

**MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY
OF LUFKIN, TEXAS HELD ON THE 18TH DAY OF OCTOBER, 2011**

On the 18th day of October, 2011, 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
Robert Shankle	Councilmember, Ward No. 2
Lynn Torres	Councilmember, Ward No. 3
Rufus Duncan	Councilmember, Ward No. 5
Sarah Murray	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
Ted Lovett	Interim Fire Chief
Belinda Southern	Finance Director
Steve Floyd	Public Works Director
Barbara Thompson	Main Street Director
Jim Wehmeier	Economic Development Director
Dale Allred	Inspection Services Director
Chuck Walker	Public Utilities Director
Robert Haberle	Schaumburg and Polk
Mike Byrd	First Southwest
Jim Watkins	President, Lufkin Angelina County Chamber of Commerce Board

being present, and

Victor Travis	Councilmember, Ward No. 1
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being absent, when the following business was transacted:

1. The meeting was opened with prayer by Deputy City Manager Keith Wright.
2. Mayor Jack Gorden welcomed visitors present. Mayor Gorden then recognized and welcomed members of the Leadership Lufkin Class of 2011 which included Austin Wright, Angie Williams, Hall Henderson, Pam McGough and John Wood. Mayor Gorden also welcomed Robert Haberle, who was the former Mayor of Jacksonville, Texas, and was currently with Schaumburg and Polk, Inc.

3. APPROVAL OF MINUTES

Minutes of the Regular Meeting of October 4, 2011 were approved on a motion by Councilmember Lynn Torres, and seconded by Councilmember Robert Shankle. A unanimous affirmative vote was recorded.

NEW BUSINESS:

**4. PRESENTATION BY LUFKIN/ANGELINA COUNTY CHAMBER OF COMMERCE
REGARDING THE RETIREMENT INITIATIVE**

Mayor Jack Gorden stated that the next item for consideration was a presentation by Lufkin/Angelina County Chamber of Commerce regarding the "Retirement Initiative". Mayor

Gorden then recognized the Chairman of the Lufkin/Angelina County Chamber of Commerce Board of Directors Jim Watkins.

Mr. Watkins stated that the Chamber of Commerce had been working on a "Retirement Initiative" for some time and had enlisted the services of Sally Alvis and Jane Ainsworth of Ainsworth and Alvis approximately six (6) months earlier. Mr. Watkins added that Ms. Ainsworth and Ms. Alvis had done some great work and that the Chamber wanted them to update the City Council on the progress in that effort. Mr. Watkins then introduced Frank Gagliardi, who was a member of the team, along with Jerry Huffman, who was the President/CEO of the Chamber and Melissa Wheeler, who was the Program and Operations Manager at the Chamber.

Sally Alvis then stated that the campaign began approximately eighteen (18) months earlier, but actually went back to the time when Lufkin and Angelina County were designated as a certified retirement community. Ms. Alvis added that it was essential that the Chamber do everything that could be done to begin attracting the millions of "Baby Boomers", who were looking at retiring. Ms. Alvis stated that this was a huge economic advantage that would bring "Baby Boomers" to the area. Ms. Alvis then explained that the group then came up with the saying "You'll Love Lufkin for Life", which built on the Chamber of Commerce's slogan, "You'll Love Lufkin", that went back to the 1970's. Ms. Alvis stated that to this day, when traveling, if you said to someone that you were from Lufkin, someone would probably respond by saying, "Oh, you'll love Lufkin". Ms. Alvis added that the Chamber took something that was familiar and that the community identified with, and added "For Life". Ms. Alvis explained that whenever a person moved to a new community as a retiree, that person usually wanted to think that they were moving to the place that they wanted to spend the rest of their life.

Ms. Alvis stated that the target for the first year was the "Golden Triangle" (southeast Texas). Ms. Alvis added that many of the people of the "Golden Triangle" were familiar with the Lufkin area. Ms. Alvis explained that the efforts were more affordable, people were familiar with the Texas Forest Country, and that discovery day trips were feasible.

