

**MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY
OF LUFKIN, TEXAS HELD ON THE 6TH DAY OF JANUARY, 2009**

On the 6th day of January, 2009, the City Council of the City of Lufkin, Texas convened in a Regular Meeting in the Council Chambers of City Hall with the following members, thereof to wit:

Jack Gorden, Jr.
Rose Faine Boyd
R. L. Kuykendall
Lynn Torres
Don Langston
Rufus Duncan
Phil Medford
Paul L. Parker
Keith Wright
Renee Thompson
Bob Flournoy
Larry Brazil
Doug Wood
Chuck Walker
Barbara Thompson
Dorothy Wilson
Steve Floyd
Dale Allred
Bill Cameron
Tom Billingsley

Mayor
Mayor Pro Tem
Councilmember, Ward No. 1
Councilmember, Ward No. 3
Councilmember, Ward No. 4
Councilmember, Ward No. 5
Councilmember, Ward No. 6
City Manager
Assistant City Manager
City Secretary
City Attorney
Police Chief
Finance Director
Public Utilities Director
Main Street Director
Planning Director
Public Works Director
Inspection Services Director
City Webmaster

being present, when the following business was transacted:

1. The meeting was opened with prayer by Mr. Steve Bergman, Preacher at Herty Church of Christ.
2. Mayor Jack Gorden welcomed visitors present.

3. APPROVAL OF MINUTES

Minutes of the Regular Meeting of December 16, 2008, were approved on a motion by Councilmember Rose Faine Boyd, and seconded by Councilmember Lynn Torres. A unanimous affirmative vote was recorded.

Mayor Gorden stated that he wanted to compliment Bill Cameron, Website Consultant for the City of Lufkin. Mayor Gorden explained that Mr. Cameron recently began running old movies from the 1940's through the 1960's on the City of Lufkin's Government Access Channel 15 on Suddenlink at 10:15 p.m. and 3:00 a.m. Mayor Gorden stated that the old movies would also bring attention and awareness to the upcoming restoration of the Pines Theater in Downtown Lufkin, as they were the type of movies that were shown in small town theaters.

OLD BUSINESS:

4. **PUBLIC HEARING AND SECOND READING OF AN ORDINANCE AMENDING THE ZONING ORDINANCE AND THE FUTURE LAND USE PLAN OF THE 2001 COMPREHENSIVE PLAN OF THE CITY OF LUFKIN, TEXAS, - APPROVED - BY CHANGING THE ZONING AND FUTURE LAND USE PLAN DESIGNATIONS ON LAND DESCRIBED AS CROWN COLONY SECTION VIII-B-2 LOCATED NEAR CHAMPIONS DRIVE AND MISSION HILLS DRIVE IN THE CROWN COLONY SUBDIVISION, TO A "RESIDENTIAL LARGE SINGLE FAMILY DWELLING" ZONING DISTRICT AND THE FUTURE LAND USE PLAN OF THE 2001**

COMPREHENSIVE PLAN TO THE CLASSIFICATION OF “LOW DENSITY RESIDENTIAL”

Mayor Jack Gorden stated that the next item for consideration was a Public Hearing and Second Reading of an Ordinance amending the Zoning Ordinance and the Future Land Use Plan of the 2001 Comprehensive Plan of the city of Lufkin, Texas, by changing the Zoning and Future Land Use Plan designations on land described as Crown Colony Section VIII-B-2 located near Champions Drive and Mission Hills Drive in the Crown Colony Subdivision, to a “Residential Large Single Family Dwelling” Zoning District and the Future Land Use Plan of the 2001 Comprehensive Plan to the classification of “Low Density Residential”.

City Manager Paul Parker stated that the request was from Kevin Gee, on behalf of TIN, Inc., to change the zoning from “Agriculture” to “Residential Large Single Family Dwelling”, to allow for single family homes and would be a continuation of that designation in the Crown Colony Subdivision. City Manager Parker added that the Planning and Zoning Commission and the Planning Staff recommended that the City Council approve the request.

Mayor Gorden opened the Public Hearing at 5:06 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 5:07 p.m.

Mayor Gorden asked for questions or comments from the Council.

