recommended that the Council approve the zone change to "Local Business" and the Future Land Use Plan to "Commercial". City Manager Parker added that he would answer any questions that the Council had concerning the zone change.

Mayor Gorden opened the Public Hearing at 5:09 p.m. and asked anyone who wished to speak on the item to please step forward. There appearing to be no one who wished to speak, Mayor Gorden closed the Public Hearing at 5:10 p.m.

Councilmember Lynn Torres moved to approve the Second Reading of the Ordinance amending the Zoning Ordinance of the City of Lufkin, Texas, by granting a zone change on a certain tract or parcel of land within the corporate limits of the City of Lufkin, Texas, described as Lot 1 Kiln Street Addition No. 1, located at 1112 and 1114 Kiln Street from the zoning classification of "Residential Medium Single Family Dwelling" to a "Local Business Zoning District" and amending the Future Land Use Plan Designation from "Office" to "Commercial" and authorizing the city Planner to make such changes on the Official Map. Councilmember Don Langston seconded the motion. A unanimous affirmative vote was recorded.

5. **PUBLIC HEARING AND SECOND READING OF AN ORDINANCE AMENDING THE ZONING ORDINANCE OF THE CITY OF LUFKIN, TEXAS, - APPROVED - BY GRANTING A ZONE CHANGE ON A CERTAIN TRACT OR PARCEL OF LAND WITHIN THE CORPORATE LIMITS OF THE CITY OF LUFKIN, TEXAS DESCRIBED AS TRACT 61 OF THE J. L. QUINALTY SURVEY, OTHERWISE KNOWN AS 1610 ATKINSON DRIVE FROM THE ZONING CLASSIFICATION OF "COMMERCIAL" AND "RESIDENTIAL LARGE SINGLE FAMILY DWELLING" TO "COMMERCIAL" ONLY AND AMENDING THE FUTURE LAND USE PLAN DESIGNATION FROM "LOW DENSITY RESIDENTIAL" TO "COMMERCIAL" AND AUTHORIZING THE CITY PLANNER TO MAKE SUCH CHANGES ON THE OFFICIAL MAP**

Mayor Jack Gorden stated that the next item for consideration was a Public Hearing and Second Reading of an Ordinance amending the Zoning Ordinance of the City of Lufkin, Texas, by granting a zone change on a certain tract or parcel of land within the corporate limits of the City of Lufkin, Texas described as Tract 61 of the J. L. Quinalty Survey, otherwise known as 1610 Atkinson Drive from the zoning classification of "Commercial" and "Residential Large Single Family Dwelling" to "Commercial" only and amending the Future Land Use Plan designation from "Low Density Residential" to "Commercial" and authorizing the city Planner to make such changes on the Official Map.

City Manager Paul Parker stated that Mr. Robert Massingill was requesting the zone change and Future Land Use Map change to combine all of the property into one (1) "Commercial" zone for the purpose of commercial sale. City Manager Parker added that there was no intended use at that time. City Manager Parker stated that the Planning Staff and Planning and Zoning Commission unanimously recommended that Council approve the zone change and the Future Land Use Plan change to "Commercial".

Mayor Gorden opened the Public Hearing at 5:11 p.m. and asked anyone who wished to speak on the item to please step forward. There appearing to be no one who wished to speak, Mayor Gorden closed the Public Hearing at 5:12 p.m.

Councilmember Don Langston moved to approve the Second Reading of the Ordinance amending the Zoning Ordinance of the City of Lufkin, Texas, by granting a zone change on a certain tract or parcel of land within the corporate limits of the City of Lufkin, Texas described as Tract 61 of the J. L. Quinalty Survey, otherwise known as 1610 Atkinson Drive from the zoning classification of "Commercial" and "Residential Large Single Family Dwelling" to "Commercial" only and amending the Future Land Use Plan designation from "Low Density Residential" to "Commercial" and authorizing the city Planner to make such changes on the Official Map. Councilmember Rose Faine Boyd seconded the motion. A unanimous affirmative vote was recorded.

NEW BUSINESS:

6. PUBLIC HEARING AND FIRST READING OF AN ORDINANCE AMENDING THE ZONING ORDINANCE OF THE CITY OF LUFKIN, TEXAS, - DENIED - BY GRANTING A ZONE CHANGE ON A CERTAIN TRACT OR PARCEL OF LAND WITHIN THE CORPORATE LIMITS OF THE CITY OF LUFKIN, TEXAS, DESCRIBED AS 1.6480 ACRES OF LAND IN THE A. BARELA SURVEY, OTHERWISE KNOWN AS 2200 NORTH RAGUET FROM THE ZONING CLASSIFICATION OF "COMMERCIAL" AND "RESIDENTIAL LARGE SINGLE FAMILY DWELLING" TO "COMMERCIAL" ONLY AND AMENDING THE FUTURE LAND USE PLAN DESIGNATION FROM "RETAIL" TO "COMMERCIAL" AND AUTHORIZING THE CITY PLANNER TO MAKE SUCH CHANGES ON THE OFFICIAL MAP

Mayor Jack Gorden stated that the next item for consideration was a Public Hearing and First Reading of an Ordinance amending the Zoning Ordinance of the City of Lufkin, Texas, by granting a zone change on a certain tract or parcel of land within the corporate limits of the City of Lufkin, Texas, described as 1.6480 acres of land in the A. Barela Survey, otherwise known as 2200 North Raguet from the zoning classification of "Commercial" and "Residential Large Single Family Dwelling" to "Commercial" only and amending the Future Land Use Plan designation from "Retail" to "Commercial" and authorizing the City Planner to make such changes on the Official Map.

City Manager Paul Parker stated that Mr. Gonzalez was requesting that his property, which was currently spread into two (2) zones, be changed to combine all of the property into a single zone of "Commercial". City Manager Parker added that part of the property was zoned "Commercial" (forty-five thousand twenty-six (45,026) square feet) and the remainder of the property (twenty-six thousand seven hundred sixty-one (26,761) square feet) was zoned "Residential Large Single Family Dwelling". City Manager Parker explained that there was currently an auto sales facility on the property, but Mr. Gonzalez anticipated operating a night club at the location. City Manager Parker stated that the area around the property was mostly residential, with commercial uses further south on Raguet and some industrial uses north on Raguet. City Manager Parker added that the property was immediately across the street from the entry into Morris Frank Park Complex and an existing residential structure. City Manager Parker stated that south of the applicant's property, on Casper Street, was a trucking business and a "Commercial" zoning designation on the north side of Raguet from the trucking business south along Raguet past Commerce and Wilson Streets. City Manager Parker stated that the property to the north of the applicant's lot was zoned "Residential Medium Single Family Dwelling" and "Residential Large Single Family Dwelling". City Manager Parker added that there was a small parcel of "Local Business" zoning west and east of the applicant's lot, and across Raguet the zoning was "Residential Small Single Family Dwelling". City Manager Parker explained that all of the area contained residences. City Manager Parker stated that the property's current zoning provided a buffer area between the auto sales business and the residences in the area. City Manager Parker added that the portion of the property subject to the zone change request had no frontage on Raguet. City Manager Parker stated that there were numerous calls to the Planning Department in opposition to the zone change, and the Planning Staff and Planning and Zoning Commission did not recommend that the City Council approve the request. City Manager Parker added that four (4) members of the Planning and Zoning Commission voted that both the zone change and the Future Land Use change be denied and one (1) member supported the change. City Manager Parker stated that Staff recommended that the Council deny the request for the proposed zone change and Future Land Use change.

