

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

On the 18th day of January, 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.
Victor Travis
Robert Shankle
Lynn Torres
Rufus Duncan
Phil Medford
Paul L. Parker
Keith Wright
Bruce Green
Kara Atwood
Rodney Ivy
Gerald Williamson
Danny Kistner
Doug Wood
Trent Cantrell
Steve Floyd
Steve Poskey
Ronnie Hutchison
Barbara Thompson
Jim Wehmeier
Dale Allred
Belinda Southern
Robbin Crawford

Mayor
Councilmember, Ward No. 1
Councilmember, Ward No. 2
Councilmember, Ward No. 3
Councilmember, Ward No. 5
Councilmember, Ward No. 6
City Manager
Deputy City Manager
City Attorney
Administrative Assistant
Human Resource Director
Asst. Police Chief
Fire Chief
Finance Director
Planning Department
Public Works Director
Street Department, Superintendent
Street Department
Main Street Director
Economic Development Director
Inspection Services Director
Finance Manager
Senior Accountant

being present, and

Don Langston
Renee Thompson

Mayor Pro-Tem
City Secretary

being absent when the following business was transacted.

1. The meeting was opened with prayer by Pastor Andy Salagaj, Lufkin First Assembly of God.
2. Mayor Jack Gorden welcomed visitors present which included several Boy Scouts from Troop 134 and their Troop Leader Rayburn Hance. Troop Leader Hance introduced those Scouts in attendance and stated that as part of the requirements for the Boy Scouts to receive a merit badge, they must attend a City Council meeting. Mayor Gorden thanked Troop Leader Hance for his work with the Boy Scouts.
3. **APPROVAL OF MINUTES**

Minutes of the Regular Meeting of January 4th, 2011 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 ANNEXING THE HEREINAFTER DESCRIBED TERRITORY TO THE CITY OF LUFKIN, TEXAS, - APPROVED - AND EXTENDING THE BOUNDARIES OF SAID CITY SO AS TO INCLUDE SAID HEREINAFTER DESCRIBED PROPERTY WITHIN THE CITY LIMITS, AND GRANTING TO SAID TERRITORY AND TO ALL FUTURE INHABITANTS OF SAID PROPERTY ALL OF THE RIGHTS AND PRIVILEGES OF OTHER**

CITIZENS AND BINDING SAID FUTURE INHABITANTS BY ALL OF THE ACTS AND ORDINANCES OF THE SAID CITY

Mayor Jack Gorden stated that the next item for consideration was the Second Reading of an Ordinance annexing the hereinafter described territory to the City of Lufkin, Texas, and extending the boundaries of said City so as to include said hereinafter described property within the city limits, and granting to said territory and to all future inhabitants of said property all of the rights and privileges of other citizens and binding said future inhabitants by all of the acts and Ordinances of the said City.

City Manager Paul Parker stated that this was the fifth (5th) time this annexation had been before the Council. City Manager Parker added that the one (1.0) acre tract was located one thousand four hundred (1,400) feet south of U. S. Highway 69 South, and that the owner was requesting municipal services. City Manager Parker explained that the plan was to divide the property into three (3) "single family" lots.

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

Councilmember Rufus Duncan moved to approve the Second Reading of the Ordinance annexing the hereinafter described territory to the City of Lufkin, Texas, and extending the boundaries of said City so as to include said hereinafter described property within the city limits, and granting to said territory and to all future inhabitants of said property all of the rights and privileges of other citizens and binding said future inhabitants by all of the acts and Ordinances of the said City. Councilmember Lynn Torres seconded the motion. A unanimous affirmative vote was recorded.

NEW BUSINESS:

5. PRESENTATION BY DAVID COLLIER OF ONCOR REGARDING THE PROPOSED ONCOR RATE INCREASE.

Mayor Jack Gorden stated that the next item on the agenda was a presentation from David Collier of ONCOR regarding the proposed ONCOR rate increase. Mayor Gorden welcomed Mr. David Collier.