Councilmember Don Langston moved to approve the Second Reading of the Ordinance amending the Zoning Ordinance and the Future Land Use Plan of the 2001 Comprehensive Plan of the city of Lufkin, Texas, by changing the Zoning and Future Land Use Plan designations on land described as Crown Colony Section VIII-B-2 located near Champions Drive and Mission Hills Drive in the Crown Colony Subdivision, to a “Residential Large Single Family Dwelling” Zoning District and the Future Land Use Plan of the 2001 Comprehensive Plan to the classification of “Low Density Residential”. Councilmember Rose Faine Boyd seconded the motion. A unanimous affirmative vote was recorded.

NEW BUSINESS:

5. REPORT FROM BRIAN MCCLAIN FOR THE SMALL BUSINESS DEVELOPMENT COUNCIL

Mayor Jack Gorden stated that the next item for consideration was a report from Brian McClain for the Small Business Development Council.

Mr. Brian McClain stated that he appreciated the opportunity to speak to the City Council and that the last report was given approximately one (1) year ago. Mr. McClain added that this was his thirteenth (13th) year with Angelina College and that time had passed rather quickly. Mr. McClain stated that at last count, the U. S. Stock Market had lost approximately nine trillion dollars (\$9,000,000,000,000) since its peak one (1) year ago. Mr. McClain added that he was sure that most had felt the pain when opening their last retirement statement. Mr. McClain stated that it was easy in times such as this to forget finance’s fundamental role, which was the efficient allocation of capital and scarce assets, which in turn drives productivity, job creation and economic growth. Mr. McClain added that Angelina County was fortunate to have lending institutions that had not lost sight of this fundamental role, as everyone hears about so many on the news. Mr. McClain explained that local banks continue to fund projects that make sense. Mr. McClain stated that this had helped the Small Business Development Council (put a lot of people into business during the past year. Mr. McClain stated that there were some businesses struggling and the SBDC were seeing more businesses that had paid off their debt, but were not making enough money to make it worth their time and effort to continue. Mr. McClain explained that these people were going to close. Mr. McClain added that the SBDC were seeing companies that engaged in business to business activity that did extremely well, but their cash flow was tight, due to their accounts receivables reaching the sixty (60) to ninety (90) day range. Mr. McClain stated that these people were managing this through better collection efforts and financing, yet was extremely stressful on the owners. Mr. McClain added that those that engaged in the retail business, with good business practices or business models, and good marketing

expertise, were continuing to do well, even with slower sales trends. Mr. McClain explained that their knowledge of marketing was becoming more and more important, as time went by and while in this period of recession. Mr. McClain stated that it was important to their survival and success. Mr. McClain added that there had been great reversals and great corrections and dying, but none has been so severe that it has permanently set the community back. Mr. McClain stated that last year showed evidence of the community's economic viability. Mr. McClain stated that in the middle of a recession the SBDC helped business owners raise eight million six hundred thousand dollars (\$8,600,000) in capital, create two hundred twenty-three (223) new jobs, and start and expand eighteen (18) businesses. Mr. McClain added that they were continuing to have a good year this year. Mr. McClain stated that if one stood back and observed Lufkin from an economic perspective, Lufkin was a perfect test result for the direct relationship between financial innovation and human progress. Mr. McClain added that financial innovation had been vital to the advancement of science to escape the drudgery of our subsistence on agriculture. Mr. McClain explained that people didn't think how far the financial system had advanced from its origins. Mr. McClain stated that people do think of science in this regard. Mr. McClain stated that banks, philanthropic individuals, companies, and forward thinking city leaders provided evidence of this miracle all around us. Mr. McClain added that an invention of a pumping unit for oil fields through finance turned an idea into a major industry, providing employment and supporting many small businesses. Mr. McClain stated that an invention of a process to treat pine pulp provided the idea that turned a small lumber company into a Fortune 500 company. Mr. McClain added that this Fortune 500 Company had provided major employment and also supported many small businesses, and financing made that possible. Mr. McClain stated that the list went on and on in the Lufkin community, while these companies and owners continued to give back part of their financial rewards to improve lives. Mr. McClain explained that as a result of that miracle, Lufkin had seen the rise of living standards in all social classes in the community. Mr. McClain stated that last year the SBDC assisted eight (8) business starts in Angelina County, and five (5) business starts and one (1) business purchase in Nacogdoches. Mr. McClain explained that the local lending institutions made this possible. Mr. McClain added that Lufkin had so much opportunity to look forward to. Mr. McClain stated that the outlook was extremely important to future business owners, present business owners, and to attract new businesses that wanted to make Lufkin their home. Mr. McClain added that he saw so many business people each year, and last year saw eighty-four (84) new clients with so much enthusiasm for the system for free enterprise and the opportunity to succeed at offers, as well as risk of failure. Mr. McClain stated that he thought of Susan Reents, who purchased the Fredonia Hotel, Robin and James Jennings, who bought a trucking company in Lufkin to begin servicing the growing oil field business, and Jose Gonzalez, who started the diesel mechanic business in Lufkin to service the growing truck traffic in Lufkin. Mr. McClain explained that all of those people deployed capital and created jobs that benefitted all. Mr. McClain then thanked the Council for supporting the SBDC all those years and added that he would answer questions from the Council.