Mayor Gorden opened the Public Hearing at 5:15 p.m. and asked anyone who wished to speak on the item to please step forward. Speaking on the item was:

Jim Williams

Mayor Gorden closed the Public Hearing at 5:17 p.m.

There was discussion among the Mayor, Council and Staff concerning how the City had zoned property both "Commercial" and "Residential". There was a consensus that the zoning occurred in the past history of Lufkin.

Councilmember Don Langston moved to deny the First Reading of the Ordinance amending the Zoning Ordinance of the City of Lufkin, Texas, by granting a zone change on a certain tract or parcel of land within the corporate limits of the City of Lufkin, Texas, described as 1.6480 acres of land in the A. Barela Survey, otherwise known as 2200 North Raguet from the zoning classification of "Commercial" and "Residential Large Single Family Dwelling" to "Commercial" only and amending the Future Land Use Plan designation from "Retail" to "Commercial" and authorizing the City Planner to make such changes on the Official Map. Councilmember Rose Faine Boyd seconded the motion. A unanimous affirmative vote was recorded.

7. <u>PRESENTATION BY SARAH MURRAY CONCERNING CITY POLICY RELATED TO ANIMAL ADOPTION</u>

Mayor Jack Gorden stated that the next item for consideration was a presentation by Sarah Murray concerning City Policy related to Animal Adoption.

City Manager Paul Parker stated that State Law required that any agency could not release a dog or cat for adoption unless the animal was sterilized, or the release was made to a new owner who signed an agreement to have the animal sterilized. City Manager Parker explained that until October 2008, the City of Lufkin Zoo Veterinarian Dr. Mike Nance, had periodically sterilized animals that had been released by the City of Lufkin. City Manager Parker added that people would adopt the animals, and Dr. Nance would sterilize the animals when they were returned whenever he had time. City Manager Parker stated that Dr. Nance's time was being required more and more at the Ellen Trout Zoo. City Manager Parker added that Dr. Nance also had concerns about the liabilities of sterilizing animals that were already owned, and where he was not doing the continued care of the animals. City Manager Parker explained that there were many times that the animals were out several weeks before they were returned to be sterilized. City Manager Parker stated that research by the City showed that many, or a majority of the cities, used the same policy as the City of Lufkin. City Manager Parker explained that this policy was adopting an animal with the agreement that the animal would be returned within thirty (30) days to be sterilized, or they would be subject to fines by law. City Manager Parker added that under the City's old system an animal could be adopted, and if they didn't return for the sterilization there was no fine in place, therefore giving the City better enforcement to assure that the animal be returned for the sterilization. City Manager Parker stated that because of the demands on Dr. Nance's time and escalating surgical requirements, the City attempted to find a veterinarian to take the animals at their clinic, but was unable to find anyone to give a reasonable price for the sterilization. City Manager Parker added that one (1) indication was the procedure would be in excess of one hundred dollars ($100). City Manager Parker stated that the new policy had been in effect a little over two (2) weeks.

Mayor Gorden stated that the issue was multi-faceted and not quite as simple as one might expect. Mayor Gorden added that the Council recognized that and wanted to allow the agenda item, but that there would be a five (5) minute rule for each speaker. Mayor Gorden stated that the Council would probably not settle the matter that evening, but hopefully could disseminate information so that everyone could be aware of the situation.

Speaking against the new City Policy that released dogs and cats for adoption to a new owner who signs an agreement to have the animal sterilized was the following:

Sarah Murray – Vice President of East Texas PAWS

Mayor Gorden stated that one (1) thing that there should be no question about was that everyone from all views and standpoints concerning the issue was for spaying and neutering animals. Mayor Gorden added that there had been a little information out in the public that the City of Lufkin was getting away from sterilization of animals that they adopt. Mayor Gorden stated that this was never the intention of the City of Lufkin.

Additional speakers against the City's new policy were:

Dr. Sondra Khalil
Janie Hunter – President of East Texas PAWS

Explaining the City's new policy, and also speaking in favor of the City of Lufkin's new policy that released dogs and cats for adoption to a new owner who signs an agreement to have the animal sterilized was:

Rhonda McLendon – Animal Control Director, City of Lufkin

Mayor Gorden then asked if there was anyone in the audience representing the Humane Society. Animal Control Director Rhonda McLendon stated that Lacey Bland, Director of the Humane Society, sent her a fax that gave information because she was unable to attend the meeting. Mayor Gorden stated that maybe Ms. Bland could make the next meeting.

Councilmember Rufus Duncan asked if the City had gotten a quote from SNAP to come to Lufkin to perform some of the sterilizations. Animal Control Director Rhonda McLendon stated that the City had not talked to SNAP. Ms. McLendon added that as far as she knew the units were just in the Houston and Dallas areas. Ms. McLendon added that she thought the units were community owned, but that she could check to see if there were units available to come to Lufkin.

Councilmember Don Langston stated that obviously the subject was a concern to a broad base of the population, and that the City's policy was one (1) step that was relatively new and that the success was yet to be determined. Councilmember Langston added that change always created doubt about effectiveness, but at the same time the City should not just make the change and not investigate other possible solutions. Councilmember Langston stated that was what the City Council had been known for in the past, and always encouraged staff to look at every possibility, whether it be the possibility of some funding to a private organization, or whether it could be a contractual arrangement among veterinarians. Councilmember Langston added that whatever the case, the City needed to be a proactive part of trying to seek that solution as best it could, with the understanding that the entire City was represented. Councilmember Langston stated that the only area of concern that he had was that he felt the City currently did such a good job, and currently had good organizations working with the City, yet there were literally so many animals brought inside the City limits and dumped out for the City to deal with. Councilmember Langston stated that he would like to see the Council encourage Ms. McLendon and the Animal Shelter staff to investigate what was out there, some other possible solutions, and then return to the Council with information so that the matter could be delved into a little deeper.

Mayor Gorden asked Janie Hunter if she had a phone number for the mobile unit. Ms. Hunter stated that she did have it, and could get it to the City the next day. Mayor Gorden offered Dr. Michael Nance a chance to speak. Mayor Gorden added that the Council was happy to have Dr. Nance at the meeting, and that they appreciated all of the work he did for the City and the Ellen Trout Zoo.

Ellen Trout Zoo Veterinarian Michael Nance then spoke concerning the issue.