Ms. Alvis stated that the area was broad in appeal. Ms. Alvis added that people related to other people and that people loved to tell their stories. Ms. Alvis stated that the "sub-line" for the tagline, "You'll Love Lufkin for Life" was "Where your story becomes part of our story". Ms. Alvis explained that whenever people moved to the Lufkin area they brought all of their life experiences with them. Ms. Alvis added that then their story became part of the fabric of the larger story of Lufkin and Angelina County.

Ms. Alvis then explained that one (1) of the ways that the campaign was put together was to make it personal. Ms. Alvis added that thirteen (13) to fifteen (15) couples were interviewed who had chosen Lufkin as their retirement home. Ms. Alvis stated that the stories were then put together as part of the media campaign.

Ms. Alvis stated that the "R" Team was then assembled. Ms. Alvis explained that this was an accountability group who were a brain trust, and were people who represented different aspects of the community. Ms. Alvis added that the "R" Team would advise, troubleshoot and brainstorm as the campaign moved forward. Ms. Alvis stated that the "R" Team met continuously over the course of the campaign to evaluate strategy, provide accountability and anticipate roadblocks. Ms. Alvis added that they had developed a logo and tag line, did a feature in the Lufkin Daily News insert, launched a website (www.retireinlufkin.com), entered into a contract to become a "Top Texas Town" on Texas Country Reporter and did a web campaign with KFDM.com.

Ms. Jane Ainsworth then came to the podium to give more details on the initiative. Ms. Ainsworth gave the Council some glimpses of what the www.retireinlufkin.com website was all about. Ms. Ainsworth also showed slides of the website that featured Lufkin and Angelina County, and encouraged everyone to visit it.

Ms. Ainsworth stated that the campaign partnered with the Lufkin Convention and Visitors Bureau (LCVB) to be a "Top Texas Town", because of its tie in with the "Golden Triangle". Ms. Ainsworth added that the campaign also entered into a contract during April, May and June 2011, with KFDM, who was the largest media presence in the "Golden Triangle". Ms.

Ainsworth then showed the banner ads that ran on the KFDM.com website and during the Texas Country Reporter TV Show. Ms. Ainsworth stated that this concluded the presentation on the "Retirement Initiative" and that she would answer any questions that the City Council had regarding it.

Mayor Gorden stated that the "Retirement Initiative" was a great looking program, and that the Council appreciated the work of Ainsworth and Alvis and the Chamber for taking the lead in promoting Lufkin as a retirement community. Mayor Gorden then asked for questions or comments from the Council. City Manager Paul Parker asked how the response to the website was going. Ms. Ainsworth stated that during the past six (6) months the website had one thousand seven hundred sixty (1,760) unique visitors.

5. **ALL MATTERS INCIDENT AND RELATED TO THE ISSUANCE AND SALE OF "CITY OF LUFKIN, TEXAS, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011", - APPROVED - INCLUDING THE ADOPTION OF AN ORDINANCE AUTHORIZING THE ISSUANCE OF SUCH BONDS, ESTABLISHING PARAMETERS FOR THE SALE AND ISSUANCE OF SUCH BONDS AND DELEGATING CERTAIN MATTERS TO AN AUTHORIZED OFFICIAL OF THE CITY**

Mayor Jack Gorden stated that the next item for consideration was all matters incident and related to the issuance and sale of "City of Lufkin, Texas, General Obligation Refunding Bonds, Series 2011", including the adoption of an ordinance authorizing the issuance of such bonds, establishing parameters for the sale and issuance of such bonds and delegating certain matters to an authorized official of the City.

City Manager Paul Parker stated that the Finance Committee met earlier that day, and that the Council had at their desks a revised number on the General Obligation Refunding Bonds. City Manager Parker stated that the City was not issuing new debt, but was taking the existing debt and refinancing it at a lower rate. City Manager Parker then turned the presentation over to Mike Byrd, with First Southwest Company.

Mr. Byrd stated that in the bond business new bonds would be sold and the proceeds were used to refund the money to the old bond holder. Mr. Byrd added that the City of Lufkin had really done well over the years. Mr. Byrd stated that the City now had an AA2 crediting rating from Moody's Investor Service and an AA- rating from Standard and Poor's. Mr. Byrd added that this boded well for the City in the future in anything that the City might do in the way of financing. Mr. Byrd stated that the City was almost at the top tier of the marketplace.

