MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF LUFKIN, TEXAS HELD ON THE 16TH DAY OF NOVEMBER, 2010

On the 16th day of November, 2010, 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
Don Langston	Mayor Pro-Tem
Victor Travis	Councilmember, Ward No. 1
Robert Shankle	Councilmember, Ward No. 2
Lynn Torres	Councilmember, Ward No. 3
Rufus Duncan	Councilmember, Ward No. 5
Phil Medford	Councilmember, Ward No. 6
Paul L. Parker	City Manager
Keith Wright	Deputy City Manager
Bruce Green	City Attorney
Renee Thompson	City Secretary
Rodney Ivy	Human Resource Director
Scott Marcotte	Police Chief
Gerald Williamson	Asst. Police Chief
Danny Kistner	Fire Chief
Doug Wood	Finance Director
Dorothy Wilson	Planning Director
Steve Poskey	Street Department, Superintendent
Steve Floyd	Public Works Director
Barbara Thompson	Main Street Director
Jim Wehmeier	Economic Development Director
Chuck Walker	Public Utilities Director

being present, when the following business was transacted:

1. The meeting was opened with prayer by Rev. Chester Robinson, Woods Memorial Temple Church of God in Christ.

2. Mayor Jack Gorden welcomed visitors present. Mayor Gorden also welcomed Boy Scout Will Kirby, with Boy Scout Troop 140, to the Council Meeting. Mayor Gorden added that Will was working on his Communications Badge.

3. **APPROVAL OF MINUTES**

   Minutes of the Regular Meeting of November 2, 2010 were approved on a motion by Councilmember Lynn Torres, and seconded by Councilmember Robert Shankle. A unanimous affirmative vote was recorded.

OLD BUSINESS:

4. **SECOND READING OF AN ORDINANCE AMENDING ORDINANCE 3961 OF THE CITY COUNCIL OF THE CITY OF LUFKIN, TEXAS, - APPROVED - ADOPTING RULES AND REGULATIONS HEREIN SET FORTH ESTABLISHING CERTAIN FLOOD PREVENTION AND MITIGATION MEASURES; PROVIDING FOR THE PROTECTION OF THE HEALTH AND SAFETY OF THE CITIZENS OF LUFKIN; PROVIDING A PENALTY FOR VIOLATION; CONTAINING A SAVINGS CLAUSE, A SEVERABILITY CLAUSE AND A REPEALER CLAUSE; PROVIDING FOR PUBLICATION, CODIFICATION, AND AN EFFECTIVE DATE; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT**

   Mayor Jack Gorden stated that the next item for consideration was the Second Reading of an Ordinance amending Ordinance 3961 of the City Council of the City of Lufkin, Texas, adopting rules and regulations herein set forth establishing certain flood prevention and mitigation measures; providing for the protection of the health and safety of the citizens of Lufkin; providing a penalty for violation; containing a savings clause, a severability clause and a repealer clause; providing for publication, codification, and an effective date; and containing other provisions relating to the subject.

City Manager Paul Parker stated that the City of Lufkin previously approved amending Ordinance No. 3961, which adopted the new Flood Insurance Rate Maps that became effective September 29, 2010. City Manager Parker explained that the previous Ordinance listed the Flood Insurance Study for the City of Lufkin, Texas, Angelina County; however FEMA now required the Ordinance to read Angelina County, Texas and Incorporated Areas, dated September 29, 2010. City Manager Parker stated that Staff recommended approval of the Ordinance amending Ordinance No. 3961.

Mayor Gorden asked for questions or comments from the Council.

Councilmember Don Langston moved to approve the Second Reading of the Ordinance amending Ordinance 3961 of the City Council of the City of Lufkin, Texas, adopting rules and regulations herein set forth establishing certain flood prevention and mitigation measures; providing for the protection of the health and safety of the citizens of Lufkin; providing a penalty for violation; containing a savings clause, a severability clause and a repealer clause; providing for publication, codification, and an effective date; and containing other provisions relating to the subject. Councilmember Phil Medford seconded the motion. A unanimous affirmative vote was recorded.

NEW BUSINESS:

5. RESOLUTION OF THE CITY OF LUFKIN, TEXAS, - APPROVED - DIRECTING THE PLANNING AND ZONING STAFF TO PROCEED WITH ANNEXATION OF PROPERTY OWNED BY MONTY STAFFORD AT THE SOUTHEAST CORNER OF TOWER LANE AND BRIDGES STREET AND TO DEVELOP A SERVICE PLAN FOR THE AREA

Mayor Jack Gorden stated that the next item for consideration was a Resolution of the City of Lufkin, Texas, directing the Planning and Zoning Staff to proceed with annexation of property owned by Monty Stafford at the southeast corner of Tower Lane and Bridges Street and to develop a service plan for the area.