Mayor Gorden stated that he hoped that everyone realized the importance that the City Council placed on dealing with the animals of the City of Lufkin, because there was a significant part of the City budget allocated each year to that. Mayor Gorden added that everyone might have a different opinion about how the money should be spent, but that there was a significant part of the taxpayer dollars of the City spent on animals and that the City was trying to handle it in the most expeditious and caring way it could. Mayor Gorden stated that the information would assist the City in moving forward.

8. **<u>RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2008/2009 OPERATING BUDGET (BUDGET AMENDMENT NO. 1), - APPROVED - PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE GENERAL FUND; AND PROVIDING AN EFFECTIVE DATE, FOR THE PURCHASE OF A STRYKER HYDRAULIC STRETCHER FOR THE FIRE DEPARTMENT</u>**

Mayor Jack Gorden stated that the next item for consideration was a Resolution authorizing an amendment to the 2008/2009 Operating Budget (Budget Amendment No. 1), providing for the supplemental appropriation of funds in the General Fund; and providing an effective date, for the purchase of a Stryker hydraulic stretcher for the Fire Department.

City Manager Paul Parker stated that this item was one (1) of many budget amendments that added money to the budget from grants. City Manager Parker added that the City had received two (2) grants; one (1) from the Regional Advisory Council for one thousand nine hundred dollars ($1900), and another four thousand dollars ($4,000) from the Department of State Health Service Local Projects Grant. City Manager Parker stated that the Fire Department was requesting approval of the budget amendment to accept the two (2) grants and then to move money that was budgeted in the supply account to purchase one (1) additional Stryker hydraulic stretcher. City Manager Parker stated that the City began purchasing the hydraulic stretchers about two (2) years earlier with the hope of getting one (1) in every unit. City Manager Parker added that there was one (1) more in the current year's amortization fund for the front line ambulances units, but there were still not enough units for the backup ambulances. City Manager Parker explained that the need for the hydraulic stretchers was due to the increasing weight of the population. City Manager Parker added that the City had a lot of back problems with fire fighters trying to carry the heavy people on the older stretchers and lifting individuals from ditches and other areas. City Manager Parker stated that the hydraulic stretchers had proven to be very beneficial in assisting City Staff in transporting individuals, and recommended that Council approve Budget Amendment No. 1, accepting the grant money, and authorizing the purchase of an additional Stryker hydraulic stretcher.

Councilmember Rose Faine Boyd moved to approve the Resolution authorizing an amendment to the 2008/2009 Operating Budget (Budget Amendment No. 1), providing for the supplemental appropriation of funds in the General Fund; and providing an effective date, for the purchase of a Stryker hydraulic stretcher for the Fire Department. Councilmember Don Langston seconded the motion. A unanimous affirmative vote was recorded.

9. **<u>RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2008/2009 OPERATING BUDGET (BUDGET AMENDMENT NO. 2), - APPROVED - PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE GENERAL FUND; AND PROVIDING AN EFFECTIVE DATE, FOR THE EXTENSION OF THE LOST ARROW TRAIL AT KIT MCCONNICO PARK</u>**

Mayor Jack Gorden stated that the next item for consideration was a Resolution authorizing an amendment to the 2008/2009 Operating Budget (Budget Amendment No. 2), providing for the supplemental appropriation of funds in the General Fund; and providing an effective date, for the extension of the Lost Arrow Trail at Kit McConnico Park.

City Manager Paul Parker stated that the Deep East Texas Trail and Route Access Coalition (DETTRAC) had been very successful in getting a grant to extend the trail that they had helped to develop at Kit McConnico Park. City Manager Parker added that the total cost for the project was seventy-four thousand seven hundred thirty dollars ($74,730). City Manager

Parker stated that eighty percent (80%) of that cost would be provided by the grant from Texas Parks and Wildlife, in the amount of fifty-nine thousand seven hundred eighty-four dollars ($59,784). City Manager Parker added that DETTRAC would provide the remaining twenty percent (20%) through a combination of cash and volunteer in-kind labor. City Manager Parker stated that Staff recommended that the Council accept the grant with the understanding that the City would monitor the grant, front the money and then file for reimbursements from Texas Parks and Wildlife.

Mayor Gorden stated that DETTRAC was having a work day on Saturday, October 25, 2008, and encourage anyone who was interested to attend.

Councilmember Rufus Duncan moved to approve the Resolution authorizing an amendment to the 2008/2009 Operating Budget (Budget Amendment No. 2), providing for the supplemental appropriation of funds in the General Fund; and providing an effective date, for the extension of the Lost Arrow Trail at Kit McConnico Park. Councilmember Rose Faine Boyd seconded the motion. A unanimous affirmative vote was recorded.

10. PURCHASE OF TWO (2) 2009 PETERBILT MODEL 340 DUMP TRUCKS – APPROVED - WITH WARREN FOURTEEN TO SIXTEEN (14-16) CUBIC YARD DEMOLITION BEDS IN THE AMOUNT OF TWO HUNDRED TWENTY-TWO THOUSAND FIVE HUNDRED TEN DOLLARS ($222,510) OR ONE HUNDRED ELEVEN THOUSAND TWO HUNDRED FIFTY-FIVE DOLLARS ($111,255) EACH FROM RUSH TRUCK CENTER OF LUFKIN THROUGH HGAC FOR THE STREET DEPARTMENT

Mayor Jack Gorden stated that the next item for consideration was the purchase of two (2) 2009 Peterbilt model 340 Dump Trucks with Warren fourteen to sixteen (14-16) cubic yard demolition beds in the amount of two hundred twenty-two thousand five hundred ten dollars ($222,510) or one hundred eleven thousand two hundred fifty-five dollars ($111,255) each from Rush Truck Center of Lufkin through HGAC for the Street Department.

City Manager Paul Parker stated that the request was to replace two (2) 1993 Volvo trucks that the City had used primarily to haul asphalt for the overlay program, as well as many other uses of moving road materials. City Manager Parker added that the trucks were a vital part of the City's equipment, but were in dire need of replacement. City Manager Parker stated that the trucks had been evaluated by the City's garage operation and both vehicles were recommended to be removed from the fleet, once the new vehicles arrive. City Manager Parker stated that the quote was through the HGAC pricing program from Rush Truck Center of Lufkin for two (2) 2009 Peterbilt model 340 trucks with a Warren fourteen-sixteen (14-16) cubic yard demolition bed. City Manager Parker added that the quoted price was one hundred eleven thousand two hundred fifty-five dollars ($111,255) each, for a total price of two hundred twenty-two thousand five hundred ten dollars ($222,510). City Manager Parker stated that the funds were available in the Amortization Fund.

Councilmember Don Langston stated that he always became a little concerned whenever he saw published options summarized with no description. Councilmember Langston explained that there were fifty thousand nine hundred seventy-eight dollars ($50,978) worth of options on the unit and didn't know what those options were. Councilmember Langston added that he wanted to see full bids presented to the Council.
Councilmember Lynn Torres moved to approve the purchase of two (2) 2009 Peterbilt model 340 Dump Trucks with Warren fourteen to sixteen (14-16) cubic yard demolition beds in the amount of two hundred twenty-two thousand five hundred ten dollars ($222,510) or one hundred eleven thousand two hundred fifty-five dollars ($111,255) each from Rusk Truck Center of Lufkin through HGAC for the Street Department. Councilmember Phil Medford seconded the motion. A unanimous affirmative vote was recorded.

