

MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF LUFKIN, TEXAS HELD ON THE 15TH DAY OF SEPTEMBER, 2009

On the 15th day of September, 2009, 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.
Don Langston
R. L. Kuykendall
Robert Shankle
Lynn Torres
Phil Medford
Paul L. Parker
Keith Wright
Robert Flournoy
Bruce Green
Renee Thompson
Rodney Ivy
Scott Marcotte
Gerald Williamson
Duane Freeman
Doug Wood
Dorothy Wilson
Steve Floyd
Barbara Thompson
Jim Wehmeier
Dale Allred
Chuck Walker
Robbin Crawford

Mayor
Mayor Pro-Tem
Councilmember, Ward No. 1
Councilmember, Ward No. 2
Councilmember, Ward No. 3
Councilmember, Ward No. 6
City Manager
Deputy City Manager
City Attorney
Asst. City Attorney
City Secretary
Human Resource Director
Police Chief
Asst. Police Chief
Interim Fire Chief
Finance Director
Planning Director
Public Works Director
Main Street Director
Economic Development Director
Inspection Services Director
Public Utilities Director
Senior Accountant

being present, and

Rufus Duncan

Councilmember, Ward No. 5

being absent, when the following business was transacted:

1. The meeting was opened with prayer by Pastor John Boone, Cornerstone United Pentecostal Church.
2. Mayor Jack Gorden welcomed visitors present.
3. **APPROVAL OF MINUTES**

Minutes of the Regular Meeting of September 1, 2009, were approved on a motion by Councilmember Lynn Torres, and seconded by Councilmember R. L. Kuykendall. 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 CHANGING THE ZONING DESIGNATION ON LAND DESCRIBED AS A PORTION OF THE P. C. ABNEY SURVEY, ABSTRACT 70, TRACT 18, COMPRISED OF 6.376 ACRES, ALSO KNOWN AS 2301 EAST DENMAN, A "RESIDENTIAL LARGE SINGLE FAMILY DWELLING AND COMMERCIAL ZONING DISTRICT" TO A "COMMERCIAL ZONING DISTRICT" 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 changing the zoning designation on land described as a portion of the P. C. Abney Survey, Abstract 70, Tract 18, comprised of 6.376 acres, also known as 2301 East Denman, a “Residential Large Single Family Dwelling and Commercial Zoning District” to a “Commercial Zoning District” and authorizing the City Planner to make such changes on the Official Map.

City Manager Paul Parker stated that this was the Second Reading of the zone change request, and that he would answer any questions that the City Council had concerning the item. City Manager Parker added that Ritter Lumber Company was trying to combine all of their property under the classification of “Commercial” for the continuation and expansion of the business. City Manager Parker stated that Staff and the Planning and Zoning Commission recommended that the Council approve the request.

Mayor Gorden opened the Public Hearing 5:05 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 5:06 p.m.

Mayor Gorden asked for questions or comments from the Council.

Councilmember Don Langston moved to approve the Second Reading of the Ordinance amending the Zoning Ordinance of the City of Lufkin, Texas, by changing the zoning designation on land described as a portion of the P. C. Abney Survey, Abstract 70, Tract 18, comprised of 6.376 acres, also known as 2301 East Denman, a “Residential Large Single Family Dwelling and Commercial Zoning District” to a “Commercial Zoning District” and authorizing the City Planner to make such changes on the Official Map. Councilmember Lynn Torres seconded the motion. A unanimous affirmative vote was recorded.

5. SECOND READING OF AN APPROPRIATIONS ORDINANCE ADOPTING A BUDGET - APPROVED - FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2009, AND ENDING SEPTEMBER 30, 2010

Mayor Jack Gorden stated that the next item for consideration was the Second Reading of an Appropriations Ordinance adopting a budget for the fiscal year beginning October 1, 2009, and ending September 30, 2010.

