

**MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY
OF LUFKIN, TEXAS HELD ON THE 5th DAY OF AUGUST, 2008.**

On the 5th day of August, 2008, 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
Rufus Duncan
Phil Medford
Paul L. Parker
Keith Wright
Bob Flournoy
Renee Thompson
Larry Brazil
Pete Prewitt
Doug Wood
Steve Floyd
Chuck Walker
Steve Poskey
Don Hannabas
Gorden Henley
Barbara Thompson
Nellie Matthews
Jim Wehmeier
Belinda Southern
Bill Cameron

Mayor
Mayor Pro Tem
Councilmember, Ward No. 1
Councilmember, Ward No. 3
Councilmember, Ward No. 5
Councilmember, Ward No. 6
City Manager
Assistant City Manager
City Attorney
City Secretary
Police Chief
Fire Chief
Finance Director
Public Works Director
Public Utilities Director
Street Department Superintendent
Parks & Leisure Services Director
Ellen Trout Zoo Director
Main Street Director
Civic Center Director
Economic Development Director
Finance Manager
City Webmaster

being present, and

Don Langston

Councilmember, Ward No. 4

being absent, when the following business was transacted:

1. The meeting was opened with prayer by Captain Luis Melendez, Salvation Army.
2. Mayor Jack Gorden welcomed visitors present.

Mayor Gorden then recognized Scout Troop No. 134, who were present and were working on their citizenship merit badges. Also in attendance and leading the Troop was Scout Master Charles Westerman, along with Assistant Scout Master Beth Folsom.

3. APPROVAL OF MINUTES

Minutes of the Regular Meeting of July 15, 2008, were approved on a motion by Councilmember Rose Faine Boyd, and seconded by Councilmember Lynn Torres. A unanimous affirmative vote was recorded.

NEW BUSINESS:

4. PRESENTATION BY LINDA POLAND REGARDING THE FIRST STREET ARTS CENTER

Mayor Jack Gorden stated that the next item on the agenda was a presentation by Linda Poland regarding the First Street Arts Center.

City Manager Paul Parker stated that the Council had a handout from Linda Poland concerning the First Street Arts Center. City Manager Parker added that included in the Council packet was the initial request from the First Street Arts Center, which was three percent (3%) of the Hotel/Motel Tax Fund. City Manager Parker explained that based on the current year's estimate, the request would be in the approximate amount of nineteen thousand two hundred dollars (\$19,200). City Manager Parker then turned the meeting over to Linda Poland to make her presentation.

Linda Poland thanked the City Manager, Mayor and Council for the opportunity to present the request from the First Street Arts Center. Ms. Poland stated that the First Street Arts Center started in October 2006. Ms. Poland added that a number of the people in the audience were present when the Center opened. Ms. Poland then introduced Jackie Becker, Executive Director of the First Street Arts Center, and gave the Council information on her credentials. Ms. Poland then introduced Denise Davis, art instructor at Lufkin High School, who was the first Executive Director for the Center. Ms. Poland then introduced Jo Ann Rainwater and Erin Moore Thiebert, who were also members of the Executive Committee for the Center. Ms. Poland then asked the remaining members of the Board for the Center to acknowledge their presence by raising their hands. Ms. Poland then recognized the artists in attendance that had been involved in any capacity at the Center. Ms. Poland then went on to discuss the many artists and the types of art and culture they had shown or were currently showing at the Center. Ms. Poland described the various types of art and culture, whether it pertained to music, photography, painting, etc., that the Center was bringing to the Lufkin area.

Ms. Poland then gave information on the background of the Center. Ms. Poland went on to explain the types of events that took place at the Center. Ms. Poland then explained the focus and goals for the Center. Ms. Poland explained that the request for three percent (3%) of the Hotel/Motel Tax Revenues was based on the operating expenses, salary for the Executive Director, advertising, publicity, and expansion of programs and services.