City Manager Paul Parker stated that Mike Parker was representing Mr. Monty Stafford, who was requesting to have approximately 1.0 acres of land annexed into the City of Lufkin. City Manager Parker added that the purpose was to receive full municipal services. City Manager Parker stated that the request fell under the short version of the annexation program. City Manager Parker stated that Staff recommended that the Council authorize the Staff to initiate the process by completing a service plan for the proposed annexation.

Mayor Gorden asked for questions or comments from the Council.

Councilmember Lynn Torres moved to approve the Resolution of the City of Lufkin, Texas, directing the Planning and Zoning Staff to proceed with annexation of property owned by Monty Stafford at the southeast corner of Tower Lane and Bridges Street and to develop a service plan for the area. Councilmember Victor Travis seconded the motion. A unanimous affirmative vote was recorded.

6. RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2010/2011 OPERATING BUDGET (BUDGET AMENDMENT NO. 5), - APPROVED - PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE GENERAL, HOME INVESTMENT PROGRAM, ELLEN TROUT ZOO BUILDING FUND, POLICE GRANT, ECONOMIC DEVELOPMENT, WATER/SEWER, AND EQUIPMENT AMORTIZATION FUNDS; AND PROVIDING AN EFFECTIVE DATE

Mayor Jack Gorden stated that the next item for consideration was a Resolution authorizing an amendment to the 2010/2011 Operating Budget (Budget Amendment No. 5), providing for the supplemental appropriation of funds in the General, Home Investment Program, Ellen Trout Zoo Building Fund, Police Grant, Economic Development, Water/Sewer, and Equipment Amortization Funds; and providing an effective date.

City Manager Paul Parker stated that every year the City had several projects that were not completed by the end of the fiscal year. City Manager Parker added that in order to continue the funding for those projects Staff usually presented an annual rollover budget amendment. City Manager Parker added that the major portions of the budget amendment were twelve thousand five hundred dollars ($12,500) for required training for IT Director Sid Munlin, carry over in the Police Department for purchases under grant programs in the amount of twenty-four thousand eighty nine dollars ($24,089), funding from a DETRAC grant for the purchase of lapel microphones in the Fire Department in the amount of four thousand nine hundred fifty-seven dollars ($4,957), sixty-two thousand dollars ($62,000) to continue the Housing Incentive Program, two (2) projects that were not completed by the Street Department in the total amount of sixty-eight thousand dollars ($68,000) for York Street drainage improvements and Montrose Street overlay, funding from the HOME Program Grant in the City Administration Department in the amount of five hundred twenty thousand dollars ($520,000), Ellen Trout Building Fund in the amount of seventy-six thousand seven hundred ninety-two dollars ($76,792), additional Police Grants for two (2) Justice Assistance and Police Technology Grants in the amount of ten thousand six hundred seventy-five dollars ($10,675); Economic Development carry over in the amount of forty-five thousand five hundred sixty-four dollars ($45,564) for marketing and fifty thousand dollars ($50,000) for the Main Street Façade Improvement Grant Program, twenty-five thousand dollars ($25,000) in the Sewer Collection Department for hydraulic pipe analysis, a shortfall in the refinancing of the revenue debt in the amount of thirty-nine thousand five hundred fifteen dollars ($39,515), and vehicles that were carried over from the Amortization Program, which included a new fire pumper foam system. City Manager Parker stated that this was the complete rollover account, which was actually smaller than normal. City Manager Parker stated that Staff recommended that the City Council approve Budget Amendment No. 5.

Mayor Gorden commented that the Police Department was trying Chevy Tahoes instead of the Ford cruisers that had been used for several years. Mayor Gorden asked for questions or comments from the Council.

Councilmember Phil Medford moved to approve the Resolution authorizing an amendment to the 2010/2011 Operating Budget (Budget Amendment No. 5), providing for the supplemental appropriation of funds in the General, Home Investment Program, Ellen Trout Zoo Building Fund, Police Grant, Economic Development, Water/Sewer, and Equipment Amortization Funds; and providing an effective date. Councilmember Don Langston seconded the motion. A unanimous affirmative vote was recorded.