Mr. David Collier thanked Mayor and Council and stated that that ONCOR had filed with the Public Utilities Commission on January 7th in all of ONCOR's jurisdictional cities for a rate increase of approximately three hundred fifty million dollars (\$350,000,000). Mr. Collier stated a number of items affected the rate case, which included storm related costs, additions to distribution and transmission lines, pension, healthcare and tax costs. Mr. Collier continued that if approved, the rate case would increase the residential kilowatt hour charge by .4 %, or about a five dollar (\$5.00) increase to the average residential electrical bill. Mr. Collier furthered that most cities, including Lufkin, did not have the time or staff to review the large amount of testimony that would be heard in a rate case of such magnitude and that most cities relied on the Public Utilities Commission (PUC) for a case of this size. Mr. Collier then stated, that in the past, the City of Lufkin had joined in with other cities to intervene in rate cases at the Public Utilities Commission. Mr. Collier furthered that he was not requesting the City take any action, just wished to explain the City's future options and that when this case was heard by the Public Utilities Commissions, it would be heard for all cities who have given up original jurisdiction and rural customers. Mr. Collier continued that once the Commission issued a final order, which could take a long time, the rate would be implemented for those areas. Mr. Collier stated that ONCOR would then appeal to the Public Utilities Commission and request that the rate be implemented for all the cities that retained original jurisdiction. Mr. Collier continued that ONCOR asked that cities request that the rate case be denied, in order for the case to be heard by Public Utilities Commission. Mr. Collier stated that he was aware that Council had not planned to take any action during the meeting, and that the City had the option of granting the increase, denying the increase or suspending the increase for ninety (90) days to allow for review of the rate case. Mr. Collier concluded that he would answer any questions that Council had.

Mayor Gorden asked for questions or comments from the Council. There were none. Mayor Gorden thanked Mr. Collier for his time.

City Manager Paul Parker stated, that in the past, the City had suspended rate cases and joined a coalition of cities that had the resources to review and challenge the document. City Manager Parker continued that Staff would most likely place an item on the next Council agenda for a suspension request.

6. **CONDUCT A PUBLIC HEARING REGARDING A VOLUNTARY ANNEXATION OF LAND APPROXIMATELY THREE HUNDRED THIRTY (330) FEET NORTHEAST OF THE INTERSECTION OF ATKINSON DRIVE/STATE HIGHWAY 103 AND MCHALE STREET/FM 842, CONSISTING OF 9.27 ACRES, AND BEING LOT 2 OF THE BUSINESS PARK EAST SUBDIVISION**

Mayor Jack Gorden stated that the next item for consideration was a Public Hearing regarding the voluntary annexation of land approximately three hundred thirty (330) feet northeast of the intersection of Atkinson Drive/State Highway 103 and McHale Street/FM 842, consisting of 9.27 acres, and being Lot 2 of the Business Park East Subdivision.

City Manager Paul Parker stated that the property being proposed for annexation was the property that was purchased through the 4B Corporation and this was the second required Public Hearing. City Manager Parker explained that the initial portion of the land that was not in the City was annexed after the City purchased the Industrial Park. City Manager Parker stated that an additional 9.27 acres was purchased at a later date and was outside of the City limits, and that Staff was requesting to annex that property so that it would conform to the rest of the Industrial Park.

Mayor Gorden opened the Public Hearing at 5:23 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 5:24 p.m.

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

7. **ESTABLISHMENT OF A FORFEITED FUNDS BUDGET – APPROVED - FOR FISCAL YEAR 2010-2011 FOR THE POLICE DEPARTMENT**

Mayor Jack Gorden stated that the next item for consideration was to establish a Forfeited Funds Budget for Fiscal Year 2010/2011 for the Police Department.

City Manager Paul Parker stated that each fiscal year the Police Chief presented an annual budget for the use of forfeited funds that had been awarded through the court system in relation to drug related crime. City Manager Parker continued that Chief Scott Marcotte recommended a budget that included fifteen thousand dollars (\$15,000) for computer software updates, forty thousand dollars (\$40,000) for computer programming for the software updates, fifteen thousand dollars (\$15,000) to pay off seized vehicles, twenty-five thousand dollars (\$25,000) for equipment and fifteen thousand dollars (\$15,000) for training, education and community service. City Manager Parker stated that generally the Police Chief had not identified any special projects for this funding, but the budget would allow the Chief to move funds into these categories. City Manager Parker stated that it was expected that all funding designated for the computer software updates and programming would all be expended due to required changes in the Police Department computer software. City Manager Parker stated that the budget required Council approval and that Staff recommended approval of the proposed Forfeiture Fund budget as outlined by Chief Marcotte.