Ms. Poland then introduced other artists that presented their work and taught classes at the Center. Ms. Poland explained the various types of art and culture the artists specialized in, along with other information concerning programs and events at the Center. Ms. Poland then gave information concerning artists that had also opened studios in the Downtown Lufkin area. Ms. Poland explained to the Council that the Center needed more space, furnishings, staff, reserve funds, and additional operating funds. Ms. Poland explained that the Center frequently requested funds from individuals, entities, and foundations. Ms. Poland added that the Center began asking for sponsors to underwrite big and large projects. Ms. Poland stated that the Center would continue to look for sponsors for events, would continue to seek grants, and would do everything possible to make the Center a viable business. Ms. Poland added that the Center was the new kid on the block asking for money from the Hotel/Motel Tax Revenues. Ms. Poland gave the vision of the people who started the First Street Art Center and added that it needed to be continued. Ms. Poland stated that the Center did not want to close the doors and dared the Council to risk them having to do so. Ms. Poland asked for support for the Center with funding. Ms. Poland stated that she had a lot of financial information available and that she would be happy to answer any questions from the Mayor and Council.

Mayor Gorden thanked Ms. Poland for her presentation and asked the Council for comments or questions.

Mayor Gorden then asked Ms. Poland for the total budget figure for the Center. Ms. Poland stated that the budget for the current year was sixty-six thousand four hundred thirty dollars (\$66,430). Ms. Poland explained that these funds would not include any expansion opportunities.

Councilmember Rufus Duncan stated that the City could certainly support endeavors such as the Center, but questioned whether the funds should come from the Hotel/Motel Tax Fund. Councilmember Duncan added that the Council had been very aggressive in making sure that the monies expended from the Hotel/Motel Tax Fund was used to fill hotel/motel beds in Lufkin. Councilmember Duncan explained that he wasn't certain that this was the proper fund to assist the Center. Mayor Gorden stated that his view was the Center was an entity that was helping build for the future. Mayor Gorden added that Lufkin needed a viable

Central Business District, and this was the heart of the City and a reflection on Lufkin as a community. Mayor Gorden explained that the Center and the Downtown area were both for people that had lived in Lufkin all their lives along with those people new to the area or just visiting our City. Mayor Gorden stated that the Council had worked very hard and had spent a lot of money working to make the Downtown area a more viable place. Mayor Gorden added that if the Council let the Center slip away, the Council and the City might have to start all over again. Mayor Gorden stated that the Council had worked hard to make sure that funds expended from the fund related to the hotel/motel tax and that hopefully the First Street Arts Center would be a part of creating more of that in the future.

Councilmember Phil Medford stated that he believed that the City needed to support the First Street Arts Center. Councilmember Medford added that the Center had brought vitality to the Downtown area that had not been present before the Center was there. Councilmember Medford stated that the emphasis that the Council and Main Street had, along with the infrastructure improvements, the Pines Theater, and anything the Council did within reason to try to encourage the redevelopment of the Downtown area was being accomplished through entities such as the First Street Arts Center. Councilmember Medford stated that he wasn't sure where the funds should come from and that it may or may not be the Hotel/Motel Tax Fund. Councilmember Medford added that in his opinion there was no question that the support should be there to assist the Arts Center. Councilmember Medford stated that there had been efforts in the past that had not approached what the Center had accomplished in a very brief period of time. Councilmember Medford explained that at first he was concerned that there could be a conflict with the Museum of East Texas, but did not see that happening at all. Councilmember Medford added that the First Street Arts Center was a totally separate type of venue that could do things that the Museum could not do. Councilmember Medford stated that the Center could reach out to a wide variety of artists and offer them an opportunity to show their works and be actively involved in an arts center. Councilmember Medford added that he hoped that the Council could find some way to support the Center, whether it is through the Hotel/Motel Tax Fund or not. Councilmember Medford stated that he was personally committed to see that the Council find a way to assist the Center.