7. **ACCEPTANCE OF TEXAS DEPARTMENT OF STATE HEALTH SERVICES LOCAL PROJECTS GRANT IN THE AMOUNT OF FIVE THOUSAND DOLLARS ($5,000) TO HELP OFFSET COSTS TO PURCHASE A NEW RESCUE CUTTER AND POWER UNIT FOR THE FIRE DEPARTMENT AND A RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2010/2011 OPERATING BUDGET (BUDGET AMENDMENT NO. 6), - APPROVED - PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE GENERAL FUND; AND PROVIDING AN EFFECTIVE DATE**

Mayor Jack Gorden stated that the next item for consideration was the acceptance of a Texas Department of State Health Services Local Projects Grant in the amount of five thousand dollars ($5,000) to help offset costs to purchase a new rescue cutter and power unit for the Fire Department and a Resolution authorizing an amendment to the 2010/2011 Operating Budget (Budget Amendment No. 6), providing for the supplemental appropriation of funds in the General Fund; and providing an effective date. Mayor Gorden asked if the equipment that would be purchased was a form of the "Jaws of Life".

City Manager Parker asked Fire Chief Danny Kistner to come to the podium to answer the Mayor's question. City Manager Paul Parker stated that this was a five thousand dollar ($5,000) matching grant for the purchase of a rescue cutter and power unit. City Manager Parker added that the Fire Department anticipated purchasing the equipment and had the funds budgeted for the match required by the grant. City Manager Parker stated that the Budget Amendment was simply to add the five thousand dollars ($5,000) to the revenue portion of the budget.

Fire Chief Danny Kistner stated that the equipment proposed for purchase was a hydraulic cutter that was used to cut metal post on vehicles or door latching pins or metals of that nature during emergencies. Chief Kistner added that the equipment would replace an aging device that the Fire Department currently had, and would also allow the Department to put the aging device on another piece of equipment so that there would be that type of device on two (2) vehicles instead of just one (1).

Mayor Gorden asked for questions or comments from the Council.

Councilmember Lynn Torres moved to accept the Texas Department of State Health Services Local Projects Grant in the amount of five thousand dollars ($5,000) to help offset costs to purchase a new rescue cutter and power unit for the Fire Department and approve the Resolution authorizing an amendment to the 2010/2011 Operating Budget (Budget Amendment No. 6), providing for the supplemental appropriation of funds in the General Fund; and providing an effective date. Councilmember Robert Shankle seconded the motion. A unanimous affirmative vote was recorded.

8. RESOLUTION AUTHORIZING MAYOR JACK GORDEN, CITY MANAGER PAUL PARKER, FINANCE DIRECTOR DOUG WOOD AND ECONOMIC DEVELOPMENT DIRECTOR JIM WEHMEIER AS SIGNATORIES – APPROVED - ON THE TEXAS CAPITAL FUND GRANT DOCUMENTATION AND AUTHORIZE THE SAME TO DRAW DOWN THE FUNDS FOR THE PROJECT

Mayor Jack Gorden stated that the next item for consideration was a Resolution authorizing Mayor Jack Gorden, City Manager Paul Parker, Finance Director Doug Wood and Economic Development Director Jim Wehmeier as signatories on the Texas Capital Fund Grant documentation and to authorize the same to draw down the funds for the project.

City Manager Paul Parker stated that the agenda item would allow the City to have multiple people to sign the forms and that Staff recommended approval.

Mayor Gorden asked for questions or comments from the Council.

Councilmember Rufus Duncan moved to approve the Resolution authorizing Mayor Jack Gorden, City Manager Paul Parker, Finance Director Doug Wood and Economic Development Director Jim Wehmeier as signatories on the Texas Capital Fund Grant documentation and authorize the same to draw down the funds for the project. Councilmember Robert Shankle seconded the motion. A unanimous affirmative vote was recorded.

9. RESOLUTION OF THE CITY OF LUFKIN, TEXAS ESTABLISHING RENTAL FEES AND REGULATIONS - APPROVED - FOR THE ROCK HOUSE AT CHAMBERS PARK AND THE BRANDON CENTER AT BRANDON PARK

Mayor Jack Gorden stated that the next item for consideration was a Resolution of the City of Lufkin, Texas establishing rental fees and regulations for the Rock House at Chambers Park and the Brandon Center at Brandon Park. Mayor Gorden stated that it had been approximately twenty plus years since the City Council had last addressed the fees at the facilities.