Mayor Gorden asked for questions or comments from the Council. Councilmember Victor Travis questioned if the funding delineated for paying of seized vehicles was for paying the liens associated with the seized vehicles. City Manager Parker stated that it was. City Manager Parker furthered that there was no way to know what the court might award the City during the year; however, if a seized vehicle was awarded, and did have a lien, the funding would pay off the lien so that a clear title could be obtained. City Manager Parker stated that once that the vehicle had a clear title; the vehicle would be sold through the City's auction process.

Councilmember Lynn Torres moved to approve the establishment of the Forfeited Funds Budget for Fiscal Year 2010/2011 for the Police Department. Councilmember Victor Travis seconded the motion. A unanimous vote was recorded.

8. **APPROVAL OF THE FISCAL YEAR 2010/2011 STREET RECONSTRUCTION LIST – APPROVED.**

Mayor Jack Gorden stated that the next item for consideration was to approve the 2010/2011 Street Reconstruction List.

City Manager Paul Parker stated that annually Council appropriated funding during the budget process for the Street Overlay Program. City Manager Parker furthered that each year the Street and Engineering Departments rated the streets in the City and that out of the report, the streets that were in need of repair and also had water and sewer lines in good condition, were recommended for repair. City Manager Parker stated that Street Department Superintendent Steve Poskey agreed the total cost to repair all of the streets in need would be in excess of ten million dollars (\$10,000,000), and that the list was a small fraction of the streets in need of repair. City Manager Parker continued that the City would also complete approximately three hundred thousand dollars (\$300,000) of street overlay projects associated with scheduled water and sewer line repairs. City Manager Parker stated that the total of overlay projects to be completed was approximately nine hundred thousand dollars (\$900,000), not including the streets to be repaired in the 2010 Capital Improvement Program. City Manager Parker furthered that Fuller Springs Drive, Sayers Street and Moffett Road would be included in the 2010 Capital Improvement Program. City Manager Parker stated that the Street Department always had a full budget, but each year Staff recommended to Council a number of streets to be repaired, and that Staff had earmarked two (2) streets that could be completed at a later date, if the price of asphalt continued to increase. City Manager Parker stated these were Judson Street, between Lowery and Duncan, in Ward 2; and Denver Street, between Madison and Ford Chapel Road, in Ward 3. City Manager Parker explained that Council had the list of streets and their cost, and that the budget was set, based on material costs only, not labor and equipment costs, and the six hundred thousand dollar (\$600,000) budget was for material only. City Manager Parker stated that Staff would answer any questions Council had and that Staff recommended approval.

Mayor Gorden asked for questions or comments from the Council.

Councilmember Robert Shankle moved to approve the 2010/2011 Street Reconstruction List. Councilmember Phil Medford seconded the motion. A unanimous affirmative vote was recorded.

9. **RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2010/2011 OPERATING BUDGET (BUDGET AMENDMENT NO. 14), - APPROVED - PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE EQUIPMENT ACQUISITION AND REPLACEMENT FUND; 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. 14), providing for the supplemental appropriation of funds in the Equipment Acquisition and Replacement Fund; and providing an effective date.

City Manager Paul Parker stated that in the current fiscal year, which began on October 1st, funding was budgeted for the purchase of two (2) ambulance remounts, but due to the lengthy lead time, the remounts were ordered prior to this fiscal year. City Manager Parker continued that this required the funding to be moved into last fiscal year's budget, to allow for the units to be ordered. City Manager Parker furthered that since the money was not expended last year; this amendment simply moved the funding back into the current fiscal year budget.

Mayor Gorden asked for questions or comments from the Council.

Councilmember Lynn Torres moved to approve a Resolution authorizing an Amendment to the 2010/2011 Operating Budget (Budget Amendment No. 14), providing for the

supplemental appropriation of funds in the Equipment Acquisition and Replacement Fund; and providing an effective date. Councilmember Victor Travis seconded the motion. A unanimous affirmative vote was recorded.

10. RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2010/2011 OPERATING BUDGET (BUDGET AMENDMENT NO. 15), - APPROVED - PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE WATER AND WASTEWATER DEPRECIATION FUND; 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. 15), providing for the supplemental appropriation of funds in the Water and Wastewater Depreciation Fund; and providing an effective date.