Councilmember Lynn Torres stated that she concurred with Councilmember Medford's comments. Councilmember Torres added that the Center was a great opportunity, venue, and step for Lufkin to support art. Councilmember Torres explained that she wrestled with whether the monies should come from the Hotel/Motel Tax Fund. Councilmember Torres added that she also wrestled with telling those entities that received those funds that the First Street Arts Center would be receiving three percent (3%) of the funds and determining who would then lose that amount of funding. Councilmember Torres explained that when the Council said that this may not be the correct venue for the money, it was because the Council was wrestling with knocking on some other entities' door and telling them that they had counted on the money and had it in the past and were now on board with putting heads in beds and keeping track and reporting this better, but now Council would have to take some of the funds away. Councilmember Torres stated that she agreed with Councilmember Medford that there might be another opportunity or way to continue to support the Center, but did not want to have to take the funding away from someone else.

Mayor Gorden stated that one alternative was to consider using funds from the Fund Balance of the Hotel/Motel Tax Fund without taking any money away from anyone else during the upcoming budget year. Mayor Gorden added that the Council would make no promises for the future but would reevaluate the situation the following year. Mayor Gorden suggested that would be one way to approach the situation that might have some merit.

Councilmember Rose Faine Boyd asked Mayor Gorden if the Council needed to take action on the item that night. City Manager Paul Parker stated that the Council did not need to take any action at that time but did need to give the Staff direction for the upcoming budget.

Mayor Gorden stated that Ms. Poland did a great job in the presentation and that it was obvious that the Council supported the Center and that as the Council had future hearings on the budget the decision would hopefully be determined. Mayor Gorden commended each person connected to the Center for their efforts in getting the Center started and keeping it going in the future. Mayor Gorden added that the Council was dedicated to the revitalization of Downtown Lufkin.

Connie Blackledge Welch then approached the podium and thanked the First Street Arts Center for supporting her music. Ms. Welch then explained what the Center had done for her and her song writers association. Ms. Welch added that support from the Council and City for the Center would be greatly appreciated. Ms. Welch stated that through the Center the song writer's association had started many programs and events and then gave a brief explanation of those programs and events. Ms. Welch thanked the Center and added that the association would like to see the Council's support.

Alison Maxwell, volunteer at the First Street Arts Center, stated that she had been volunteering at the Center since November 2006. Ms. Maxwell added that the Council had asked how the Center related to the Hotel/Motel Tax Fund. Ms. Maxwell stated that she had witnessed people taking the walking tour downtown and that those people came from all over the country. Ms. Maxwell explained that there were often visitors from out of state visiting Lufkin and subsequently visited the Center. Ms. Maxwell stated that this was how Lufkin interacted with the rest of the state and country. Ms. Maxwell added that the Center exposed people to the culture of Lufkin and East Texas.

Mayor Gorden again thanked all who were present at the Council meeting concerning the First Street Arts Center and stated the Council would make decisions during the coming weeks.

5. BUDGET DRAFT PRESENTATION

Mayor Jack Gorden stated that the next item for consideration was the fiscal year 2008/2009 Budget Draft.