City Manager Paul Parker stated that Staff did an analysis of surrounding cities to determine the fees charged for similar sized facilities to that of the Rock House at Chambers Park and the Brandon Center at Brandon Park. City Manager Parker explained that the structures were currently being rented for a twenty-five dollar ($25) deposit, and a rental rate of ten dollars ($10) per hour, with a three (3) hour minimum. City Manager Parker stated that most of the surrounding cities' rates were considerably higher than the rate the City of Lufkin currently charged. City Manager Parker added that the rates had not been raised in twenty-one (21) years. City Manager Parker stated that a staff member was present at each event to open and close the facility, and that the City was spending more money than it was bringing in. City Manager Parker explained that Staff was recommending that the deposit be increased from twenty-five dollars ($25) to one hundred dollars ($100), and that the rent be changed to a two (2) hour rental minimum, at seventy-five dollars ($75) per hour, and then rent would decrease to twenty-five dollars ($25) per hour after the initial two (2) hours. City Manager Parker added that Staff was also recommending that the deposit and rental fee must be paid within five (5) days of the reservation and that there be a two (2) week cancellation policy for a full refund. City Manager Parker stated that an additional recommendation was that reservations would be booked in advance for a one (1) year maximum. City Manager Parker explained that currently there were patrons wanting to book the facilities for several years in advance making it very difficult to maintain records. City Manager Parker stated that he had previous conversations with some members of the City Council that were concerned that the proposed fees might be excessive, and that the City Council might want to discuss the matter in more detail. City Manager Parker added that this was the Staff's recommendation based on comparisons of surrounding areas.

Mayor Gorden asked for questions or comments from the Council. There was comments and discussion among the City Council and Mayor concerning the rate structure for the facilities.

Councilmember Lynn Torres moved to approve the Resolution of the City of Lufkin, Texas establishing fees for the Rock House at Chambers Park and the Brandon Center at Brandon Park to be a fifty dollar ($50) deposit and twenty-five dollars ($25) per hour rent with a two (2) hour minimum. Councilmember Torres moved to adopt the other proposed regulations as recommended by Staff. Councilmember Victor Travis seconded the motion. A unanimous affirmative vote was recorded.

10. <u>LEASE AGREEMENT BETWEEN THE CITY OF LUFKIN, TEXAS AND FIRST BAPTIST CHURCH OF LUFKIN, TEXAS – APPROVED - FOR ADDITIONAL PARKING SPACE FOR THE PITSER GARRISON CIVIC CENTER</u>

Mayor Jack Gorden stated that the next item for consideration was a lease agreement between the City of Lufkin, Texas and First Baptist Church of Lufkin, Texas for additional parking space for the Pitser Garrison Civic Center.

City Manager Paul Parker stated that the City of Lufkin anticipated constructing an expansion to the Pitser Garrison Civic Center, and that the construction would take up some of the existing parking lot. City Manager Parker explained that the City had some area across from the Civic Center, but would still need additional parking. City Manager Parker stated that the City of Lufkin had been negotiating with First Baptist Church for the utilization of six (6) lots to supplement the parking for the Civic Center. City Manager Parker added that the City would pave and curb and gutter the area, which would hold approximately sixty (60) vehicles. City Manager Parker stated that the City had also agreed to pave an additional two (2) lots that were not in the lease as part of the agreement. City Manager Parker stated that part of the agreement was also to build a handicap ramp on the southeast street corner. City Manager Parker added that First Baptist Church owned old cleaners across the street, and the City had agreed to tear down the structure, subject to the asbestos being removed and disposed of ahead of time. City Manager Parker explained that there was an agreement with the church that the City would not pay for any environmental abatement, or any environmental disposal. City Manager Parker stated that the City had only agreed to dispose of any materials where there was no abatement portion with it. City Manager Parker stated that the City of Lufkin and First Baptist Church were in agreement, and that Staff recommended that the Council approve the municipal parking lot lease agreement with the First Baptist Church of Lufkin, Texas, to provide parking for the proposed expansion to the Pitser Garrison Civic Center.

Mayor Gorden stated that the City appreciated that First Baptist Church had agreed to work with the City. Mayor Gorden added that the City needed the parking for the expansion of the Civic Center, which would be approximately two and one half (2 ½) times of the existing facility. Mayor Gorden asked for questions or comments from the Council. There was some discussion among the Council regarding the Civic Center expansion and the lease for parking.

Deputy City Manager Keith Wright pointed out that the church would have usually had to pay property tax on the property and that the City had now agreed to pick up that cost each year.