City Manager Paul Parker stated that there had been numerous previous meetings concerning the City of Lufkin Budget. City Manager Parker added that Staff would answer any questions that Council had regarding the budget. City Manager Parker stated that there would be discussion later in the meeting concerning the effective tax rate, but that the largest portion of the Budget would be based on the effective tax rate of \$0.5338, which was a drop from the current rate of \$0.5554. City Manager Parker stated that the City would enter the budget year with a deficit budget, but hoped that it would be one that would be made up, as tradition had so often shown. City Manager Parker explained that the Council had ample reserves set aside to meet the request. City Manager Parker stated that Staff recommended that Council approve the Ordinance adopting the budget.

Mayor Gorden asked for questions or comments from the Council.

Councilmember Don Langston moved to approve the Second Reading of the Appropriations Ordinance adopting a budget for the fiscal year beginning October 1, 2009, and ending September 30, 2010. Councilmember Robert Shankle seconded the motion. A unanimous affirmative vote was recorded.

6. SECOND READING OF 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 Jack Gorden stated that the next item for consideration was the Second Reading of 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 Paul Parker stated that items six (6) and seven (7) were the Water and Sewer Rate Ordinances. City Manager Parker added that this reflected the Council's progressive actions in purchasing the Abitibi water rights of thirty-one million (31,000,000) gallons per day. City Manager Parker stated that whenever the City purchased the water rights, it was apparent that there would have to be an increase in the overall water and sewer rates, to offset the cost of purchasing the water rights. City Manager Parker explained that all of the water needs of Lufkin should be met for the foreseeable future. City Manager Parker stated that the City entertained a consulting firm to determine the necessary increase to defray the purchase of the fifteen million dollars (\$15,000,000) in water rights. City Manager Parker stated that the recommendation was a twenty-five percent (25%) increase over a three (3) year period. City Manager Parker added that the Council was trying to make sure that the City minimized the effect on the residents, and chose to utilize nine hundred ninety-eight thousand ninety-two dollars (\$998,092) from the Water and Sewer Fund Reserve. City Manager Parker explained that the six percent (6%) a year increase was then spread over a four (4) year period. City Manager Parker stated that the Council knew that the City had to increase rates to purchase water for the future, but at the same time were trying to minimize the effects on the residents. City Manager Parker stated that Staff recommended that the Council adopt the six percent (6%) increase in water and sewer rates, which would extend for four (4) consecutive years.

Mayor Gorden asked for questions or comments from the Council.

Councilmember Lynn Torres moved to approve the Second Reading of the 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. Councilmember R. L. Kuykendall seconded the motion. A unanimous affirmative vote was recorded.

7. SECOND READING OF 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 WHOLESAL WATER RATES; REPEALING ALL ORDINANCES IN CONFLICT THEREWITH; AND PROVIDING AN EFFECTIVE DATE

Mayor Jack Gorden stated that the next item for consideration was the Second Reading of 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 Paul Parker stated that the previous explanation also stood for this item, and that he would answer any questions from the Council.

Mayor Gorden asked for questions or comments from the Council.

Councilmember Lynn Torres moved to approve the Second Reading of the 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. Councilmember Phil Medford seconded the motion. A unanimous affirmative vote was recorded.

8. SECOND READING OF AN ORDINANCE LEVYING TAXES FOR THE USE AND SUPPORT OF THE MUNICIPAL GOVERNMENT OF THE CITY OF LUFKIN. - APPROVED - AND PROVIDING FOR THE DEBT SERVICE FUND FOR THE FISCAL YEAR 2010 AND APPORTIONING EACH LEVY FOR THE SPECIFIC PURPOSE

Mayor Jack Gorden stated that the next item for consideration was the Second Reading of an Ordinance levying taxes for the use and support of the municipal government of the City of Lufkin, and providing for the Debt Service Fund for the fiscal year 2010 and apportioning each levy for the specific purpose.