City Manager Paul Parker stated that Council had recently conducted several meetings concerning the 2008/2008 Budget and had gone over the budget in great detail. City Manager Parker added that he would give the Council highlights and would answer any questions from the Council concerning the budget. City Manager Parker stated that Staff was anticipating revenue of twenty-seven million eight hundred thirty-one thousand eight hundred seventeen dollars (\$27,831,817) and expenditures of twenty-eight million two hundred eighty-eight thousand five hundred eighty-six dollars (\$28,288,586) in the General Fund. City Manager Parker explained that there appeared to be a deficit of four hundred fifty-six thousand seven hundred sixty-nine dollars (\$456,769). City Manager Parker pointed out that at the beginning of every year the budget appeared to have a deficit, based on every department spending every dollar, every employee remaining to be employed, and every position staying filled throughout the year. City Manager Parker explained that did not occur. City Manager Parker stated that this deficit was smaller than the deficit at the beginning of the past two (2) years. City Manager Parker stated that Council was fully aware of Staff's concerns regarding the sales tax and the fact that the tax could be much tighter and the concerns of the economy relating to gasoline and food costs. City Manager Parker stated that Staff was conservative in the estimate of a two and one-half percent (2 ½%) growth of sales tax and added that this estimate could still be too high. City Manager Parker explained that based on the past four (4) to five (5) year history, the sales tax estimate would be a conservative amount. City Manager Parker stated that the overall budget for the City of Lufkin was surprising to many people. City Manager Parker explained that taking into account the Hotel/Motel Tax, Zoo, Economic Development, Water and Sewer and Solid Waste Funds the overall expenditures were projected at fifty-nine million ten thousand five hundred eighty-seven dollars (\$59,010,587). City Manager Parker added that there was a large undertaking for the operations of the City of Lufkin. City Manager Parker stated that the good news in the Budget Presentation was that Staff was requesting that the Council maintain the same tax rate as last year, which was \$.5554 per one hundred dollar valuation. City Manager Parker explained that if a citizen did not have a revaluation through the Appraisal District. or did not add on to a residence or business, the tax rate from the City of Lufkin would remain the same as the previous year. City Manager Parker stated that also included in the draft was no increase in water and sewer or solid waste rates, even though the City had a tremendous increase in fuel costs. City Manager Parker added that the City budgeted five hundred thousand dollars (\$500,000) more in the upcoming budget year for the increased costs in fuel alone. City Manager Parker stated that three hundred fifty-seven thousand six hundred dollars (\$357,600) of the fuel costs was in the Solid Waste Department. City Manager Parker added that through the tightening of belts, creative ways to manage pickups, larger trash carts, and several other improvements the Solid Waste Department had

been able to absorb the increase in costs without additional rate increases. City Manager Parker stated that in the Water and Sewer Program there was a rate increase in the following year to help retire some projects, but the City was able to maintain the Water and Sewer rates and absorb cost of living increases, especially fuel costs, without any increases in the upcoming year. City Manager Parker stated that this spoke highly of the Council's directions and the Staff being able to keep costs to the homeowners and citizens of Lufkin stable, even with the current inflation. City Manager Parker added that the Council made clear in the early stages of the budget preparations that there was concern about the individuals and the burdens placed on them from increased costs of fuel and food, and that the Council did not wish to put any more burdens on the citizens through Water and Sewer or Tax increases. City Manager Parker stated that Staff hoped the budget would reflect that opinion and the direction that the Council gave Staff to begin the process.