City Manager Paul Parker stated that the next several agenda items were related in nature. City Manager Parker continued that as Council was aware, Finance Director Doug Wood would retire on February 4th, 2011 to continue his career with another city. City Manager Parker stated that Mr. Wood would be missed; however, prior to his leaving, Staff wished to utilize his expertise to clear up some of the funds in the City's budget. City Manager Parker furthered that this was also done in anticipation of the funding to be required for the Highway 59 North Utility Relocation Project that was estimated to cost one million five hundred thousand dollars (\$1,500,000). City Manager Parker stated that these were the reasons for the five (5) Budget Amendments on the agenda. City Manager Parker stated that this Budget Amendment closed projects in Fund 380, which included the MLK & Raguet Sewer Line Project that had a balance of twenty-one thousand dollars (\$21,000), which would be returned to the Fund Balance, and the Sam Rayburn Implementation Step One (1) Project, that returned eleven thousand four hundred sixty-one dollars (\$11,461) to the Fund Balance. City Manager Parker continued that the SMC Dialog Booster Pump Project was eliminated and returned fifteen thousand five hundred dollars (\$15,500) to the fund balance. City Manager Parker stated that the Budget Amendment included the Abitibi Well Field Electrical Improvements Project in Angelina County, that was originally funded through an Environmental Protection Agency Grant in the amount of four hundred thirty-seven thousand dollars (\$437,000). City Manager Parker continued that due to environmental requirements, this was not feasible so the project was funded through Water/Sewer revenue and was ready to be closed. City Manager Parker furthered that the project required an additional twenty thousand three hundred sixty-five dollars (\$20,365) to close out, which decreased the fund balance. City Manager Parker then stated that the Amendment included the Electrical Upgrade at Water Plant No. 1 Project, which also had a cost overrun and required an additional twenty thousand three hundred forty-one dollars (\$20,341) to close out. City Manager Parker furthered that the Painting of Clarifiers No. one (1), two (2) and three (3) Project was completed, and that the close of this project returned twelve thousand three hundred forty-seven dollars (\$12,347) to the fund balance. City Manager Parker added that the Amendment requested that funds from the Environmental Protection Agency Grant in the amount of four hundred thirty-seven thousand dollars (\$437,000) be delineated for the rehabilitation of the two (2), two million (2,000,000) gallon storage tanks at Abitibi and related water line installations to allow water to be pumped from the location. City Manager Parker then stated the final portion of the Amendment funded an additional two hundred thousand dollars (\$200,000) for the Abitibi Well Field Electrical Improvement project in Nacogdoches County.

Mayor Gorden asked for questions or comments from the Council. Councilmember Phil Medford asked for clarification on the cost overrun on the Abitibi Well Field Electrical Improvement and Water Plant Project in Angelina County. City Manager Parker explained that the increase was partially due to an unforeseen increase in ONCOR permit fees. Deputy City Manager Keith Wright added that the addition of a transformer to run both power grids was also a part of the overrun. Mayor Gorden asked if this project finalized the electrical improvements at Abitibi. Deputy City Manager Wright stated that the project completed the electrical improvements in Angelina County, but those electrical lines in Nacogdoches County had not been completed. City Manager Parker stated that Staff was working with the co-op in that area, and that there were other entities that would share the cost.

Councilmember Phil Medford moved to approve a Resolution authorizing an Amendment to the 2010/2011 Operating Budget (Budget Amendment No. 15), providing for the supplemental appropriation of funds in the Water and Wastewater Depreciation Fund; and providing an effective date. Councilmember Lynn Torres seconded the motion. A unanimous affirmative vote was recorded.

11. RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2010/2011 OPERATING BUDGET (BUDGET AMENDMENT NO. 16), - APPROVED - PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE WATER AND WASTEWATER FUND; 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. 16), providing for the supplemental appropriation of funds in the Water and Wastewater Fund; and providing an effective date.

City Manager Paul Parker stated that as Council recalled, when the City purchased the Abitibi water rights, the purchase included the right to draw water with the classification of industrial usage from the Angelina River. City Manager Parker continued that the City was now ready to apply to the Texas Commission on Environmental Quality (TCEQ) to have the use of those water rights changed from industrial use to municipal use. City Manager Parker stated that the advantage of this change would be that during drought conditions, industrial use would be cut off prior to municipal use. City Manager Parker stated the change of use designation would be beneficial to the City during a drought situation. City Manager Parker continued that the City would continue to use Ron Freeman as the legal counsel for this application and the anticipated cost for this would be twelve thousand dollars (\$12,000). City Manager Parker furthered that previous agreements with other entities included a stipulation that no applications from the City of Lufkin for change to the rights to TCEQ could be protested, so this application should not be a difficult matter.