City Manager Paul Parker stated that the existing tax rate was \$0.5554, which generated the funding necessary for the General Fund Budget. City Manager Parker explained that most of the expenses of the City, with the exception of Water, Sewer and Sanitation, were funded from the General Fund. City Manager Parker stated that the City Council recommended that the City decrease the tax rate from \$0.5554 to \$0.5338, which was the effective tax rate. City Manager Parker stated that if the City Council desired to approve the Ordinance adopting the effective tax rate, there was specific language for the person making the motion.

Mayor Gorden asked for questions or comments from the Council.

Councilmember Don Langston stated "This year's proposed tax rate does not exceed the effective tax rate. I move that we adopt the Tax Rate Ordinance adopting the effective tax rate of \$0.5338/100 dollars of valuation." Councilmember Phil Medford seconded the motion. A unanimous affirmative vote was recorded.

NEW BUSINESS:

9. ACCEPT AN ECONOMIC DEVELOPMENT ADMINISTRATION (EDA) GRANT - APPROVED - IN THE AMOUNT OF FOUR MILLION DOLLARS (\$4,000,000)

Mayor Jack Gorden stated that the next item for consideration was an Economic Development Administration (EDA) Grant in the amount of four million dollars (\$4,000,000).

City Manager Paul Parker stated that the item was concerning a four million dollar (\$4,000,000) Economic Development Administration Grant, for the property that the 4B Corporation purchased approximately two (2) years ago. City Manager Parker added that the property was currently known as the Lufkin Industrial Rail Park. City Manager Parker stated that the funds would allow for improvements on the industrial site for entry roads, grading and drainage improvements, as well as improvements to Old Moffett Road. City Manager Parker stated that the match for the grant would be the use of the land acquisition. City Manager Parker added that the program had two (2) years to begin construction, and five (5) years to close the permit. City Manager Parker stated that the City had to go through drainage studies and had to get the Corp of Engineers permit before the City could go forth with any action. City Manager Parker stated that Staff recommended that the City Council accept the four million dollar (\$4,000,000) grant. City Manager Parker added that Staff would return to the Council with a more detailed budget in the future, once the City was further into the planning stage.

Mayor Gorden asked for questions or comments from the Council.

Councilmember R. L. Kuykendall moved to accept an Economic Development Administration (EDA) Grant in the amount of four million dollars (\$4,000,000). Councilmember Robert Shankle seconded the motion. A unanimous affirmative vote was recorded.

10. CITY MANAGER'S REPORT

Mayor Jack Gorden stated that the next item for consideration was a report from City Manager Paul Parker.

City Manager Paul Parker thanked everyone who had worked on the City of Lufkin Budget. City Manager Parker added that the Department Heads presented very good budgets, and were watchful over their funding so that there was a funding surplus that would enable improvements for the employees, as well as the effective tax rate.

City Manager Parker stated that the City was down again in Sales Tax, and that was the third month in a row that had shown a decrease. City Manager Parker added that the City was still

approximately 1.9% above projections for the year. City Manager Parker stated that the General Fund was in good shape overall, and that the City would make up the deficit that the year began with, with the exception of the money that was transferred out for projects. City Manager Parker stated that the expenditures were being held down in all areas of the City. City Manager Parker added that the Water and Sewer Funds were close to being on target. City Manager Parker stated that Solid Waste would either be right on target, or maybe exceed the projections by the end of the year. City Manager Parker added that the Hotel/Motel Tax Fund would also exceed projections for the year. City Manager Parker explained that the City of Lufkin was in good shape financially, but that there were some concerns about the Sales Tax being down for three (3) months in a row.

Councilmember Don Langston asked about the lack of revenue in the fines and forfeitures. City Manager Parker stated the amnesty program did not generate as much revenue as originally thought. Deputy City Manager Keith Wright stated that Staff had amended the revenue up during the budget review process, based on the previous few months, and then fell short the past few months.

City Manager Parker stated that most of the projects were completed and added that the Highway 59 Project was still going well. City Manager Parker added that the Street Program was almost complete for the year, and asked the Council if they had questions on any of the projects. There were none.