Mr. Byrd stated that the issues that were in question were that the City would retire maturities beginning with the principal maturing in August of 2013 through the final term of the bonds. Mr. Byrd added that the bonds would pay out in 2024. Mr. Byrd stated that in its place debt that matured might have a small maturity in 2012, but would also pay out in 2024. Mr. Byrd added that the savings would be uniform from year to year. Mr. Byrd then went over with the City Council the savings listed in the handout, and explained that it was a good refund. Mr. Byrd stated that the City of Lufkin was in a good position and were in a period of very low interest rates, and could call the bonds in on August 12. Mr. Byrd stated that he would answer any questions that the Council had regarding the item.

Mayor Gorden thanked Mr. Byrd for his presentation and stated that the Finance Committee had met earlier that afternoon. Mr. Byrd then recommended that the City Council take advantage of the savings. City Manager Parker stated that in the Parameter's Ordinance there was a change from what was done in the past. City Manager Parker explained that in the past the City had authorized Mr. Mike Byrd, as the City's Financial Advisor, to go to the market and receive bids for the refinancing of bonds to bring back to the Council. City Manager Parker explained that under the parameters method the City could authorize a representative of the City to go ahead and close without having to return to the City Council. City Manager Parker stated that the Ordinance before the Council designated the City Manager Paul Parker as the pricing agent for the City of Lufkin. City Manager Parker added that the Finance Committee also asked that Finance Director Belinda Southern be added as the alternate, in case the City Manager was unavailable. City Manager Parker explained that the motion would need to indicate that the City Manager or the Finance Director would act as

the City of Lufkin's Pricing Agent. City Manager Parker then added that the parameters that were set were that the aggregate principal amount of the bonds should not exceed ten million two hundred thousand dollars (\$10,200,000). City Manager Parker stated that the funding must have produced a net present value debt service savings of at least seven hundred seventy-five thousand dollars (\$775,000) of any contribution by the City. City Manager Parker added that the true interest cost for the Bonds should not exceed 2.90%, and the maximum maturity date for the Bonds should not exceed December 31, 2024. City Manager Parker explained that if all of those parameters were met, whenever the City received the best pricing, it would authorize the City Manager or the Finance Director to consummate the deal. City Manager Parker stated that the bonds would be bank qualified bonds, which meant that the City would get a lower interest rate. Mayor Gorden stated that this would be needed to be finalized by the end of the calendar year. Mr. Byrd stated that given the City's present projected outlook for issuing debt, the City of Lufkin would want to issue some amount of debt in the coming year for whatever projects were in the City's Capital Improvement Plan. Mr. Byrd added that if the issue was not closed in the current calendar year it would roll into the upcoming year, and the City would have its bank qualified benefit, but it would interfere with the City's plans to issue debt again next year. Mr. Byrd stated that he did not anticipate any market problems, and that the City would have no problems getting it priced and closed in the calendar year.

Mayor Gorden then asked for questions or comments from the Council. There were comments by the Council regarding the Ordinance.

Councilmember Don Langston moved to approve the Ordinance authorizing the issuance of "City of Lufkin, Texas, General Obligation Refunding Bonds, Series 2011"; levying a continuing direct annual ad valorem tax for the payment of said Bonds; and resolving other matters incident and related to the issuance, sale, payment, and delivery of said Bonds; establishing procedures for the sale and delivery of the Bonds; and delegating matters relating to the sale and issuance of the Bonds to an authorized City official, and amending the Ordinance to add the City of Lufkin Finance Director Belinda Southern as the Alternate Pricing Agent. Councilmember Lynn Torres seconded the motion. A unanimous affirmative vote was recorded.

6. RENEWAL OF THE AGREEMENT - APPROVED - BY AND BETWEEN THE CITY OF LUFKIN, TEXAS, AND VALLEY VIEW CONSULTING, L.L.C.

Mayor Jack Gorden stated that the next item for consideration was the renewal of the Agreement by and between the City of Lufkin, Texas, and Valley View Consulting, L.L.C.

