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

On the 16th day of March, 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
R. L. Kuykendall	Councilmember, Ward No. 1
Robert Shankle	Councilmember, Ward No. 2
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
Gerald Williamson	Asst. Police Chief
Danny Kistner	Fire Chief
Doug Wood	Finance Director
Steve Poskey	Street Department, Superintendent
Jim Wehmeier	Economic Development Director
Chuck Walker	Public Utilities Director

being present, and

Lynn Torres	Councilmember, Ward No. 3

being absent, when the following business was transacted:

1. The meeting was opened with prayer by Pastor Jim Vaughn, Fourth and Groesbeck Church of Christ.

2. Mayor Jack Gorden welcomed visitors present.

3. **APPROVAL OF MINUTES**

Minutes of the Regular Meeting of, were approved on a motion by Councilmember Robert Shankle, and seconded by Councilmember R. L. Kuykendall. A unanimous affirmative vote was recorded.

NEW BUSINESS:

4. **ADMINISTER OATH OF OFFICE TO JUSTIN POIENCOT, CODY WALTON, LUIS VALDES, ANTHONY RAMOS, JAKE MESSER, JIMMY MCDONALD AND BRET DUE. (HONORABLE JACK GORDEN, MAYOR- CITY OF LUFKIN)**

Mayor Jack Gorden stated that the next item for consideration was to administer the Oath of Office to Justin Poiencot, Cody Walton, Luis Valdes, Anthony Ramos, Jake Messer, Jimmy McDonald and Bret Due. (Honorable Jack Gorden, Mayor- City of Lufkin)

Honorable Jack Gorden, Mayor of the City of Lufkin, then administered the Oath of Office to City of Lufkin Firefighters Justin Poiencot, Cody Walton, Luis Valdes, Anthony Ramos, Jake Messer, Jimmy McDonald and Bret Due.

5. **PRESENTATION BY THE TLL TEMPLE FOUNDATION – APPROVED - TO THE CITY OF LUFKIN FOR LANDSCAPING IMPROVEMENTS ON US HWY 59 SOUTH**

Mayor Jack Gorden stated that the next item for consideration was a presentation by the TLL Temple Foundation to the City of Lufkin for landscaping improvements on US Hwy 59 South.

Buddy Temple, representative for the TLL Temple Foundation, stated that the TLL Temple Foundation, for quite some time, felt that Lufkin was not putting its best face forward to the visitors and local citizens on some of the highways around Lufkin. Mr. Temple added that he was particularly referring to the construction on the south side of Lufkin, on US Hwy 59 and over to Tulane. Mr. Temple stated that this was a wonderful opportunity to make a statement to everyone visiting Lufkin. Mr. Temple explained that TLL Temple Foundation had approved a grant, subject to the approval of the Council, of six hundred fifteen thousand dollars ($615,000), to supplement the landscaping that TxDOT already had budgeted. Mr. Temple added that TxDOT had approximately three hundred thousand dollars ($300,000) for planting and approximately two hundred thousand dollars ($200,000) planned for hardscape. Mr. Temple stated that with the six hundred fifteen thousand dollars ($615,000) from the TLL Temple Foundation, this would be a project of over one million dollars ($1,000,000). Mr. Temple added that this would make a real statement for the south side of Lufkin for whenever people came in from Houston, and also for the local citizens. Mr. Temple stated that it would be a beautiful addition to Lufkin. Mr. Temple stated that Mr. B. J. Janick, architect with TxDOT, had been working on the project and had a short presentation for the Council.

Mr. B. J. Janick, Landscape Architect with TxDOT, then gave a PowerPoint presentation concerning the proposed landscape project on US Hwy 59 South.

Mr. Buddy Temple stated that if the Council approved and received the grant from the TLL Temple Foundation it might encourage other groups in Lufkin to do similar projects for Lufkin. Mr. Temple stated that a grant letter had been submitted, and asked that the work be done as specified, and that the City would accept the responsibility for maintenance as it had done with all other TxDOT projects.

Mayor Gorden asked for questions or comments from the Council. Mayor Gorden stated that this was a landmark public/private project and would certainly create an exceptional entrance into the City. Mayor Gorden added that the City was thankful for the offer, and that all of Mr. Temple's work over the years, trying to make Lufkin a better place, was appreciated.

Councilmember R. L. Kuykendall moved to accept the donation of landscaping improvements on US Hwy 59 South from the TLL Temple Foundation. Councilmember Don Langston seconded the motion. A unanimous affirmative vote was recorded.