11. Mayor Jack Gorden recessed the Regular Session at 5:22 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 5:42 p.m.

12. TAX INCENTIVE – APPROVED - FOR PROJECT SWEET TOOTH

Mayor Jack Gorden stated that the next item for consideration was a tax incentive for Project Sweet Tooth.

City Manager Paul Parker stated that Atkinson Candy Company, who had an established record of success in Lufkin, was requesting a tax abatement. City Manager Parker explained that Atkinson Candy met the criteria, that was spelled out in the guidelines, for a ten (10) year abatement with a one hundred percent (100%) abatement for the first year, and decreasing by ten percent (10%) per year, until the conclusion of the ten (10) year period. City Manager Parker stated that Staff, along with the 4B Board, recommended that the Council approve the request for a tax abatement to Atkinson Candy for their proposed expansion project that would put approximately two million two hundred thousand dollars (\$2,200,000) in buildings and equipment, and add approximately thirty (30) employees over a five (5) year period, ranging in salary from eight dollars twenty-eight cents (\$8.28) to thirteen dollars fifty cents (\$13.50) per hour. City Manager Parker added that all of those positions would have benefits included. City Manager Parker stated that it was a great value to the City of Lufkin to see a local business expanding and growing, and that most of the industrial growth in the United States was through local companies, and that Lufkin was glad to have Atkinson Candy and highly recommended approval of the tax incentive.

Mayor Gorden stated that the Council echoed City Manager Parker's comments, and added that it was great to use the tool for one (1) of the stalwart local companies, and that Lufkin was lucky to have Atkinson Candy. Mayor Gorden then asked for questions or comments from the Council. Councilmember Don Langston asked to be recused from voting on the agenda item.

Councilmember Lynn Torres moved to approve a tax incentive for Project Sweet Tooth. Councilmember Phil Medford seconded the motion. A unanimous affirmative vote was recorded.

13. DISCUSSION OF ITEMS OF COMMUNITY INTEREST, INCLUDING EXPRESSIONS OF THANKS, CONGRATULATIONS OR CONDOLENCE; INFORMATION REGARDING HOLIDAY SCHEDULES; HONORARY RECOGNITIONS OF CITY OFFICIALS, EMPLOYEES OR OTHER CITIZENS; REMINDERS ABOUT UPCOMING EVENTS SPONSORED BY THE CITY OR OTHER ENTITY THAT IS SCHEDULED TO BE ATTENDED BY CITY OFFICIALS OR EMPLOYEES; AND ANNOUNCEMENTS INVOLVING IMMINENT THREATS TO THE PUBLIC HEALTH AND SAFETY OF THE CITY

Mayor Gorden stated that the next item for consideration was the discussion of items of community interest, including expressions of thanks, congratulations or condolence; information regarding holiday schedules; honorary recognitions of City officials, employees or other citizens; reminders about upcoming events sponsored by the City or other entity that is scheduled to be attended by City officials or employees; and announcements involving imminent threats to the public health and safety of the City.

City Manager Parker reminded everyone that the Texas State Forest Festival would begin Wednesday, September 16, 2009. City Manager Parker added that the Undoing Racism Task Force would meet on Monday, September 21, 2009 at 6:00 p.m. in Room 202 at the Lufkin City Hall. City Manager Parker stated that Angelina Beautiful Clean had invited the Council to attend a tree planting to kick off the Forest Festival on Wednesday, September 16, 2009, at 5:00 p.m. at the front gate. Mayor Gorden stated that the Council should have also received invitations to the opening of the Audubon Exhibit. City Attorney Bob Flournoy also invited everyone to the Constitution Day Celebration on Thursday, September 17, 2009, at 12:00 noon at the Spirit of America area of Louis Bronaugh Park.

14. There being no further business for consideration, the meeting adjourned at 5:49 p.m.


Renee Thompson – City Secretary


Jack Gorden, Mayor