Councilmember Lynn Torres moved to approve the lease agreement between the City of Lufkin, Texas and First Baptist Church of Lufkin, Texas for additional parking space for the Pitser Garrison Civic Center. Councilmember Don Langston seconded the motion. A unanimous affirmative vote was recorded.

11. 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 stated that for the tenth (10^{th}) year in a row, the City received the Certification for Achievement in Excellence in Financial Reporting. City Manager Parker added that this was a significant indication of quality of the City's Finance Department, and the City's annual audit and reporting. City Manager Parker stated that the City was proud that the Finance Department had once again helped the City to achieve the award. City Manager Parker thanked Finance Director Doug Wood and his department for all they did in that area.

City Manager Parker drew the attention to the end of the year financials. City Manager Parker pointed out that the figures were unaudited, but that Staff felt that the figures were very close. City Manager Parker stated that at the beginning of the budget process, Staff thought that the City would end the year using approximately one million four hundred forty-two thousand dollars ($1,442,000) of the fund balance. City Manager Parker added that Staff stated at that time that the numbers would usually get better, because the City did not usually spend all of the money allocated in the budget. City Manager Parker explained that the City actually ended the year using only five hundred twenty-six thousand seven hundred thirty-five dollars ($526,735) from the fund balance. City Manager Parker pointed out that this was remarkable because the City's Sales Tax was six hundred twenty-three thousand seven hundred twenty dollars ($623,720) below last year's amount. City Manager Parker explained that expenditures were held down, and were one million forty-one thousand eight hundred fifty-five dollars ($1,041,855) under the adjusted budget. City Manager Parker added that every department within the City was actually under their amended budgets.

City Manager Parker stated that the committed Fund Balance for the upcoming year was seven million three hundred seventy-nine thousand five hundred fifty-two dollars ($7,379,552). City Manager Parker added that the City started the fiscal year with three million eight hundred eighty-six thousand four hundred forty-five dollars ($3,886,445) above the twenty-five percent (25%) fund balance. City Manager Parker stated that the City was considering using one million thirty-seven thousand seven hundred four dollars ($1,037,704) to balance next year's budget. City Manager Parker added that two million six hundred forty-six thousand four hundred seventy-nine dollars ($2,646,479) would be available to cover any shortfalls the City might have. City Manager Parker explained that the City still remained in excellent financial condition.

City Manager Parker stated that the Water/Wastewater Revenues were less than was anticipated. City Manager Parker explained that most of this was in the industrial usage area. City Manager Parker added that when the budget was started the previous year, that Staff thought that Logan's Culinary would be operational, and that they had yet to get going. City Manager Parker stated that Citation went down, and other industrial users did recycling and modifications to their systems. City Manager Parker stated that the expenditures went down, and the City used two hundred thirty-nine thousand four hundred fifty-eight dollars ($239,458) from the fund balance for the program, but was under what was originally anticipated.

City Manager Parker stated that the Solid Waste Department had a good year because of recyclables. City Manager Parker explained that cardboard prices soared and that the Solid Waste Department did really well in capturing the cardboard. City Manager Parker added that one hundred twenty thousand dollars ($120,000) in revenue was budgeted, and three hundred eighty-one thousand two hundred twenty dollars ($381,220) was brought in. City Manager Parker stated that the balance in the Solid Waste Fund was approximately two million seven hundred fifty thousand dollars ($2,750,000).

City Manager Parker stated that all City of Lufkin Funds were in very good condition, even with the deficit year the City had. City Manager Parker stated that the Hotel/Motel Tax Fund Revenues ended the year above the revised estimate, but below the original estimate. City Manager Parker explained that this revenue triggered the amount of funds given to the Lufkin Convention and Visitors Bureau, the Museum of East Texas, the Texas Forestry Museum and the George H. Henderson, Jr. Exposition Center.

City Manager Parker stated that he would answer any questions that the City Council had regarding any of the City of Lufkin funds.

Mayor Gorden congratulated Finance Director Doug Wood and his staff, and noted that the award that was received was quite an accomplishment. Councilmember Don Langston stated that it was important to also note that the City Staff worked extremely hard. Councilmember

Langston pointed out that the City of Lufkin had a tax cut, the Department Heads held well within their budgets, revenues were not as good as anticipated, yet the City was still well above the twenty-five percent (25%) fund balance.