Mayor Gorden asked for questions or comments from the Council.

Councilmember Lynn Torres moved to approve a Resolution authorizing an Amendment to the 2010/2011 Operating Budget (Budget Amendment No. 16), providing for the supplemental appropriation of funds in the Water and Wastewater Fund; and providing an effective date. Councilmember Robert Shankle seconded the motion. A unanimous affirmative vote was recorded.

12. RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2010/2011 OPERATING BUDGET (BUDGET AMENDMENT NO. 17), - APPROVED - PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE GENERAL FUND CONSTRUCTION FUND; 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. 17), providing for the supplemental appropriation of funds in the General Fund Construction Fund; and providing an effective date.

City Manager Paul Parker stated that the initial estimate for the Denman Avenue Street Reconstruction project was much higher than the actual project cost, due to Staff using alternate methods. City Manager Parker stated that the project was completed and once closed, would return two hundred ninety-five thousand five hundred fifteen dollars (\$295,515) to the General Fund Construction Fund balance. City Manager Parker explained that the Budget Amendment simply closed the project and returned the funding to the Fund Balance to be reallocated to future projects.

Mayor Gorden asked for questions or comments from the Council.

Councilmember Rufus Duncan move to approve a Resolution authorizing an Amendment to the 2010/2011 Operating Budget (Budget Amendment No. 17), providing for the supplemental appropriation of funds in the General Fund Construction Fund; and providing

an effective date. Councilmember Robert Shankle seconded the motion. A unanimous vote was recorded.

13. RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2010/2011 OPERATING BUDGET (BUDGET AMENDMENT NO. 18), - APPROVED - PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE 1999 CIP BOND PROGRAM AND 2010 CIP BOND PROGRAM FUNDS; AND PROVIDING AN EFFECTIVE DATE.

Mayor Gorden stated that the next item for consideration was a Resolution authorizing an Amendment to the 2010/2011 Operating Budget (Budget Amendment No. 18), providing for the supplemental appropriation of funds in the 1999 CIP Bond Program and 2010 CIP Bond Program Funds; and providing an effective date.

City Manager Paul Parker stated the Budget Amendment simply moved the remaining funding in the amount of sixty thousand two hundred seventy-seven dollars (\$60,277) from the completed 1999 CIP Bond Program to the 2010 CIP Bond Program to be expended on similar type projects.

Mayor Gorden asked for questions or comments from the Council.

Councilmember Lynn Torres moved to approve a Resolution authorizing an Amendment to the 2010/2011 Operating Budget (Budget Amendment No. 18), providing for the supplemental appropriation of funds in the 1999 CIP Bond Program and 2010 CIP Bond Program Funds; and providing an effective date. Councilmember Phil Medford seconded the motion. A unanimous vote was recorded.

14. RESOLUTION ESTABLISHING RULES AND REGULATIONS REGARDING THE USE OF EXCESSIVE FORCE DURING NONVIOLENT CIVIL RIGHTS DEMONSTRATIONS, - APPROVED - INCLUDING PHYSICALLY BARRING ENTRANCE TO A FACILITY OR LOCATION WHICH IS THE SUBJECT OF SUCH DEMONSTRATIONS; AND PROVIDING PENALTIES FOR VIOLATIONS THEREOF IN CONJUNCTION WITH THE 2008 TEXAS COMMUNITY DEVELOPMENT PROGRAM.

Mayor Gorden stated that the next item for consideration was a Resolution establishing rules and regulations regarding the use of excessive force during nonviolent civil rights demonstrations, including physically barring entrance to a facility or location which is the subject of such demonstrations; and providing penalties for violations thereof in conjunction with the 2008 Texas Community Development Program.

City Manager Paul Parker stated the Resolution was a requirement to close out the 2008 Texas Community Development Program Grant and that this mirrored current City policy regarding non-violent demonstrations.

Mayor Gorden introduced Mr. Ray Vann to explain the Resolution. Mr. Vann stated that this particular Resolution would also be used for future grants through the Texas Community Development Program, including the Texas Capital Fund Grant currently in progress.

Mayor Gorden thanked Mr. Vann and asked for comments or questions from the Council.

Councilmember Rufus Duncan moved to approve a Resolution establishing rules and regulations regarding the use of excessive force during nonviolent civil rights demonstrations, including physically barring entrance to a facility or location which is the subject of such demonstrations; and providing penalties for violations thereof in conjunction with the 2008 Texas Community Development Program. Councilmember Lynn Torres seconded the motion. A unanimous vote was recorded.