11. REPORT FROM CITY OF LUFKIN FINANCE/INVESTMENT COMMITTEE

Mayor Jack Gorden stated that the next item for consideration was a Report from City of Lufkin Finance/Investment Committee.

Mayor Gorden stated that he and Council Members Langston and Kuykendall were on the Finance/Investment Committee and that Councilmember Duncan had sat in during the meeting that day. Mayor Gorden stated that Dick Long with Valley View Consulting was at the meeting and the Committee discussed and reviewed the City's Investment Policy, investment strategy and the broker dealers that the City currently used. Mayor Gorden added that the Committee reviewed that list for the coming year and reviewed the year-to-date interest report from the Finance Department of the City, for the last quarter ending September 30, 2008. Mayor Gorden stated that the Committee entered into a discussion of the current bond market with Mike Byrd from First Southwest Company. Mayor Gorden explained that First Southwest was the entity the City used for bond dealings. Mayor Gorden stated that the Committee had an in-depth discussion of how municipal bonds were reacting to the current national situation. Mayor Gorden added that the Committee hoped that the situation would calm during the next few months. Mayor Gorden stated that the good news was that the City of Lufkin had no need to go to the bond market, although the Council and Staff were working on some ideas that could possibly require that in the future. Mayor Gorden stated that the Committee then reviewed a summary report of the Firemen's Relief and Retirement Funds, for which the City of Lufkin's Investment Committee had oversight. Mayor Gorden added that the Firemen's Relief and Retirement Fund was a separate entity from the normal business of the City. Mayor Gorden stated that the Committee reviewed some interaction with the Firemen's Relief Fund, which some of the Council Members were also on. Mayor Gorden stated that the Committee discussed and reviewed the Investment Policy of the City. Mayor Gorden stated that there were a couple of items that came to the Committee from Advisor Dick Long, who stated the City of Lufkin needed to make minor changes to the policy. Mayor Gorden explained that one (1) of the changes was to re-date the policy for the current year and that the other two (2) changes were related to the security of the City's deposits in banks. Mayor Gorden explained that by State Law, the bank was required to put up an equal amount of qualifying securities to back those deposits above the FDIC minimum, which had gone to two hundred fifty thousand dollars ($250,000). Mayor Gorden stated that Dick Long was advising the Committee to change the City's one hundred percent (100%) coverage to one hundred two percent (102%) coverage, which given the fluctuations in the market, could give the City a little cushion. Mayor Gorden added that this also applied to letters of credit that could be negotiated during the coming year. Mayor Gorden stated that those were the major highlights of the meeting, unless the Council had questions.

City Manager Paul Parker reiterated for the citizens that the City invested in Government Security Agencies, and that the City's funds were totally safe and FDIC approved. City Manager Parker added that the yield for the last month was approximately 3.5%, which was well above the norm at that time. City Manager Parker stated that this was due to the City's laddering over two (2) years, and that the funding strategy that the Council had adopted was working well.

12. <u>RESOLUTION OF THE CITY OF LUFKIN, TEXAS ("CITY") DENYING THE RATE INCREASE PROPOSED BY ONCOR ELECTRIC DELIVERY COMPANY, LLC ("ONCOR"); - APPROVED - FINDING THAT THE MEETING COMPLIED WITH THE OPEN MEETINGS ACT; AND DECLARING AN EFFECTIVE DATE</u>

Mayor Jack Gorden stated that the next item for consideration was a Resolution of the City of Lufkin, Texas ("City") denying the rate increase proposed by Oncor Electric Delivery Company, LLC ("Oncor"); finding that the meeting complied with the Open Meetings Act; and declaring an effective date.

City Manager Paul Parker stated that on June 27, 2008, the City of Lufkin chose to suspend the Oncor Rate increase for further study. City Manager Parker added that the City of Lufkin joined with twenty-one (21) municipalities, who were in an association to study the Oncor rates. City Manager Parker stated that the final analysis was not available at that time, but that the study indicated that in some cases the requested Oncor rates were excessive. City Manager Parker added that Alliance was requesting that the Council deny the rates to allow Oncor to consolidate all of their rates at one (1) time, and go before the Public Utility Commission (PUC) for final determination of the rate increases. City Manager Parker stated that Oncor's rates were primarily based on three (3) major areas, which were increased depreciation rates, larger storm reserves, and larger pension reserves. City Manager Parker stated that Staff recommended that Council approve the Resolution denying the rate increase proposed by Oncor Electric Delivery Company.

Mayor Gorden stated that in the process of possibly denying the rate increase, the Council did need to brag on Oncor Electric Delivery for the excellent service to the Lufkin area during Hurricane Ike. Mayor Gorden added that Lufkin was fortunate to have Oncor as Lufkin's provider, and personally thanked David Collier for seeing that Lufkin's electricity was restored. Mayor Gorden asked Mr. Collier if he had anything he wanted to say.

David Collier, with Oncor Electric Delivery stated that he was fine with the action that the Council was possibly about to take. Mr. Collier added that this action was exactly what Oncor had asked the City to do, because it would allow Oncor to appeal their case to the Public Utility Commission (PUC).

Councilmember Don Langston moved to approve the Resolution of the City of Lufkin, Texas ("City") denying the rate increase proposed by Oncor Electric Delivery Company, LLC ("Oncor"); finding that the meeting complied with the Open Meetings Act; and declaring an effective date. Councilmember R. L. Kuykendall seconded the motion. A unanimous affirmative vote was recorded.

13. DISCUSSION REGARDING THE STATUS OF THE KURTH MEMORIAL LIBRARY BOARD OF TRUSTEES APPOINTMENTS

Mayor Jack Gorden stated that the next item for consideration was a discussion regarding the status of the Kurth Memorial Library Board of Trustees appointments.