City Manager Parker stated that he would highlight some items in the budget and would be prepared to answer questions from the Council. City Manager Parker stated that included in the budget was a three percent (3%) cost of living increase for all City employees making above thirty-one thousand dollars (\$31,000) per year. City Manager Parker added that Staff was recommending a five percent (5%) increase for employees making below thirty-one thousand dollars (\$31,000) per year, due to the Council's concerns about those employee's abilities to endure the continued increases in fuel and food costs. City Manager Parker explained that slightly more than one half (½) of City employees made up the lower range of salaries. City Manager Parker added that the cost of living had increased slightly over four percent (4%) and affected everyone the same based on standards of living and expenses, but the City department heads were concerned about the lower paid employees in the City and thought it was appropriate that the City consider a split level pay increase for the upcoming year. City Manager Parker stated that also included in the budget was the elimination of one (1) police officer, due to the school picking up the DARE Program, which would result in an approximate savings of twenty-one thousand dollars (\$21,000). City Manager Parker added that there was one additional (1) full time Municipal Court Administrator in the upcoming budget. City Manager Parker explained that Rhonda McLendon had split her supervisory duties between Municipal Court and Animal Control. City Manager Parker stated that it took a unique individual such as Ms. McLendon to be able to accomplish that, but the duties had gotten so large that the two (2) responsibilities needed to be divided. City Manager Parker explained that the City needed to add the Municipal Court Supervisor position back to allow Ms. McLendon to take care of her duties as the Animal Control Director. City Manager Parker stated that the City was also looking to add winter employees for the Parks and Recreation Department to assist with winter maintenance. City Manager Parker added that the City also looked at the first year of a program in the Solid Waste Department to assist with the additional litter pick up and abatement control on the streets of Lufkin to help the appearance of the community. City Manager Parker stated that the Zoo Administrative Building was progressing rapidly. City Manager Parker added that another item to be considered was the furnishings of the Zoo Administration and Educational Facility. City Manager Parker stated that he wanted to highlight the elimination of one program in the Solid Waste Department. City Manager Parker explained that this was the "Trash Bag Give Away Program". City Manager Parker added that one way to keep from increasing Solid Waste rates was to use approximately one hundred thirty-five thousand dollars (\$135,000) that had previously been used to offset fuel cost, therefore eliminating that program. City Manager Parker stated that the City would still sell trash bags, but would no longer offer two (2) free boxes of bags each year. City Manager Parker reiterated that Staff had to look at the elimination of that program or increase Solid Waste rates. City Manager Parker stated that there were other smaller items in the budget, lists of all equipment in the Amortization Fund, and numerous projects in the Water Fund No. 380, which included several lift stations and several repairs included in the City Manager's synopsis. City Manager Parker stated that he would answer any questions that Council had concerning the budget and added that the essence was that Staff had provided a very sound budget that protected the financial integrity of the City and met the needs that were vital to provide excellent service and continuation to the citizens of Lufkin. City Manager Parker added that Staff was happy was to say that was accomplished without requesting a tax increase or Water and Sewer or Solid Waste increase.

Mayor Gorden asked for comments or questions from the Council. Mayor Gorden then commended City Manager Parker and the City Staff for putting the budget together, commenting that it was a huge task and that the Council felt confident that the citizens of Lufkin would receive good value from the budget presented.

6. **PUBLIC HEARING CONCERNING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2008, AND ENDING SEPTEMBER 30, 2009**

Mayor Jack Gorden stated that the next item for consideration was to conduct a Public Hearing concerning the budget for the fiscal year beginning October 1, 2008, and ending September 30, 2009.

City Manager Paul Parker stated that without repeating what he had just stated in item number five (#5), that the meeting should be opened for anyone wanting to comment on the proposed budget.

Mayor Gorden then opened the Public Hearing at 6:04 p.m. concerning the budget for fiscal year beginning October 1, 2008, and ending September 30, 2009

Victor Travis approached the podium. Mr. Travis asked if the Public Hearing was concerning the streets and projects in the amount of thirty million dollars (\$30,000,000) that had been advertised in the newspaper. City Manager Parker explained that the Public Hearing was for the Annual Operating Budget and that the last item on the agenda was the Capital Improvements Program, which was where the Council would consider additional projects.

Mayor Gorden then asked if there was anyone else who wished to speak in the Public Hearing. There being none, Mayor Gorden closed the Public Hearing at 6:06 p.m.

Mayor Gorden asked for questions or comments from the Council. There were no comments or questions.

7. **DISCUSSION AND VOTE ON PROPOSED TAX RATE AND CONSIDER ESTABLISHING AUGUST 19, 2008, AUGUST 26, 2008 AND SEPTEMBER 2, 2008 AS COUNCIL MEETING DATES – APPROVED - TO: HOLD PUBLIC HEARINGS; ESTABLISH A TAX RATE; AND APPROVAL OF FISCAL YEAR 2008/2009 ANNUAL FISCAL BUDGET**

Mayor Jack Gorden stated that the next item for consideration was a discussion and vote on the proposed Tax Rate and to establish August 19, 2008, August 26, 2008 and September 2, 2008 as Council Meeting dates to: hold Public Hearings; establish a Tax Rate; and approve Fiscal Year 2008/2009 Annual Fiscal Budget.