Councilmember Rufus Duncan stated that during the extensive effort and work of developing the Landscape Ordinance there were many comments made about wanting Lufkin to look like Kingwood and the Woodlands, and that this was the first step toward that goal. Mayor Gorden stated that it would be a great focal point for people coming into Lufkin.

Tom Johnson, with Encino Landscaping, stated that everything normally seen in the forest would be seen on the property. Mr. Johnson added that TxDOT had been planting Chinquapin trees on numerous projects in Houston, San Antonio and various other cities and that the trees did very well. Mr. Johnson stated that TxDOT would be planting the Chinquapin trees along US Hwy 59 South in Lufkin, along with many other varieties of trees that naturally grow in the forest. Mr. Johnson added that the area would be low maintenance.

City Manager Parker stated that there would be an item on the next agenda for the Council to approve a budget for the project. City Manager Parker added that the City would work with Mr. Temple and Mr. Johnson on the provisions that were outlined in the letter.

Mayor Gorden then recognized the other representatives from TxDOT that were present at the Council Meeting and thanked them for cooperating with the project.

6. **<u>PRESENTATION OF TREE CITY USA CERTIFICATION TO MAYOR JACK GORDEN AND CITY OF LUFKIN COUNCIL BY TODD NIGHTINGALE, TEXAS FOREST SERVICE, DISTRICT FORESTER</u>**

Mayor Jack Gorden stated that the next item for consideration was a presentation of Tree City USA Certification to Mayor Jack Gorden and City of Lufkin Council by Todd Nightingale, Texas Forest Service, District Forester.

Texas Forest Service District Forester Todd Nightingale stated that the City of Lufkin was in its nineteenth (19^{th}) year as a Tree City USA. Mr. Nightingale added that the Tree City USA Program was sponsored by the Arbor Day Foundation and provided guidance, technical assistance and direction and develops action, education and positive image within a community. Mr. Nightingale stated that a lot of things took place in Lufkin and that there were very key players in those events. Mr. Nightingale then presented the Tree City USA Flag to the Tree Board and Angelina Beautiful/Clean Board of Directors on behalf of the City of Lufkin.

7. **<u>PUBLIC HEARING AND FIRST READING OF AN ORDINANCE AMENDING THE ZONING ORDINANCE OF THE CITY OF LUFKIN, TEXAS, - APPROVED - BY CHANGING THE ZONING DESIGNATION ON LAND DESCRIBED AS BEING LOCATED AT 1212 KELTYS STREET AND BEING BLOCK 5, LOT 9 OF THE NORTH LUFKIN SUBDIVISION, ANGELINA COUNTY, TEXAS, A "RESIDENTIAL SMALL SINGLE-FAMILY DWELLING" ZONING DISTRICT TO A "LOCAL BUSINESS" ZONING DISTRICT AND AUTHORIZING THE CITY PLANNER TO MAKE SUCH CHANGES ON THE OFFICIAL MAP AND THE FUTURE LAND USE PLAN OF THE 2001 COMPREHENSIVE PLAN TO THE CLASSIFICATION OF "RETAIL"</u>**

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 changing the zoning designation on land described as being located at 1212 Keltys Street and being Block 5, Lot 9 of the North Lufkin Subdivision, Angelina County, Texas, a "Residential Small Single-Family Dwelling" zoning district to a "Local Business" zoning district and authorizing the City Planner to make such changes on the Official Map and the Future Land Use Plan of the 2001 Comprehensive Plan to the classification of "Retail".

City Manager Paul Parker stated that Mr. M. T. Wilson, the agent on behalf of owner S. T. Lewis, was requesting changing the zoning from "Residential Small Single-Family Dwelling" to a zoning classification of "Local Business" on property commonly known as 1212 Keltys Street. City Manager Parker added that the owner anticipated operating a takeout restaurant. City Manager Parker stated that the history of the building had been that it had multiple uses throughout the years from different businesses. City Manager Parker stated that the Planning and Zoning Commission reviewed the request, and along with Staff, recommended that the zoning request be approved, and that the Council approve on First Reading the Ordinance granting the request for a change of zoning from "Residential Small Single-Family Dwelling" to "Local Business".

Mayor Gorden opened the Public Hearing 5:30 p.m. and asked anyone who wished to speak on the item to please step forward. Speaking concerning the item was:

M. T. Wilson
Robert McGee
Victor Travis

Mayor Gorden closed the Public Hearing at 5:33 p.m.