City Manager Paul Parker stated that in July 1999, the City of Lufkin and the Kurth Memorial Library entered into an agreement concerning the future operations of the Kurth Memorial Library. City Manager Parker explained that specifically item number ten (#10) and the Terms section of the Agreement stated that all persons nominated to serve as a member of the Library Board would be nominated by the remaining Library Board Members and the names of all nominees to the Library Board would then be submitted to the City Manager's office for submission to the City Council for approval at least sixty (60) days prior to September 30, of each calendar year. City Manager Parker stated that approval of the City would be presumed, unless the nominee was expressly disapproved within the sixty (60) days after the nominee's name was submitted to the City Manager's office. City Manager Parker stated that no person would serve as a member of the Library Board without the approval of the City. City Manager Parker added that the last sentence was the key statement. City Manager Parker stated that on July 10, 2008, Ms. Ella Kegler, who was the Chairman or President of the Kurth Memorial Library Board, submitted a letter with the list of proposed nominees. City Manager Parker added that the nominees included Ms. Kegler, Walter Borgfeld, Francine Tieperman, and Mary Goodwin. City Manager Parker stated that at the August 19, 2008, Regular City Council Meeting the City of Lufkin City Council expressly disapproved the list of nominees submitted by Board. City Manager Parker added that the Council had some concern over the ongoing working relationships and wanted to make certain that everyone was working in the same vein for the betterment of the library. City Manager Parker stated that on August 21, 2008, the City Manager advised Ms. Kegler that the City Council had disapproved the slate of nominees for the Kurth Memorial Library Board, and to the current date no other names had been submitted. City Manager Parker added that on September 23, 2008, Mr. Walter Borgfeld, acting "pro bono" attorney for the Kurth Memorial Library Board, wrote a letter to the Library Board challenging the City's authority to disapprove the nominees. City Manager Parker stated that under Mr. Borgfeld's interpretation, the Council did not act appropriately, therefore the members were approved, due to the sixty (60) day assumption that he read about earlier. City Manager Parker stated that at the Library Board Meeting on September 23, 2008, Ms. Kegler welcomed Mr. Borgfeld as the new member, to replace one (1) vacant position. City Manager Parker explained that the remainder of the Board would not take office until January 1, 2009. City Manager Parker stated that on September 23, 2008, City Attorney Robert Flournoy reviewed the above action and his legal opinion, attached in the Council's brief, was that the City Council did indeed disapprove the slate in accordance to the agreement. City Manager Parker stated that the City's position at that time was that the slate of Board Members as presented by Ms. Kegler on July 10, 2008, had not been approved by the City Council and that Staff was requesting the City Council's input on how to resolve the conflict between the Board and the City of Lufkin. City Manager Parker stated that as it currently stood, it was his understanding that Mr. Borgfeld was serving as a member of the Board of Trustees, even though he was not approved by the City Council. City Manager Parker added that on Wednesday, October 22, 2008, the City requested a meeting with representatives of the City Council and the Nominating Committee of the Kurth Library Board to try to resolve conflicts and to see how better working relationships could be promoted between the City and the Board.

Councilmember Lynn Torres reiterated that the meeting would be on Wednesday, October 22, 2008, at 11:00 a.m. in the Board Room at the Kurth Memorial Library with the nominating committee. Councilmember Torres added that the purpose of going to that meeting was to convey to the nominating committee the reasons that their nominees had been disapproved, and to reiterate to them the need to submit a new slate of nominees that followed the Council's guidelines more correctly. Mayor Gorden stated that the meeting could possibly clear up the communication between the two groups. Councilmember Torres stated that this would be the intent of the Board, and that she did not know if anything discussed at the Council meeting would change that intent, but that was the original intent for the meeting. Councilmember Torres added that if their previous slate of nominees had been disapproved, the nominating committee had not been successful in their job and should submit a new slate of nominees for the Council's approval. Councilmember Torres added that the Council was attending the meeting to answer the nominating committee's questions about why their slate didn't fit the criteria that the Council had set.

Mayor Gorden stated that City Manager Parker had mentioned that the issues were related to communication, and that all that everyone wanted was the best library that could be had in the state of Texas. Mayor Gorden added that the City was well on its way, but there were some differences that the Board and the Council had not been able to work out, and that the process of the selection of the Board was the only way that the Council knew to deal with the problem. Mayor Gorden stated that the couple of instances that came to mind were in the recent past, the City of Lufkin and the Lufkin Independent School District wanted to hold an election at the library, and the Board denied access for the election. Mayor Gorden added that what more higher calling could there be to education than trying to get people to vote and see the library, which was such a fine facility. Mayor Gorden stated that it had recently come to his attention that on another occasion, access to the library meeting room was denied by the Library Board to Memorial Hospital, which was one (1) of the leading institutions in the community furthering education related to health, and what better place would there be to have it than the library. Mayor Gorden stated that this was just part of moving forward with the library, and that the Council had tried on more than one (1) occasion to open the lines of communication with the Board, without success. Mayor Gorden stated that dealing with the issue of who was on the Board was the last resort of how to accomplish this.

Councilmember Don Langston stated that it had been disappointing to him to see the spirit of cooperation dissolve after seventy-five (75) years of the City of Lufkin being involved in the Library in the Lufkin community. Councilmember Langston added that now the City was involved to the tune of about six hundred seventy-seven thousand dollars ($677,000) each year in financial support. Councilmember Langston stated that it was incumbent upon the Council to do its part to try to bring back that spirit of cooperation, but that he also understood the frustration that the Council had in operating with certain members of the Board that had just seemed to not want to cooperate under any circumstances with the needs of the City. Councilmember Langston stated that it was very difficult for him to represent six hundred seventy-seven thousand dollars ($677,000) of tax money to operate a facility, and then to have a board that had not seemed to want to recognize that and would not cooperate with very minor requests, such as holding an election there, and making a public building available for meetings that benefit the general public. Councilmember Langston added that he could not understand this and that the Council had gone above and beyond in trying to bring the problems to a discussion point, yet had been denied opportunities to have the dialog, until the meeting that was set for the following morning. Councilmember Langston stated that the first question that he had was why was there this attitude of distrust, and why after seventy-five (75) years of cooperation had the Board all of a sudden decided that the Board was just not going to cooperate or trust the actions of the City. Councilmember Langston stated that he did not think that the current Council had changed its attitude at all about the library, and that he thought it had come from the other side, and was very unfortunate. Councilmember Langston added that pending the outcome of the schedule meeting, he would suggest that the Council not recognize the Board. Councilmember Langston explained that the Council could not alter its policy for one (1) board when the Council appointed so many boards. Councilmember Langston stated that he did not see any other solution but to just not recognize the Library Board as being a proper board for the Library. Councilmember Langston added that all that would mean was that the Council would need to conduct business as usual and do their part, but just not participate in the proceedings of the Board.

Councilmember Rufus Duncan stated that the Council and the Library Board both, had to some degree, separate duties at the library. Councilmember Duncan added that the City of Lufkin provided financial support, hired employees, and paid and supervised the employees and the Library Board raised money and worked on the book procurement. Councilmember Duncan asked if the Council did not recognize the Library Board, what kind of ramifications the Council would have and what would the interaction be with the Board. Councilmember Duncan asked where this would come into play in the coming year.