City Manager Paul Parker stated that Council had the dates that Mayor Gorden highlighted. City Manager Parker added that on the Council's desk was a draft of the effective tax rate that was delivered earlier that day. City Manager Parker stated that the effective tax rate for the next year was projected at \$.545957. City Manager Parker added that Staff recommended that Council maintain the same tax rate as the previous year, which was \$.5554. City Manager Parker explained that the reason that he highlighted the tax rate was because later in the Public Hearings, under the Open Records and Texas laws, it would be advertised as a tax increase because it was above the Texas Tax Rate. City Manager Parker added that even though taxes would not be increased unless valuation went up or citizens added on to residences or businesses, the law required the City to show the rate as a tax increase because it would generate approximately one hundred thirty thousand dollars (\$130,000) more revenue with the existing tax rate than with the effective tax rate. City Manager Parker stated that Staff recommended that Council approve the Tax Rate as proposed, which would be \$.5554 per one hundred dollar valuation, which was the same rate as the previous year.

Councilmember Rose Faine Boyd moved to approve the proposed Tax Rate and to establish August 19, 2008, August 26, 2008 and September 2, 2008 as Council Meeting dates to: hold Public Hearings; establish a Tax Rate; and approve the Fiscal Year 2008/2009 Annual Fiscal Budget. Councilmember Lynn Torres seconded the motion. The following vote was recorded:

Aye: Mayor Jack Gorden, Council Members R.L. Kuykendall, Phil Medford, Lynn Torres, Rufus Duncan, and Rose Faine Boyd

The motion carried with six (6) affirmative votes.

8. **BIDS - APPROVED - FOR FUEL TANKS, DISPENSERS, AND A FUEL MANAGEMENT SYSTEM.**

Mayor Jack Gorden stated that the next item for consideration was bids for fuel tanks, dispensers and a fuel management system.

City Manager Paul Parker stated that as part of the Capital Improvement Program process, Staff and Council discussed the possibility of a fuel farm for the City of Lufkin at two (2) locations. City Manager Parker explained that one fuel station would be located at the Solid Waste facility and the other at the Service Center location. City Manager Parker stated that at each location there would be two (2) twelve thousand (12,000) gallon storage tanks. City Manager Parker explained that one (1) tank would be for diesel and the other tank would be for gasoline. City Manager Parker stated that at the last Council Meeting, City Staff brought a Budget Amendment to Council to provide funds for the fueling stations along with the associated labor which would include generators, fencing, cameras, and concrete work. City Manager Parker added that the funds for the additional labor and equipment was not included in this bid, but had been included in the Budget Amendment that was approved at the last meeting. City Manager Parker stated that Staff had looked at the possibility of a fuel farm well in excess of a year and had debated back and forth the overall justification because it would take approximately a twelve (12) year period to pay the system off, if looking at just numbers of gasoline and fuel. City Manager Parker stated that there was also intangible savings that were associated with the farm system. City Manager added that there were some security measures and logistic measures for the City that would also go into the makeup of the recommendation to the Council to approve. City Manager Parker stated that one (1) measure was time spent trying to supervise staff at the three (3) fueling locations. City Manager Parker explained that a lot of employees filled up late in the afternoon or early in the morning and that there were times where employees did not get to the job site as quick because there was some dead time when the employee arrived at the station and began talking and mingling with the public and other employees. City Manager Parker stated that it was true in every business that there was some lost time. City Manager Parker added that having employees filling up at the two fuel farms would eliminate some of the down time. City Manager Parker stated that from an Accounting and Information Technology standpoint there was a lot of time spent reconciling the fuel budgets each month. City Manager Parker explained that those expenses would also be saved and efficiency in those areas would be increased. City Manager Parker stated that the main justification and need was from the desires and concerns of the public safety professionals that this would be a system a great benefit to the City in controlling its own destiny in case of fuel shortages, hurricanes, or other unknowns in the future. City Manager Parker added that a year ago no one thought that gas would be almost four dollars (\$4) per gallon or if five (5) years from now if the city's emergency management would get preferential gas allotments during disasters. City Manager Parker stated that during the last hurricane, Polk Oil was not the primary provider for the City, and the City's primary provider did not have generators and was not able to provide fuel, but Polk Oil stepped up and fueled all of the City's vehicles and then helped the City to acquire a rebate through Exxon for the fuel costs. City Manager Parker stated that he did not want to imply in any way that there had been any problems and wanted to emphasize that the City had nothing but excellent service and even service that was above and beyond because when Polk Oil stepped up to assist the City, they were not even the provider for the City. City Manager Parker reiterated that the fuel farms were in no way reflective of any service problems and that the City had nothing but excellent service. City Manager Parker added that the recommendation was strictly internal. City Manager Paul Parker then called on Fire Chief Pete Prewitt and Police Chief Larry Brazil to give the viewpoint from their departments.