12. Mayor Jack Gorden recessed the Regular Session at 5:38 p.m. to enter into Executive Session. City Manager Parker requested that the Council recess the Regular Session to enter into the Executive Session and then do the two (2) action items on the agenda and then return to Executive Session for the non-action items. Mayor Gorden agreed.

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 5:56 p.m.

13. PUBLIC HEARING AND A TAX ABATEMENT AND ECONOMIC DEVELOPMENT AGREEMENT, A TENANT ALLOWANCE AND LEASE PURCHASE CONTRACT AND ACCEPTANCE OF A LOAN FOR PROJECT AEROSPACE AND A RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2010/2011 OPERATING BUDGET (BUDGET AMENDMENT NO. 4), - APPROVED - PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE ECONOMIC DEVELOPMENT AND ECONOMIC DEVELOPMENT GRANTS FUND AND PROVIDING AN EFFECTIVE DATE

Mayor Jack Gorden stated that the next item for consideration was a Public Hearing and a Tax Abatement and Economic Development Agreement, a Tenant Allowance and Lease Purchase Contract and acceptance of a loan for Project Aerospace and a Resolution authorizing an amendment to the 2010/2011 Operating Budget (Budget Amendment No. 4), providing for the supplemental appropriation of funds in the Economic Development and Economic Development Grants Fund and providing an effective date.

Councilmember Don Langston asked to be recused from discussion and voting on the item. Mayor Gorden requested that this be duly noted by City Secretary Renee Thompson.

City Manager Paul Parker stated that the Council had numerous Executive Session meetings regarding Project Aerospace. City Manager Parker added that everyone was happy that the project was finally coming to fruition in Lufkin. City Manager Parker stated that Staff recommended that the City Council approve the final contract documents between Innovative Metal Components (Project Aerospace) and the City of Lufkin; approve a budget amendment in the amount of two million dollars ($2,000,000) from the Economic Development Fund, including a transfer of seven hundred fifty thousand dollars ($750,000) from the Economic Development into a project account, as well as a loan in the amount of one million two hundred fifty thousand dollars ($1,250,000) from Bancorp South, which was set on a ten (10) year loan program with a three (3) year adjustable loan amortization schedule, beginning with the initial rate of 3.4%, with a maximum one percent (1%) increase in any of the three (3) year period and authorize the Economic Development Director Jim Wehmeier to execute all necessary documents. City Manager Parker added that the incentives and the loan were unanimously recommended by the 4B Economic Development Board. City Manager Parker stated that Staff was recommending the project to the Council for their approval.

Mayor Gorden opened the Public Hearing at 6:02 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 6:03 p.m.

Councilmember Rufus Duncan moved to approve the Tax Abatement and Economic Development Agreement, a Tenant Allowance and Lease Purchase Contract and acceptance of a loan for Project Aerospace and a Resolution authorizing an amendment to the 2010/2011 Operating Budget (Budget Amendment No. 4), providing for the supplemental appropriation of funds in the Economic Development and Economic Development Grants Fund and providing an effective date. Councilmember Lynn Torres seconded the motion. A unanimous affirmative vote was recorded.

Economic Development Director Jim Wehmeier asked Mayor Gorden and a representative from Innovative Metal Components, Inc. if they would come to the front table and sign the contract. Mr. Wehmeier then introduced the team from IMC, who were Wesley Armstrong, Deanna Armstrong, Tyler Johnson, Isabel Sievert and Michael Sievert. Mr. Wesley Armstrong then explained what Innovative Metal Components did, and about the impact that IMC would have on Lufkin. Mr. Wehmeier then announced that IMC would be the first tenant at the Lufkin Business Park.

14. <u>APPOINTMENT – APPROVED - TO THE REGIONAL AI AND HOUSING NEEDS ASSESSMENT PLANNING COMMITTEE</u>

Mayor Jack Gorden stated that the next item for consideration was an appointment to the Regional AI and Housing Needs Assessment Planning Committee.

Councilmember Rufus Duncan moved to appoint Councilmember Robert Shankle and Councilmember Lynn Torres to the Regional AI and Housing Needs Assessment Planning Committee. Councilmember Phil Medford seconded the motion. A unanimous affirmative vote was recorded.

15. Mayor Jack Gorden again recessed the Regular Session at 6:07 p.m. to enter into Executive Session.

<u>EXECUTIVE SESSION:</u> 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 7:32 p.m.

16. <u>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</u>

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.

Mayor Gorden and City Manager Parker reviewed the Calendar with the Council and highlighted several items on the Calendar.

16. 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