Mayor Gorden thanked Mr. McClain and asked for questions or comments from the Council. Mayor Gorden told Mr. McClain that the Council appreciated the work he did, and that Lufkin was proud to have the SBDC Center in Lufkin. Mayor Gorden added that anyone considering opening or purchasing a business could find Mr. McClain at Angelina College. Mayor Gorden stated that the Council was proud that they could provide some financial support to the program. Mr. McClain pointed out that all of their counselors were now located in Angelina County.

6. BID FOR REPAIR AND INSTALLATION OF 20 YEAR SINGLE PLY EPDM ROOF SYSTEM – APPROVED - FOR THE PINES THEATER TO CARNEY ROOFING CO. IN THE AMOUNT OF \$65,581

Mayor Jack Gorden stated that the next item for consideration was a bid for repair and installation of 20 year single ply EPDM roof system for the Pines Theater to Carney Roofing Co. in the amount of \$65,581.

City Manager Paul Parker stated that as part of the initial renovation of the exterior of the Pines Theater to secure it from the weather, one of the major solutions was to put a new roof on the building. City Manager Parker added that the City received two (2) bids for the EPDM roof system. City Manager Parker explained that several other bidders were

contacted, but only two (2) bids were received. City Manager Parker stated that the apparent low bidder was Carney Roofing Co., in the amount of sixty-five thousand five hundred eighty-one dollars (\$65,581). City Manager Parker added that the bid included repair of all structure damage to the existing roof infrastructure. City Manager Parker explained that there was damage to the roof, and at one (1) time Staff thought the area was a skylight, but was actually a return vent area. City Manager Parker stated that there were some wood structure areas that needed to be repaired before replacing the roof and would all be included in the bid. City Manager Parker stated that Staff recommended the award of bid to Carney Roofing Co., in the amount of sixty-five thousand five hundred eighty-one dollars (\$65,581), for the repair and installation of a new twenty (20) year single-ply EPDM roof system for the Pines Theater.

Mayor Gorden asked for questions or comments from the Council.

Councilmember Don Langston asked if the coping work was included in the bid. Councilmember Langston added that he knew that there were some damaged coping tiles along the parapet of the roof. City Engineer and Public Utility Director Chuck Walker stated that some of the old coping would be salvaged and would be located on one (1) side of the roof, with the other side being flashed in. Mr. Walker added that Carney Roofing Co. would be doing all of the roof repair and structural repair. Mr. Walker explained that the roof would have one and one-half inch (1 1/2") insulation board on top, that would be mechanically fastened to the structure, with a fully adhered roof.

City Manager Parker stated that he had an earlier question that he could not answer. City Manager Parker stated that the City contacted several bidders, and wanted to know if it had been done by mail or by physically contacting them. Mr. Walker stated that Staff had contacted them and had put an ad in the newspaper and also contacted them by telephone.

Councilmember Lynn Torres moved to approve the bid for repair and installation of 20 year single ply EPDM roof system for the Pines Theater to Carney Roofing Co. in the amount of \$65,581. Councilmember R. L. Kuykendall seconded the motion. A unanimous affirmative vote was recorded.

7. CLOSE A SECTION OF UNDEVELOPED RIGHT-OF-WAY ON HOUSTON STREET AND CONVEY THE PROPERTY TO MR. TOM BILLINGSLEY - APPROVED - FOR THE SUM OF SEVEN HUNDRED FIFTY DOLLARS (\$750), AS PER THE APPRAISAL PERFORMED BY JORDAN SERVICES

Mayor Jack Gorden stated that the next item for consideration was to close a section of undeveloped right-of-way on Houston Street and convey the property to Mr. Tom Billingsley for the sum of seven hundred fifty dollars (\$750), as per the appraisal performed by Jordan Services.