City Manager Parker stated that if he understood the intent of the Council, the City would not attend the meetings of the Library Board or participate in their Board meetings. City Manager Parker added that he thought it would be incumbent on the Library Director to continue to work with the Library Board on the collections and development, and that it would not diminish the Library Board's role in providing funding for the equipment and collections, which was primarily what the Board had done very successfully over the past years. City Manager Parker stated that he assumed that the arrangement would be akin to what Friends of the Zoo did for the Zoo. City Manager Parker added that Friends of the Zoo were very involved in raising funds and providing benefits for the Zoo, which like the Friends of the Library, was another agency. City Manager Parker added that he thought that the City would want to work with the Board on the collection and further development, because it was everyone's best intent was to provide a quality library. City Manager Parker stated that he thought the Council and Board had gotten to where they could not bridge the difference of opinions on some of the operational aspects of library. City Manager Parker stated that if the Council asked for his guidance, it would be that the staff and Councilmember Torres, would not go to the meetings or support the Board, until they came into compliance with the guidelines set forth by the Council. City Manager Parker added that the Council would not sever relations with the Library Board and would continue to have Library Director Sue Randleman, library staff, and himself work with the Board on the collections and operations.

Councilmember Langston stated that the organization that the Library Board represented was a vital part of the operation and success of the library, and that they did provide funding and fundraising mechanisms for the collections, and that they owned the collections. Councilmember Langston added that the Library Board represented that organization but the Board was not the organization. Councilmember Langston added that his point was that the Council should try to work with the organization as best it could. Councilmember Langston stated that Ms. Randleman certainly did that on a daily basis now, and that it should continue for the benefit of the citizens. Councilmember Langston added that interacting with the Board at meetings, as the City and Council had done in the past, obviously was something that the Council needed to reconsider because the Council could not recognize the Board if it was not duly appointed as the Library Board's By-Laws and the agreement with the City of Lufkin dictated. Councilmember Langston stated that this had not been done, and that the Library Board had not followed their by-laws, nor the signed agreement with the City of Lufkin.

Mayor Gorden stated that it needed to be said that there were many truly dedicated people at the library that worked hard for the library with long hours. Mayor Gorden added that none of the Council wanted to mischaracterize the wonderful, hardworking people, but that there was just a miscommunication between the existing Board and the City Council on the direction that the library should take. Mayor Gorden stated that the way the document was crafted, the Library Board actually owned the collection, but that the City of Lufkin owned the building. Mayor Gorden added that it was a team effort and had to be a cooperative effort to move forward and that the perception of the Council was that the Council was trying to move forward on one (1) leg, but that as a team there was some thought to the future. Mayor Gorden stated that as terms expire at the end of the year, if there were no further action, there would not be a full board. Mayor Gorden added that it was very unfortunate and that the Council had tried numerous times to resolve the issues.

Councilmember Torres stated that the Council had tried numerous times, and that she served in a unique position as she was a Board Member who would end her term as a nominated Board Member in December. Councilmember Torres added that with her dual role, she had been put in the crossfire many times. Councilmember Torres stated that this was so much so, that at the last meeting, it was even questioned whether she was allowed to speak during the meeting. Councilmember Torres added that knowing that the relations were what they were, she would ask the Council to be ready, in worst case scenario, that the Board could decide to keep their money and not support the collections that Ms. Randleman had worked so hard to develop and implement. Councilmember Torres stated that she would hate to see the purchasing arm of the library and the collection development plan to be derailed because one (1) Board had gotten into its head that it would not comply with legal agreements. Councilmember Torres added that the City might have to be prepared to support Ms. Randleman, and allow the collections development to continue, and that this might cause the City to infuse some funds. Councilmember Torres added that this could cause future disagreements as to who would own the books that were purchased by the City, and that the City could have to do something. Councilmember Torres stated that she was untrusting that if the Council and Board had not been able to resolve the issues up to now, she did not see it being resolved overnight and she did not see it being resolved by January 2009, because the Board had dug in their heels and said that they did not recognize that the City and Council had the right to decide. Councilmember Torres stated that she wanted the Council to go into the future with eyes wide open, knowing that at some point the Council and City might have to step up and provide Ms. Randleman with the available funding and capital so that the citizens did not suffer as the City continued to develop the collections of the library.

Mayor Gorden stated that regardless, the library must carry on and the Council would do everything it could to provide that service to the community.

Councilmember Phil Medford stated that it was truly unfortunate that the line in the sand had been drawn over the Board, and that he didn't care who was on the Board. Councilmember Medford added that this was not the point, and that the point was there was a total failure to communicate, a total lack of cooperation, and it went back to the leadership of the Board. Councilmember Medford stated that if the Library Board was willing to address that problem, he didn't care who was on the Board. Councilmember Medford added that it was what the Board was doing, and that it was not the people, it was their actions. Councilmember Medford stated that everyone that was nominated was eminently qualified to sit on the Board. Councilmember Medford stated that he did not question that fact. Councilmember Medford added that the Council was backed into the corner and that there was a turf war going on about who was in control and who had the bigger stick, and that it had come down to who was on the Board. Councilmember Medford stated that this might be where the line had to be drawn, but that was not really the problem. Councilmember Medford stated that the problem was what the Board was doing, and if the Council could meet with them and have some type of spirit of cooperation and agreement there would be a change made and it would be fine. Councilmember Medford stated that the City had not done an about face on the way it operated concerning the library. Councilmember Medford added that there was certainly a perception by the Board that there had been a change or on their own volition the Board had made a change. Councilmember Medford stated that he hoped that when the Council met with the Board everyone could rise above any pettiness and the issues at hand about who was nominated for what and say, how we are going to resolve the bigger problem. Councilmember Medford stated that everyone should sit down like adult, mature human beings and put everything in the past and try to move forward and say that both groups would work together. Councilmember Medford added that there were some great groups involved, such as Friends of the Library and people that cared passionately about the library. Councilmember Medford stated that all of that energy needed to be focused in that direction and not where it had been focused, which was how do we bump heads with the City. Councilmember Medford added that everyone needed to channel the energy, efforts and passion in the same direction, like it had been in the past, and the Council would move past the issues in a heartbeat.

Councilmember Torres stated that the Council that attended the upcoming meeting would let the remainder of the Council know how the meeting went. Mayor Gorden wished those Council Members the best and thanked them for working on the issues.

City Manager Parker asked the Council what the consensus would be if the meeting did not go well. City Manager Parker explained that Staff needed direction about the Council's decision on Councilmember Langston's recommendation about where the City stood on the staff and Councilmember Torres interaction with Board. Councilmember Torres stated that if the meeting did not go well the Council really had no choice. Councilmember Torres added that the Council had disapproved the Board nominees, and that if the Board continued in the same manner, the Council did not have a choice but to not recognize the Board as an entity that was in charge. Councilmember Duncan suggested that the Council could agree to disagree until the issue was resolved. Councilmember Duncan explained that the City could go and do what the City had been doing, and the Board could do what it had been doing. Councilmember Duncan added that the Council still had some time to work it out and that there were some upcoming deadlines, but the City and Council could agree to disagree and hopefully have time to work it out.

Councilmember Langston stated that this would be the normal case, but that the Board had already appointed a replacement that was currently sitting on the Board, and that had gone directly against the City's policy. Councilmember Duncan stated that was the reason why the Council was not going to attend the Board meetings. Councilmember Duncan added that the Council was sort of dealing with that in its own way. Councilmember Duncan stated that the Council was not taking drastic action, but were basically agreeing to disagree, and give the negotiations time to work its way out. Councilmember Langston stated that this had been the wish for several months and the issue had continued and the upcoming meeting would give the Council an indication as to the Board's willingness and desire to try to move on down the road and get things back to normal. Councilmember Langston added that if that didn't happen the Council needed to direct Staff about their position.