City Manager Paul Parker stated that the City Council was aware that Dick Long, representing Valley View Consulting, had been the City of Lufkin's Financial Advisor on the City's investments for the last several years. City Manager Parker added that Staff was recommending that the City Council renew Mr. Long's contract again. City Manager Parker stated that Mr. Long's fees stayed the same and were .08% of the Investment Portfolio. City Manager Parker stated that the total fees that were paid to Mr. Long's company in the previous year were thirty-six thousand four hundred twelve dollars and ninety-eight cents (\$36,412.98), and that the City's portfolio remained in that same general area. City Manager Parker stated that Staff recommended that the City Council renew the contract with Valley View Consulting. City Manager Parker stated that before a motion was made the Finance Committee had asked Councilmember Don Langston to give an update on the City of Lufkin's Financials.

Councilmember Don Langston stated that the Finance Committee met earlier that day with Mr. Dick Long. Councilmember Langston added that Mr. Long came to Lufkin on a quarterly basis to give an update. Councilmember Langston stated that the earnings, "year to date", was about ninety (90) basis points, but that in the overall scheme of things everyone agreed that the City was probably running about forty (40) basis points above other average city portfolios. Councilmember Langston added that there had been some good decisions made. Councilmember Langston stated that the Finance Committee also discussed the 2011 year to date interest earnings, which was about five percent (5%) above budget. Councilmember Langston added that the Finance Committee approved a broker/dealer grouping of approved broker/dealers and training sessions. Councilmember Langston stated that at the next Council Meeting would be a recommendation to the City Council for the

Revised Investment Policy, to bring the current policy into compliance with dictations from the last Legislative Session. Councilmember Langston stated that this was a synopsis of the discussion, and that the Finance Committee went over the agreement with Valley View Consulting. Councilmember Don Langston recommended that the City Council approve the agreement between the City and Valley View Consulting.

Councilmember Don Langston then moved to approve the renewal of the Agreement by and between the City of Lufkin, Texas, and Valley View Consulting, L.L.C. Councilmember Robert Shankle seconded the motion. A unanimous affirmative vote was recorded.

7. **MEET AND CONFER AGREEMENT – APPROVED - BETWEEN THE CITY OF LUFKIN AND THE LUFKIN POLICE ASSOCIATION**

Mayor Jack Gorden stated that the next item for consideration was the Meet and Confer Agreement between the City of Lufkin and the Lufkin Police Association.

City Manager Paul Parker stated that on November of 2008, the Lufkin Police Association came to the City Council and requested a “Meet and Confer” Resolution that basically allowed a formal relationship between the City Administration and the Lufkin Police Association. City Manager Parker added that the Lufkin Police Association would then be the sole bargaining unit for the Lufkin Police Department. City Manager Parker stated that the Administration had an excellent working relationship with the Lufkin Police Association and had recently held their annual “Meet and Confer” Meeting, and that there was very little conversation in the meeting other than to say that the Lufkin Police Association was pleased with the operations of the Police Department, the City Management and the City Council. City Manager Parker added that the Lufkin Police Association had no additional requests at the current time. City Manager Parker stated that the Administration and the Lufkin Police Association discussed possible future amendments to “certification pay”, as revenues possibly advanced over the upcoming years. City Manager Parker stated that the “Meet and Confer” Agreement before the City Council was basically the same as the previous year and recognized all of the relationships that were presently being enjoyed between the Police Department, the Lufkin Police Association and the City of Lufkin and recommended that the City Council approve the agreement.

Mayor Gorden asked for questions or comments from the Council. There were none.

Councilmember Rufus Duncan moved to approve the Meet and Confer Agreement between the City of Lufkin and the Lufkin Police Association. Councilmember Lynn Torres seconded the motion. A unanimous affirmative vote was recorded.