15. PROPOSAL FOR GRANT ADMINISTRATIVE SERVICES FROM RAYMOND K. VANN AND ASSOCIATES - APPROVED - FOR THE 2010 TEXAS DEPARTMENT OF AGRICULTURE TEXAS CAPITAL FUND GRANT PROGRAM PROJECT IN THE AMOUNT OF TWENTY THOUSAND DOLLARS (\$20,000).

Mayor Gorden stated that the next item for consideration was the approval of a proposal for grant administrative services from Raymond K. Vann and Associates for the 2010 Texas Department of Agriculture Texas Capital Fund Grant Program project in the amount of twenty thousand dollars (\$20,000).

City Manager Paul Parker stated that this would simply approve the use of Raymond K. Vann & Associates for administration of the 2010 Texas Department of Agriculture Texas Capital Fund Grant Program Project in the amount of twenty thousand dollars (\$20,000). City Manager Parker continued that the funding was delineated in the budget of this grant for administrative services in the amount of thirty-three thousand six hundred dollars (\$33,600); however, Mr. Vann's fee would only be twenty thousand dollars (\$20,000). City Manager Parker also stated that the grant was for seven hundred fifty thousand dollars (\$750,000) and that no match was required. Mayor Gorden asked if this was the first time the City had received the grant. City Manager Parker answered that it was the first time the City received this particular grant.

Mayor Gorden then asked for comments or questions from the Council.

Councilmember Phil Medford moved to approve a proposal for grant administrative services from Raymond K. Vann and Associates for the 2010 Texas Department of Agriculture Texas Capital Fund Grant Program project in the amount of twenty thousand dollars (\$20,000). Councilmember Robert Shankle seconded the motion. A unanimous vote was recorded.

16. APPOINTMENT OF COUNCILMEMBER ROBERT SHANKLE – APPROVED - TO THE DEEP EAST TEXAS COUNCIL OF GOVERNMENT (DETCOG) BOARD

Mayor Gorden stated that the next item for consideration was the appointment of Councilmember Robert Shankle to the Deep East Texas Council of Government (DETCOG) Board.

Mayor Gorden then asked for comments or questions from the Council.

Councilmember Phil Medford moved to approve the appointment of Councilmember Robert Shankle to the Deep East Texas Council of Government (DETCOG) Board. Councilmember Rufus Duncan seconded the motion. A unanimous vote was recorded.

17. CITY MANAGER'S REPORT

Mayor Gorden stated that the next item on the Agenda was the City Manager's Report.

City Manager Paul Parker stated that it was still early in the financial year and the City's finances were in good shape. City Manager Parker continued that sales tax revenue had also increased. City Manager Parker furthered that there were no items of interest or significance on the report and he would keep his report brief, unless Council had specific questions. City Manager Parker then stated that Mr. Doug Wood would be retiring in February and asked that Council thank him for his service to the City for the last eleven (11) years. City Manager Parker added that Mr. Wood was leaving the City for another job opportunity and that Staff wished him well.

18. Mayor Jack Gorden recessed the Regular Session at 5:53 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 6:58 p.m.

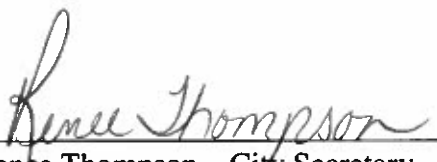
19. DISCUSSION OF ITEMS OF COMMUNITY INTEREST, INCLUDING EXPRESSIONS OF THANKS, CONGRATULATIONS OR CONDOLENCE; INFORMATION REGARDING HOLIDAY SCHEDULES; HONORARY RECOGNITIONS OF CITY OFFICIALS, EMPLOYEES OR OTHER CITIZENS; REMINDERS ABOUT UPCOMING EVENTS SPONSORED BY THE CITY OR OTHER ENTITY THAT IS SCHEDULED 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 Paul Parker stated that the Council had the calendars before them and that there were several upcoming events listed including the Regional TML meeting to be held in Port Arthur in February.

Councilmember Victor Travis commented that the Humanitarian Appreciation Dinner for George Harris had been cancelled and would be rescheduled for the month of April, and would be hosted by the Concerned Black Men.

20. There being no further business for consideration, the meeting adjourned at 7:02 p.m.



Renee Thompson – City Secretary



Jack Gorden, Mayor