Mayor Gorden asked for questions or comments from the Council. Councilmember R. L. Kuykendall spoke in favor of granting the request.

Councilmember R. L. Kuykendall moved to approve the First Reading of the Ordinance amending the Zoning Ordinance of the City of Lufkin, Texas, by changing the zoning designation on land described as being located at 1212 Keltys Street and being Block 5, Lot 9 of the North Lufkin Subdivision, Angelina County, Texas, a "Residential Small Single-Family Dwelling" zoning district to a "Local Business" zoning district and authorizing the City Planner to make such changes on the Official Map and the Future Land Use Plan of the 2001 Comprehensive Plan to the classification of "Retail". Councilmember Robert Shankle seconded the motion. A unanimous affirmative vote was recorded.

8. **PROCLAMATION OF APRIL 2010 AS FAIR HOUSING MONTH – APPROVED - IN THE CITY OF LUFKIN, TEXAS**

Mayor Jack Gorden stated that the next item for consideration was a Proclamation of April 2010 as "Fair Housing Month" in the City of Lufkin, Texas. Mayor Gorden explained that proclaiming April as "Fair Housing Month" put the City of Lufkin in compliance with regulations for grant activity, and federal and state funding.

City Manager Parker stated that the proclamation declared April as "Fair Housing Month" and to try to make sure the City did everything possible to promote fair housing to eliminate any discrimination in housing within the city limits of the City of Lufkin.

Mayor Gorden stated that anyone interested could come to look at and read the proclamation at the Mayor's office in the Lufkin City Hall. Mayor Gorden asked for questions or comments from the Council.

Councilmember Rufus Duncan moved to approve the Proclamation of April 2010 as "Fair Housing Month" in the City of Lufkin, Texas. Councilmember Robert Shankle seconded the motion. A unanimous affirmative vote was recorded.

9. **RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2009/2010 OPERATING BUDGET (BUDGET AMENDMENT NO. 15), - APPROVED - PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE INDUSTRIAL PARK GRANT FUND; AND PROVIDING AN EFFECTIVE DATE TO CREATE A ECONOMIC DEVELOPMENT ADMINISTRATION GRANT PROJECT ACCOUNT IN THE AMOUNT OF FOUR MILLION DOLLARS ($4,000,000), AND AUTHORIZATION TO USE UP TO ONE MILLION DOLLARS ($1,000,000) FROM THE ECONOMIC DEVELOPMENT CORPORATION FUNDS FOR PROJECT COSTS AS ADVANCE FUNDING FOR THE PREDEVELOPMENT SERVICES OF THE LUFKIN INDUSTRIAL RAIL PARK**

Mayor Jack Gorden stated that the next item for consideration was a Resolution authorizing an amendment to the 2009/2010 Operating Budget (Budget Amendment No. 15), providing for the supplemental appropriation of funds in the Industrial Park Grant Fund; and providing an effective date to create a Economic Development Administration Grant Project Account in the amount of four million dollars ($4,000,000), and authorization to use up to one million dollars ($1,000,000) from the Economic Development Corporation Funds for project costs as advance funding for the predevelopment services of the Lufkin Industrial Rail Park.

City Manager Paul Parker stated that this was the same grant that had previously been approved by the Council, and that the action needed was to set up the budget so that the funds could be expended. City Manager Parker added that this would also allow the City to authorize and reimburse up to one million dollars ($1,000,000) on the EDA Grant.

Mayor Gorden stated that this would put the one hundred fifty (150) acre Economic Development land on the East Loop way ahead of the curve to get business and industry to locate there.

City Manager Parker stated that another benefit was that it would repair Moffett Road.

Mayor Gorden asked for questions or comments from the Council. There was discussion among the Staff and Council concerning the Lufkin Rail Park.

Councilmember Don Langston moved to approve the Resolution authorizing an amendment to the 2009/2010 Operating Budget (Budget Amendment No. 15), providing for the supplemental appropriation of funds in the Industrial Park Grant Fund; and providing an effective date to create a Economic Development Administration Grant Project Account in the amount of four million dollars ($4,000,000), and authorization to use up to one million dollars ($1,000,000) from the Economic Development Corporation Funds for project costs as advance funding for the predevelopment services of the Lufkin Industrial Rail Park. Councilmember Robert Shankle seconded the motion. A unanimous affirmative vote was recorded.