Mayor Gorden stated that if issues weren't resolved, the Council would have another agenda item concerning the Library and continue the discussion. Mayor Gorden added that the Council needed to see how the meeting went and go from there. Councilmember Duncan stated that he thought the Library should be on the next agenda until there was some type of resolution.

14. CAPITAL IMPROVEMENT PROGRAM (CIP) WORK SESSION

Mayor Jack Gorden stated that the next item for consideration was a Capital Improvement Program (CIP) Work Session. Mayor Gorden stated that there was nothing pressing concerning the CIP and asked the Council if they wanted to delay the work session to another meeting where there would be more time to deal with the program and take the Staff's recommendations.

Councilmember Don Langston stated that in the interest of keeping Staff interested, as the Council had not given them a lot of direction, that it was important to him to understand the affordability of the program. Councilmember Langston stated that there was a decreased sales tax, and with economic conditions such as they were, some of the projects could not be postponed. Councilmember Langston added that pending approval of the Capital Improvement Program, as he understood, if there were projects that were of a category that needed immediate attention, the Council should hear from Staff. Councilmember Langston stated that dealing with the entire list was a concern, with the economic climate being what it was. Councilmember Langston stated that it did appear that there were some projects that may need action in the current budget year, whether the Council did the actual CIP or not.

City Manager Parker stated that it was the Staff's intent, if they could get a consensus from the Council, that the City would have just the prioritized list. City Manager Parker added that Staff was not suggesting that the City should go forth with a bond issue at that time on the general obligation portion of the CIP. City Manager Parker added that at the Financial

Committee Meeting, the bond counselor stated that now was not the time to go forth with any bond because of the market and rates. City Manager Parker stated that until the Staff saw how the economy went and how the City's sales tax went, the City would not want to rush in to an actual bond issue. City Manager Parker added that it was important that the Staff went ahead and got a prioritized list to use as a guide about where to go, once the opportunity came available. City Manager Parker stated that the opportunity might not come available for a year, with the exception of the areas of the water and sewer bonds. City Manager Parker stated that there were several that had to be addressed, and that the City was under some requirements and mandates from Texas Commission on Environmental Quality (TCEQ) on the City's sewer system. City Manager Parker stated that the Staff knew that there had to be some improvements done in that area that was beyond the normal capacity. City Manager Parker added that those improvements were probably revenue bonds and that the City would try to not issue those until the climate changed and the City saw an improvement. City Manager Parker stated that if Council looked at the prioritized list, and if the City had them where they could go forth, the engineering could be started and a preliminary more efficient design could be ready. City Manager Parker stated that the Staff tried to take the Council's top thirty (30) projects and prioritize them the way that Staff thought they would "cash flow" better. City Manager Parker added that Staff didn't add any projects to the thirty (30) that Council chose as the composite list. City Manager Parker stated that the Council might want to shift some of the projects, but that Staff felt that number five (5) on the list should be removed due to it being a budget item. City Manager Parker explained that repairing the restrooms in the parks should just be a regularly budgeted item. City Manager Parker stated that Staff suggested that the restroom repair should be removed from the list, but wanted the Council's approval. City Manager Parker stated that Staff felt that the items that were highlighted in yellow on the sheets given to the Council could be performed "in house" with City labor because it would be a cost savings to the City. City Manager Parker stated that the projects were staggered over many years, because it would allow the Staff sufficient time to fund the projects. City Manager Parker requested that Council look at all of the projects, considering the Council's recommendations, the Staff's recommendations and try to finalize a Capital Improvement Program process at the next Council meeting. City Manager Parker added that finalizing the process would not require the Council to fund any particular projects, but would allow the Staff to know which projects to concentrate on. City Manager Parker stated that if the funding, economy, and bond market changes in the upcoming years, Council could consider funding some of the projects. City Manager Parker explained that the Staff and Council going through the process did not mean that bonds would be sold immediately. City Manager Parker added that the entire intent was to fund the projects under the existing tax structure without raising taxes. City Manager Parker stated that everyone knew that Water and Sewer projects would require rate increases. City Manager Parker explained that there would be two (2) five percent (5%) rate increases over the next three (3) years that was built into the program if the Council implemented the program. City Manager Parker stated that Staff anticipated doing the General Fund projects without any tax increases by staggering them with existing bond debt. City Manager Parker added that this was predicated on growth in the economy and the economy was a concern as the City had seen a slowdown of building. City Manager Parker stated that capital money was not coming forth as far as new projects, and that the City would more than likely not see as much commercial and other growth in the next year or two (2) as the City saw the outcome of the economy. City Manager Parker stated that from an internal standpoint, Staff was looking at a very flat or declining City budget. City Manager Parker added that Staff wasn't advocating that the Council go forth with the CIP, but that it was imperative that the process be completed, by identifying the projects where Staff could begin working on a more sophisticated design, engineering and some other aspects of the projects. City Manager Parker stated that this was a summation of where Staff wanted to go with the projects.

Mayor Gorden asked if the projects highlighted in blue were the projects that the City Manager was indicating were the projects required by TCEQ. City Manager Parker stated that in one of the previous meetings the Council came up with the idea that the process could be done cheaper by hiring additional staff and forming a utility crew that did nothing but capital projects. City Manager Parker added that was with the assumption that the City hire the additional positions and put the additional crew to work. City Manager Parker explained that all of the projects highlighted in blue would be done by City labor that would be added, instead of contracting out the jobs. City Manager Parker added that there would be a significant savings by doing them internally.

Councilmember Lynn Torres observed that Staff did not have a lot of changes in the order that the Council placed on the projects. Councilmember Torres added that the sheet that was highlighted in yellow practically lined up with the Council's rankings from one (1) to forty-one (41), with the high and low removed. Assistant City Manager Keith Wright stated that the only thing that the Staff changed in the order was the sequencing of when the projects would actually be constructed. Assistant City Manager Wright added that Staff looked at the order over time, based on construction time periods for each project, projects that Staff felt could be done quicker, or projects that would involve several years such as the Whitehouse Street extension. Assistant City Manager Wright stated that the only projects that were moved or played with was the timing for construction. Assistant City Manager Wright explained that the number ten (10) project might not necessarily be constructed until after project number twenty (20).

Councilmember Rufus Duncan stated that his personal preference was to fund more of the CIP out of current revenues. Councilmember Duncan added that he was not a big supporter of issuing bonds. Councilmember Duncan stated that he wanted to make sure that he separated ranking the CIP based on that, without the necessary approval of a bond issue. Councilmember Duncan added that he didn't want to wait and then let Staff know that he didn't want to issue bonds.