8. **PURCHASE OF ONE (1) FRAZER TYPE I AMBULANCE – APPROVED - THROUGH THE TEXAS LOCAL GOVERNMENT PURCHASING COOPERATIVE (HGAC) IN THE AMOUNT OF ONE HUNDRED TWENTY-NINE THOUSAND SEVEN HUNDRED DOLLARS (\$129,700)**

Mayor Jack Gorden stated that the next item for consideration was the purchase of one (1) Frazer Type I Ambulance through the Texas Local Government Purchasing Cooperative (HGAC) in the amount of one hundred twenty-nine thousand seven hundred dollars (\$129,700).

City Manager Paul Parker stated that included in the current Amortization and Vehicle Replacement Fund was the replacement of one (1) ambulance. City Manager Parker added that the City had five (5) front line ambulances and two (2) units in reserve that served Lufkin and Angelina County. City Manager Parker stated that the proposed vehicle being recommended to the City Council for purchase was a Chevy C3500 6.6L diesel chassis with a Frazier Type I ambulance to be mounted on the chassis. City Manager Parker explained that Staff was requesting that the Council authorize the purchase of a Chevy C3500 6.6L diesel chassis with a Frazier Type I ambulance for a total amount of one hundred twenty-nine thousand seven hundred dollars (\$129,700).

Mayor Gorden asked for questions or comments from the Council. There was none.

Councilmember Lynn Torres moved to approve the purchase of one (1) Frazer Type I Ambulance through the Texas Local Government Purchasing Cooperative (HGAC) in the amount of one hundred twenty-nine thousand seven hundred dollars (\$129,700). Councilmember Robert Shankle seconded the motion. A unanimous affirmative vote was recorded.

9. AWARD OF BID FOR THE HIGHWAY 59 NORTH UTILITY RELOCATION PROJECT TO TERRY BLACK CONSTRUCTION - APPROVED - IN THE AMOUNT OF EIGHT HUNDRED FORTY-ONE THOUSAND EIGHT HUNDRED ONE DOLLARS AND SEVENTY-TWO CENTS (\$841,801.72)

Mayor Jack Gorden stated that the next item for consideration was the award OF bid for the Highway 59 North Utility Relocation Project to Terry Black Construction in the amount of eight hundred forty-one thousand eight hundred one dollars and seventy-two cents (\$841,801.72).

City Manager Paul Parker stated that recently the Texas Department of Transportation (TxDOT) informed the City that in the summer of 2012 they anticipated the start of improvements to US Highway 59 North. City Manager Parker added that TxDOT was building a "fly over", similar to what they built on US Highway 59 South. City Manager Parker stated that a requirement of any project that TxDOT did was the relocation of water and sewer lines in the TxDOT right-of-way. City Manager Parker added that this relocation was at the cost of the City of Lufkin. City Manager Parker stated that in this particular case the City of Lufkin had a lot of the water and sewer in private easements. City Manager Parker explained that TxDOT had to pay the City of Lufkin to relocate the water and sewer in private easements. City Manager Parker stated that the City of Lufkin and TxDOT would share in funding the project. City Manager Parker explained that the City of Lufkin initially approved the full amount for the project and would then be reimbursed by TxDOT. City Manager Parker added that the City of Lufkin would pay seventy-seven percent (77%) and TxDOT would pay twenty-three percent (23%) for the relocation of water lines, and the City of Lufkin would pay eighteen percent (18%) and TxDOT would pay eighty-two percent (82%) of the cost for sewer line relocation. City Manager Parker stated that the project was identified in the handout before the City Council. City Manager Parker added that there were five (5) bidders for the project, with the lowest bidder being Terry Black Construction with a base bid in the amount of eight hundred thirty-two thousand six hundred thirty-two dollars (\$832,632). City Manager Parker stated that Staff was recommending that the City Council award the base bid, along with alternate No. 1 and No. 2, for a total cost of eight hundred seventy-one thousand seventy dollars and seventy-two cents (\$871,070.72). City Manager Parker added that also there was a refund coming back to the City in the amount of twenty-nine thousand two hundred sixty-nine dollars (\$29,269) for the butterfly valves, if the bid was awarded. City Manager Parker stated that therefore, the total bid amount including bid alternate No. 1 and No. 2, less deductions, was eight hundred forty-one thousand eight hundred one dollars and seventy-two cents (\$841,801.72). City Manager Parker added that the City of Lufkin's portion of the total bid amount would be five hundred thirty thousand three hundred thirty-five dollars and eight cents (\$530,335.08), and that TxDOT would provide the balance of the funding in the amount of three hundred eleven thousand four hundred sixty-six dollars and sixty-four cents (\$311,466.64).