10. PUBLIC HEARING AND CONSIDER APPROVAL TO MAKE FINAL APPLICATION WITH THE TEXAS DEPARTMENT OF AGRICULTURE - APPROVED - FOR A TEXAS CAPITOL FUND INFRASTRUCTURE GRANT IN COOPERATION WITH ASPEN POWER IN THE AMOUNT OF SEVEN HUNDRED FIFTY THOUSAND DOLLARS ($750,000), AND AUTHORIZATION TO EXECUTE ALL NECESSARY CONTRACTS WITH TDA

Mayor Jack Gorden stated that the next item for consideration was a Public Hearing and consider approval to make final application with the Texas Department of Agriculture for a Texas Capitol Fund Infrastructure Grant in cooperation with Aspen Power in the amount of seven hundred fifty thousand dollars ($750,000), and authorization to execute all necessary contracts with TDA.

City Manager Paul Parker stated that the Council had previously granted authorization for the City of Lufkin to submit a "pre-application", in conjunction with Aspen Power, LLC, for a Texas Capitol Infrastructure Grant in the amount of one million dollars ($1,000,000). City Manager Parker explained that the grant was basically for the construction of an entry road into the plant, and included a parking lot with some picnic areas and a scenic overlook. City Manager Parker stated that the Department of Agriculture said the City of Lufkin qualified under the "pre-approval" process for a grant of seven hundred fifty thousand dollars ($750,000). City Manager Parker added that Staff was asking the Council to authorize to the formal submission a grant in the amount of seven hundred fifty thousand dollars ($750,000). City Manager Parker explained that the entry road would be a City street, and would meet all of the City of Lufkin design criteria, and would be a maintained street. City Manager Parker stated that Mr. Vines, on behalf of Aspen Power, had originally agreed to a Hold Harmless Agreement with the City, and agreed to assume financial responsibility for any amount to be repaid to the State. City Manager Parker stated that this was still a stipulation for this application. City Manager Parker added that Staff recommended that after the Public Hearing the Council authorize Staff to apply for the seven hundred fifty thousand dollar ($750,000) grant from the Department of Agriculture for the entry road to Aspen Power.

Mayor Gorden opened the Public Hearing 5:41 p.m. and asked anyone who wished to speak on the item to please step forward. Speaking concerning the item was:

Victor Travis

Mayor Gorden closed the Public Hearing at 5:42 p.m.

Mayor Gorden asked for questions or comments from the Council.

Councilmember Rufus Duncan moved to approve a final application with the Texas Department of Agriculture for a Texas Capitol Fund Infrastructure Grant in cooperation with Aspen Power in the amount of seven hundred fifty thousand dollars ($750,000), and authorization to execute all necessary contracts with TDA. Councilmember Phil Medford seconded the motion. A unanimous affirmative vote was recorded.

11. ADOPTION OF A CITIZEN PARTICIPATION PLAN – APPROVED - RELATED TO STATE GRANTS TO PROMOTE CITIZEN INPUT FOR THE CITY OF LUFKIN

Mayor Jack Gorden stated that the next item for consideration was the adoption of a Citizen Participation Plan related to State Grants to promote citizen input for the City of Lufkin.

City Manager Paul Parker stated that this was simply a process in a portion of the grant application to allow for a citizen participation process, so that if anyone wants input or to make comments about the grant application there was a process in place. City Manager Parker stated that primarily the process was to contact the City's Administrative Office, where all information would be made available to interested parties.

Mayor Gorden asked for questions or comments from the Council.

Councilmember Don Langston moved to adopt a Citizen Participation Plan related to State Grants to promote citizen input for the City of Lufkin. Councilmember Robert Shankle seconded the motion. A unanimous affirmative vote was recorded.

12. **ADOPTION OF A CITIZEN COMPLAINT PROCEDURE – APPROVED - RELATED TO STATE GRANTS BY THE CITY OF LUFKIN**

Mayor Jack Gorden stated that the next item for consideration was the adoption of a Citizen Complaint Procedure related to State Grants by the City of Lufkin.

City Manager Paul Parker stated that the Citizen Complaint Procedure was another requirement for the grant mentioned in item eleven (11). City Manager Parker explained that the procedure was required by the State, so that anyone who had a complaint would have a process to formally file opposition to the City applying to any grant program. City Manager Parker added that this procedure would also go through the City Manager's Office. City Manager Parker stated that Staff recommended approval of the Citizen Complaint Procedure.

Mayor Gorden asked for questions or comments from the Council.