City Manager Paul Parker stated that Mr. Tom Billingsley owned the property on all three (3) sides of the undeveloped right-of-way on Houston Street. City Manager Parker added that this was an old platted right-of-way that had never been utilized by the City. City Manager Parker stated that there was a sewer line in the property that had severe problems and would be abandoned by the City. City Manager Parker explained that Mr. Billingsley was the only person that was connected to the sewer line and the City would connect him to the City's service line. City Manager Parker added that the City would then abandon the old sewer line at that point, as this would be a less expensive option for the City. City Manager Parker stated that the value of the property was set by Jordan Services at seven hundred fifty dollars (\$750). City Manager Parker stated that Council's approval would allow Mr. Billingsley to go forward, and that Staff would return to the Council with the necessary Ordinance to officially close the street at a later time. City Manager Parker added that approval of the item would basically give the City Council's consent to go forth and convey the property for seven hundred fifty dollars (\$750) to Mr. Billingsley.

Councilmember Don Langston asked if the City would be able to totally abandon the sewer line. City Manager Parker stated that the City would totally abandon that sewer line.

City Attorney Bob Flourney stated that there was enough information on the agenda concerning the item and the street closure that Council could consider the Ordinance on First Reading, if they chose to do so. City Manager Parker stated that Staff was ready and willing to present the Ordinance, if the Council agreed to do so. City Attorney Bob Flourney stated that the item could be presented for a Public Hearing to give the public a chance to speak on it and then the Ordinance could be presented for the First Reading. City Attorney Flourney added that this Ordinance was the same Ordinance that was regularly presented for closing streets or alleys and authorized the property to be sold to the adjoining property owner, which would be Mr. Tom Billingsley. City Attorney Bob Flourney explained that Council could vote on the Ordinance and bring it back on the agenda for the Second Reading at the next Council Meeting.

Mayor Gorden opened the Public Hearing at 5:18 p.m. concerning agenda item seven (#7), which was the closure of a section of undeveloped right-of-way on Houston Street, 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 5:19 p.m.

Councilmember Don Langston moved to approve on First Reading the Ordinance closing a section of undeveloped right-of-way on Houston Street and to convey the property to Mr. Tom Billingsley for the sum of seven hundred fifty dollars (\$750), as per the appraisal performed by Jordan Services. Councilmember R. L. Kuykendall seconded the motion. A unanimous affirmative vote was recorded.

8. RESOLUTION OF THE CITY OF LUFKIN, TEXAS ("CITY") AUTHORIZING THE PARTICIPATION WITH THE ALLIANCE OF TXU/ONCOR CITIES ("ATOC"); AUTHORIZING EMPLOYMENT OF LEGAL COUNSEL AND COMPENSATION FOR THE SAME; FINDING THAT THE MEETING COMPLIES WITH THE OPEN MEETINGS ACT; AND PROVIDING AN EFFECTIVE DATE, AND A RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2008/2009 OPERATING BUDGET (BUDGET AMENDMENT NO. 9), - 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 a Resolution of the City of Lufkin, Texas ("City") authorizing the participation with the Alliance of TXU/Oncor Cities ("ATOC"); authorizing employment of legal counsel and compensation for the same; finding that the meeting complies with the Open Meetings Act; and providing an effective date, and a Resolution authorizing an amendment to the 2008/2009 Operating Budget (Budget Amendment No. 9), providing for the supplemental appropriation of funds in the General Fund; and providing an effective date.