Mayor Gorden asked for questions or comments from the Council. There was some discussion among the Mayor, City Council, City Manager and Staff regarding the full cost of the project.

Councilmember Don Langston moved to award the bid for the Highway 59 North Utility Relocation Project to Terry Black Construction in the amount of eight hundred forty-one thousand eight hundred one dollars and seventy-two cents (\$841,801.72). 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 stated that there would not be a Financial Report, due to the City concluding its fiscal year in September and beginning the new fiscal year in October.

City Manager Parker stated that regarding the Project Status Report there was two (2) or three (3) projects to highlight to the City Council and then he would answer any questions. City Manager Parker stated that Staff was preparing to lay asphalt on Fuller Springs Drive during the current week and were very close to laying asphalt on Moffett. City Manager Parker stated that the Civic Center Project was currently under full contract, and that the old parking lot was no longer there. City Manager Parker added that the new parking lot was completed, but that people were creatures of habit and were having trouble locating the new parking lot. City Manager Parker stated that there was actually more parking than before, but that it would just take the citizens a little while to get used to the new location. City Manager Parker stated that the City Staff would work through the inconveniences, along with the Museum of East Texas, but that the results would be great once the project was completed. City Manager Parker stated that Staff was getting close to bringing the Central Fire Station Project to the City Council.

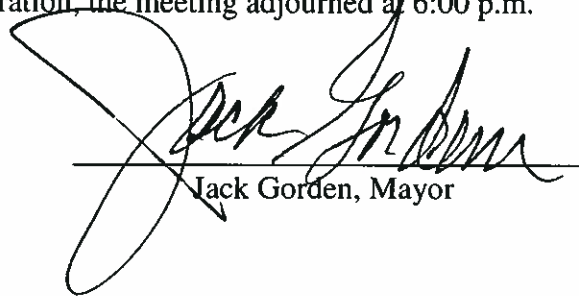
11. Mayor Jack Gorden stated that there was no need for an Executive Session that evening.

12. **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**

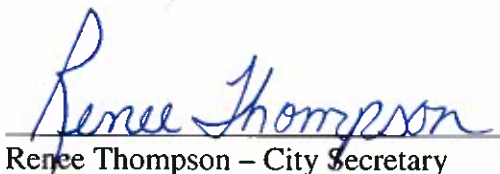
Mayor Gorden stated that the next item for consideration was the discussion of items of community interest, including expressions of thanks, congratulations or condolence; information regarding holiday schedules; honorary recognitions of City officials, employees or other citizens; reminders about upcoming 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 Thursday, October 20, 2011, there would be a Lufkin Convention and Visitors Bureau Meeting at 3:00 p.m. at the Chamber of Commerce. City Manager Parker added that also that day, the Power of Pink Luncheon was to be held at the Lufkin Pitser Garrison Civic Center. City Manager Parker stated that "Entertainment in the Park" was being held every Friday in October at 12:00 Noon, and that there was great entertainment, as well as lunch being provided. City Manager Parker stated that the Planning and Zoning Commission would meet on Monday, October 24, 2011, at 5:00 p.m. at the Lufkin City Hall, Room 102. City Manager Parker added that on Monday, October 31, 2011, the Main Street Department would be hosting the Downtown Trick-or-Treating at 3:00 p.m. Councilmember Robert Shankle stated that everyone had a great time at the Heritage Festival that was held on October 15, 2011, from 10:00 a.m. through 4:00 p.m. at the Lufkin Pitser Garrison Civic Center. Councilmember Shankle added that anyone missing the event missed a great time, and that the attendance was the largest that the event had ever had.

13. There being no further business for consideration, the meeting adjourned at 6:00 p.m.



Jack Gorden, Mayor



Renee Thompson - City Secretary