Councilmember R. L. Kuykendall moved to adopt a Citizen Complaint Procedure related to State Grants by the City of Lufkin. Councilmember Robert Shankle seconded the motion. A unanimous affirmative vote was recorded.

13. **AUTHORIZING DIRECTOR OF ECONOMIC DEVELOPMENT TO APPLY, IN COOPERATION WITH ASPEN POWER, FOR A GRANT – APPROVED - TO ASPEN POWER, LLC FROM THE TEXAS ENTERPRISE FUND**

Mayor Jack Gorden stated that the next item for consideration was authorizing Director of Economic Development to apply, in cooperation with Aspen Power, for a grant to Aspen Power, LLC from the Texas Enterprise Fund.

City Manager Paul Parker stated that this grant was from the Texas Enterprise Fund and was a grant directly between Aspen Power and the State and was based primarily on the number of jobs being created, and the State would then allocate a funding amount. City Manager Parker stated that Mr. Vines and Aspen Power were trying to offset some of the cost brought about by the construction delay by going through the State. City Manager Parker explained that the City of Lufkin had no financial liability or funding from the grant, but the grant had to be submitted on behalf of the community as well as the company involved. City Manager Parker added that the City had to be a co-applicant and that Economic Development Director Jim Wehmeier would act as the City's agent to apply for the grant. City Manager Parker stated that the City did not know the amount of the grant, because it varied.

Economic Development Director Jim Wehmeier then explained the grant in more detail.

Mayor Gorden asked for questions or comments from the Council.

Councilmember Rufus Duncan moved to authorize the Director of Economic Development to apply, in cooperation with Aspen Power, for a grant to Aspen Power, LLC from the Texas Enterprise Fund. Councilmember Robert Shankle seconded the motion. A unanimous affirmative vote was recorded.

14. **RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2009/2010 OPERATING BUDGET (BUDGET AMENDMENT NO. 16), - APPROVED - PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE WATER/WASTEWATER DEPRECIATION FUND; AND PROVIDING AN**

EFFECTIVE DATE FOR THE ABITIBI ELECTRICAL UPGRADE PROJECT FOR ANGELINA AND NACOGDOCHES COUNTY

Mayor Jack Gorden stated that the next item for consideration was a Resolution authorizing an amendment to the 2009/2010 Operating Budget (Budget Amendment No. 16), providing for the supplemental appropriation of funds in the Water/Wastewater Depreciation Fund; and providing an effective date for the Abitibi Electrical Upgrade Project for Angelina and Nacogdoches County.

City Manager Paul Parker stated that when the City purchased the Abitibi water system the electrical system came with it and was fed through the Abitibi plant and power station. City Manager Parker explained that the City had been working with ONCOR to put the lines in such a format that the lines in Angelina County would be accepted. City Manager Parker stated that the City originally set up four hundred thousand dollars ($400,000) in the Water and Sewer Fund, and an additional four hundred thirty-seven thousand dollars ($437,000) from an appropriation that the City received through the Environmental Protection Agency (EPA), for upgrades to the City water system. City Manager Parker explained that the four hundred thirty-seven thousand dollars ($437,000) was still available, but had not been approved yet. City Manager Parker added that the City was moving forward with the project, and needed to shift that money from this project to the project of painting two (2) water towers that were also budgeted, and also the electrical on the Nacogdoches side. City Manager Parker stated that the City could wait on that until the final approval from the EPA came through. City Manager Parker explained that the request was to shift money to offset other projects. City Manager Parker added that the money not expended would go back into the fund balance. City Manager Parker reiterated that essentially the City needed to shift money, because the four hundred thirty-seven thousand dollars ($437,000) had not been approved from EPA at the present time, and the City needed to go forth with finalizing the ONCOR portion of the electrical upgrades. City Manager Parker stated that he would answer any questions that the Council had regarding the electrical upgrades.

Mayor Gorden asked for questions or comments from the Council. There was discussion among the City Manager and the Council regarding the funding.

Councilmember Robert Shankle moved to approve the Resolution authorizing an amendment to the 2009/2010 Operating Budget (Budget Amendment No. 16), providing for the supplemental appropriation of funds in the Water/Wastewater Depreciation Fund; and providing an effective date for the Abitibi Electrical Upgrade Project for Angelina and Nacogdoches County. Councilmember Phil Medford seconded the motion. A unanimous affirmative vote was recorded.

15. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LUFKIN, TEXAS, - APPROVED - AUTHORIZING THE CITY TO ENTER INTO AN AGREEMENT WITH THE STATE FOR THE TEMPORARY CLOSURE OF STATE HIGHWAYS FOR THE 2010 DOWNTOWN HOEDOWN PARADE AND DOWNTOWN HOEDOWN ON APRIL 17, 2010

Mayor Jack Gorden stated that the next item for consideration was a Resolution of the City Council of the City of Lufkin, Texas, authorizing the City to enter into an agreement with the State for the temporary closure of State Highways for the 2010 Downtown Hoedown Parade and Downtown Hoedown on April 17, 2010.

City Manager Paul Parker stated that this was an annual requirement that the City had to have a Resolution for the closure of streets to submit to TxDOT.

Mayor Gorden asked for questions or comments from the Council.

Councilmember Robert Shankle moved to approve the Resolution of the City Council of the City of Lufkin, Texas, authorizing the City to enter into an agreement with the State for the temporary closure of State Highways for the 2010 Downtown Hoedown Parade and Downtown Hoedown on April 17, 2010. Councilmember R. L. Kuykendall seconded the motion. A unanimous affirmative vote was recorded.

16. 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 there would be a Budget Retreat to plan the budget approach and the Capital Improvements Program for the upcoming year on April 7, 2010. City Manager Parker added that he would highlight a couple of areas, and would then answer questions from the Council.

City Manager Parker stated that the City had another month of negative Sales Tax. City Manager Parker added that this was the seventh (7^{th}) month in a row that the Sales Tax had been negative. City Manager Parker stated that the way the Sales Tax was booked made this the fifth (5^{th}) Sales Tax check of the fiscal year, even though the City had received six (6) since October. City Manager Parker stated that five (5) of the twelve (12) months had gone by, and that the City was approximately 8.9% under for those five (5) months. City Manager Parker explained that if this trend went forth, the City would run a deficit of approximately one million dollars ($1,000,000) below the amount budgeted for the year. City Manager Parker stated that this was a concern that Staff was watching very closely since the City was very dependent on Sales Tax. City Manager Parker stated that this affected the City's spending and ability to do other projects. City Manager Parker stated that the good news was that the Council had been very prudent in their management, and the City had a fund balance that would help the City get through the difficult economic times. City Manager Parker stated that from a financial standpoint the City was still in good shape, and that obviously if one million dollars ($1,000,000) was lost this year, and then more in the next year, it would become a real concern for the future.

City Manager Parker stated that the Water and Sewer Fund was a little below projections, but the City had been having an extremely wet year thus far. City Manager Parker added that the City was getting to the watering time of the year, and the fund could vary very quickly if the City had two (2) or three (3) months of a dry summer. City Manager Parker stated that the City had really had about five (5) or six (6) years in a row that had been a relatively wet summer. City Manager Parker stated that there was one (1) month during the last summer that had been very dry, but overall there had been a lot of moisture over the past few years.

City Manager Parker stated that the Hotel/Motel Tax Fund was running a little under projections and was indicative of the economic times. City Manager Parker stated that overall the financials were very tight, but was in good condition because of the reserve. City Manager Parker added that he did not anticipate a major problem, but there were concerns for the future, and that the City needed to be prudent. City Manager Parker stated that the Council and Staff would have a detailed discussion concerning the funds during the April 7^{th} Work Session. City Manager Parker stated that he would answer any questions the Council had concerning the financials.

City Manager Parker stated that regarding the Project Status, he would answer any questions the Council had concerning any program, project or financials.

17. Mayor Jack Gorden recessed the Regular Session at 5:55 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 6:25 p.m.

18. 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 stated that on April 7, 2010, there would be a Budget Retreat, and that Staff would send out information to the Council prior to that date. City Manager Parker added that the Retreat would be a pretty full morning and hopefully a short afternoon. City Manager Parker explained that Staff hoped to concentrate on financials and the Capital Improvement Projects Budget. City Manager Parker stated that Staff would give the Council time to discuss any projects that they wanted investigated. City Manager Parker stated that he did not anticipate having any non-budget items on the agenda, other than some discussion concerning the liquor laws.

Mayor Gorden reminded the Council that Thursday, March 19, 2010, was the TML Region 16 Meeting in Cleveland.

19. There being no further business for consideration, the meeting adjourned at 6:26 p.m.

Jack Gorden

Jack Gorden, Mayor

Renee Thompson

Renee Thompson – City Secretary