Councilmember Langston stated that what he was seeing was two (2) different scenarios; with one (1) being everything designed "in house", and the other (1) where projects would be "farmed out" to other engineering firms. City Manager Parker stated that Staff would look at "farming out" the projects listed in white, because those would be the ones that Staff felt the City currently did not have the capability to accomplish. City Manager Parker added that as a few of the projects were defined, the projects might shift to the projects highlighted in blue. City Manager Parker stated that in the beginning Staff felt that there were some areas where the expertise of others would be better than doing them internally. Councilmember Langston asked if the consideration was just the difference in design cost. Assistant City Manager Wright stated that the bottom bracket was not only just design cost, but was also if the City hired the crew versus contracting the project out. Assistant City Manager Wright added that this was just the projects in the blue sections. Councilmember Langston stated that it appeared that design was approximately one million two hundred ninety thousand dollars ($1,290,000) or ten percent (10%). Assistant City Manager Wright stated that the City was looking at an approximate thirty percent (30%) savings on each project by not contracting the projects out and using City labor performing the work.

Mayor Gorden asked if the TCEQ projects could be identified in the order that Staff felt was best outside of the rankings. Assistant City Manager Wright stated that the projects were number two (2), three (3), four (4), nine (9), ten (10), and eleven (11). Assistant City Manager Wright stated that projects thirteen (13) and fourteen (14) were identified by the I and I Study where the City would have to come up with a proposal to TCEQ on projects that the City would complete. Assistant City Manager Wright added that he would recommend that the City complete project number one (1), because it would eliminate two (2) lift stations, which would be another long term operational cost savings. City Manager Parker stated that this was why Staff wanted to get the Council's consensus on the rankings, because Staff did not want to submit something to TCEQ without the support of the Council. Mayor Gorden stated that each Council member possibly had personal ways to rank the projects, but the prioritized list was how the rankings were done as a group and could be the best way to go. Councilmember Langston stated that it was very important that the City move ahead with the Water and Sewer projects, because TCEQ was dictating some of the actions that the City had to take. Councilmember Langston added that those projects should be negotiated between TCEQ and the Engineering Department, to determine which project came first and the progress that would need to be made. Councilmember Langston stated that the list highlighted in blue was based on a recommendation of Engineering and Public Works. Assistant City Manager Wright stated that one of the biggest decisions was whether to hire a new construction crew and take existing equipment and move it around, or to contract the work out to contractors. Assistant City Manager Wright explained that the City could keep one (1) of the old dump trucks that Council had just approved to be replaced, and instead of getting rid of it, use it to work with the newly hired crew. Assistant City Manager Wright added that backhoes could be moved around to work with the new crew. Assistant City

Manager Wright stated the City would have to purchase an air compressor and a couple of small trailers, but could eliminate the big equipment cost by utilizing equipment that the City already had. Councilmember Langston stated that equipment cost and depreciation was one (1) of the higher costs to a private contractor.

Mayor Gorden stated that the Council did need to move forward and make that determination. Councilmember Duncan asked if projects numbered one through fourteen (1-14) were required to be done. Assistant City Manager Wright stated that they did not have to be done, but there were issues such as the Wastewater Treatment Plant had some mixer problems and some boilers that were nearing their life replacement. Assistant City Manager Wright added that they needed to be done, but could possibly be put off for awhile. Assistant City Manager Wright stated that the timing on the sewer line extensions on newly annexed areas was another decision that the Council would have to make. Assistant City Manager Wright stated that another question was how many of the projects did the City submit to TCEQ. Assistant City Manager Wright added that the City had to show TCEQ that it was making an effort, and had to submit a ten (10) year plan of how the City of Lufkin would address the issues and then TCEQ would want another ten (10) year plan.

City Manager Paul Parker suggested that the Capital Improvement Project Workshop be put on the agenda for the next meeting, with Staff submitting recommendations based on the Council's input and then if the Council has any deviation from it, then it would be duly noted. City Manager Parker added that otherwise he would recommend that Council go forth and approve the concept, knowing that would not obligate the Council to any funding, and knowing that didn't mean that at some later date the Council couldn't come back and make changes. City Manager Parker stated that this would give Staff a target area and a project list to go forward. City Manager Parker added that Staff could also go forward on analysis and engineering. City Manager Parker state that the City was under the deadline with TCEQ to get the list in to them. Assistant City Manager Wright stated that the TxDOT Highway 59 North and Loop 287 Project was not included in the CIP, because the City did not know the timing for the project. Assistant City Manager Wright added that depending on TxDOT's timing, there would have to be a project added which was to relocate utilities in that area. City Manager Parker stated that the City did have the drawings for the TxDOT Project that the Council could go over at a later meeting. Assistant City Manager Wright added that the City had the drawings that showed how TxDOT was eliminating the frontage roads, if the Council wanted to look at them. Councilmember Duncan asked if the TxDOT Project was bondable. City Manager Parker stated that it was bondable. City Manager Parker concluded the discussion by stating that the CIP would be put on the next Council Meeting Agenda for the Council's approval.

15. Mayor Jack Gorden recessed the Regular Session at 7:00 p.m. to enter into Executive Session.

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 7:24 p.m.

16. DEMOLITION OF PROPERTIES – APPROVED

Mayor Jack Gorden stated that the next item for consideration was the demolition of properties.

Councilmember Rose Faine Boyd moved to demolish the properties at: 307 Booker Street, 309 Booker Street, 2006 Cairo Street, 811 Clark Avenue, 903 Culverhouse, 1904 Culverhouse, 508 Jones, 1927 Kelty's, 113 Maas, 936 Walker Loop, 938 Walker Loop, 701 Weaver, 703 Weaver. Councilmember R. L. Kuykendall seconded the motion. A unanimous affirmative vote was recorded.

17. **CALENDAR NOTATIONS FROM MAYOR, COUNCIL MEMBERS, AND CITY MANAGER**

Mayor Jack Gorden stated that the next item for consideration was the calendar notations. Mayor Gorden stated that the Firemen's Pension Board would meet on Friday, October 24, 2008, at City Hall Room 102 at 9:00 a.m. Mayor Gorden stated that the Annual TML Conference would be Tuesday, October 28 through Friday, October 31, 2008 in San Antonio. City Secretary Renee Thompson stated that the Fifth (5th) Annual Fall Festival and Auction in honor of Louis Bronaugh and benefitting the Landscape Task Force would be on Saturday, November 15, 2008 at 6:30 p.m. at the Pitser Garrison Civic Center. City Secretary Thompson asked the Mayor and Council to please let her know if they planned to attend so that she would know how many tables to purchase. City Manager Parker stated that he had made reservations for a dinner for the Council and Staff attending the TML Conference on Tuesday, October 28, 2008, at Paesano's on the Riverwalk at 6:30 p.m. City Manager Parker added that it would be good to have some time out for the Staff and Council attending the conference.

18. There being no further business for consideration, the meeting adjourned at 7:33 p.m.

Jack Gorden

Jack Gorden, Mayor

Renee Thompson

Renee Thompson – City Secretary