City Manager Paul Parker stated that as the Council recalled, a few months earlier Oncor came before the City Council requesting a rate increase. City Manager Parker added that the City of Lufkin was able to hire a specialist, along with other cities, to look at the rate increase to see if it was equitable. City Manager Parker stated that the rate increase costs were rolled into the rates and the cities could challenge and hire experts, yet not have an exorbitant amount passed on to the individual cities. City Manager Parker explained that AEP SWEPCO was trying to get the Public Utility Commission (PUC) to change the way it looked at rates and allow them to annually come and take away the provisions that enable cities to challenge the rate studies. City Manager Parker added that the action before the Council was actually not brought on by anyone in the Lufkin area, but was by AEP SWEPCO which was in the Texarkana, Mount Pleasant and Longview area, yet would have an effect on all of the area. City Manager Parker stated that this was why all of the coalitions were joining together. City Manager Parker added that the case was actually being heard that day (January 6, 2009), concerning the first abbreviated rate system. City Manager Parker stated that the attorneys were going forth, but knew that there would be additional charges later on. City Manager Parker stated that Lufkin's pro-rated cost, if it chose to join, was two thousand ninety-five dollars and twenty-six cents (\$2095.26). City Manager Parker added that he would encourage the Council to enter, to protect the rights to challenge the rates. City Manager Parker stated that the rate was for Lufkin's particular organization of cities. City Manager Parker stated that he recommended that the Council approve the Resolution authorizing the Budget Amendment and the Resolution authorizing the City of Lufkin to join

the Coalition, to assist in preserving the City's right to challenge these rate cases in the future.

Mayor Gorden asked City Attorney Bob Flournoy if he had any comments concerning the item. City Attorney Flournoy stated that he thought this was appropriate action and that the City of Lufkin should pass both Resolutions. Mayor Gorden asked if SWEPCO was the only non-deregulated area in Texas. City Manager Parker stated that there were a couple of more areas such as the Panhandle area and a small area near the coast, but that SWEPCO was one (1) of the largest non-deregulated areas.

Councilmember Rose Faine Boyd moved to approve the Resolution of the City of Lufkin, Texas ("City") authorizing the participation with the Alliance of TXU/Oncor Cities ("ATOC"); authorizing employment of legal counsel and compensation for the same; finding that the meeting complies with the Open Meetings Act; and providing an effective date, and a Resolution authorizing an amendment to the 2008/2009 Operating Budget (Budget Amendment No. 9), providing for the supplemental appropriation of funds in the General Fund; and providing an effective date. Councilmember Don Langston seconded the motion. A unanimous affirmative vote was recorded.

9. Mayor Jack Gorden recessed the Regular Session at 5:24 p.m. to enter into Executive Session.

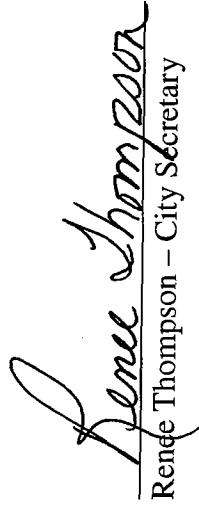
EXECUTIVE SESSION: In accordance with the Texas Government Code Section 551.071 (2) Consultation with City Attorney on any Regular Session Agenda item requiring confidential, attorney/client advices necessitated by the deliberation or discussion of said items (as needed), and real estate, demolition of buildings, or appointments to boards and personnel may be discussed.

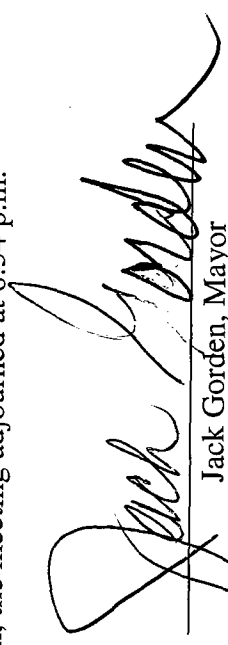
Mayor Jack Gorden reconvened the Regular Session at 6:50 p.m.

13. CALENDAR NOTATIONS FROM MAYOR, COUNCIL MEMBERS, AND CITY MANAGER

Mayor Jack Gorden stated that the next item for consideration was the calendar notations from the Mayor, Council Members, and City Manager. Mayor Gorden reminded the Council about the Deep East Texas Reception that would be held on Monday, January 12, 2009 at 5:00 p.m. at the Omni Austin Hotel in Austin. Mayor Gorden also reminded the Council about the Chamber Banquet that would be held on Thursday, January 15, 2009 at 6:30 p.m. at the Lufkin Pitzer Garrison Civic Center, about the Martin Luther King Banquet that would be held on Sunday, January 18, 2009 at 6:00 p.m. at the Hope Center in Lufkin and the Martin Luther King March and Celebration that was to be held on Monday, January 19, 2009.

14. There being no further business for consideration, the meeting adjourned at 6:54 p.m.


Renée Thompson – City Secretary


Jack Gorden, Mayor