Fire Chief Pete Prewitt stated that during the first four (4) days of Hurricane Rita the City of Lufkin Fire Department logged six hundred (600) runs. Chief Prewitt added that the number was unprecedented in terms of the department's call volume. Chief Prewitt stated that even though the department had excellent support from local vendors, fuel became a real issue. Chief Prewitt added that having gone through that disaster, and surviving it along with the rest of the City, that he felt very strongly that the City of Lufkin needed to be self sufficient in terms of fuel. Chief Prewitt then asked if Council had any questions. There were none.

Police Chief Larry Brazil stated that he echoed what Chief Prewitt and City Manager Parker had said. Chief Brazil added that as far as Public Safety was concerned, having fuel farms would give the City greater control over the fueling process and that the City could be out of luck if it did not have the fuel farms. Chief Brazil stated that operations would have to be shut down without fuel at crucial times and that the City was nearly to that point during Hurricane Rita, and then Polk's came to the rescue. Chief Brazil added that the City could control its own destiny with the fuel farms.

Mayor Gorden stated that the recent storm that hit the Texas coast was a reminder to everyone of the possibilities that could occur. City Manager Parker stated that with the reasons that were given, Staff recommended that Council accept the bids from Titus Pump in the amount of one hundred fifty-three thousand, six hundred seventeen dollars (\$153,617) for the purchase of bulk fuel tanks and to purchase through HGAC, the Fuelmaster management system in the amount of twenty-six thousand nine hundred forty-three dollars (\$26,943) for a total expenditure for the purchase of the equipment in the amount of one hundred eighty thousand five hundred sixty dollars (180,560). City Manager Parker added that funds were available due to the recent budget in the Solid Waste budget. City Manager Parker reiterated that this would not reflect the total cost for the fuel farms. City Manager Parker added that there was in excess of one hundred thousand dollars (+\$100,000) worth of work yet to be completed in fences, concrete, lighting, cameras and a generator system. City Manager Parker asked Assistant City Manager Keith Wright if he had anything to add. Assistant City Manager Wright stated that the memo stated that the Fuelmaster management system was being purchased through HGAC, but the system was actually being purchased through BuyBoard. Mayor Gorden stated that both Angelina County and the Lufkin Independent School District already had fuel farms in place. City Manager Parker stated that the school bought all of its fuel in bulk but was not certain if the entire County was on the system. City Manager Parker added that County Commissioners were using bulk fuel but was not certain if the Sheriff's Department was on the system. Mayor Gorden reiterated that the current supplier, which was Brookshire Brothers and Polk Oil, had been excellent to work with. Mayor Gorden added that it was a matter of public safety as both the Fire and Police Chief's had said earlier.

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

Councilmember Lynn Torres moved to approve the concept and to approve the bids for fuel tanks, dispensers, and a fuel management system. Councilmember Rose Faine Boyd seconded the motion. The following vote was recorded:

Aye: Mayor Jack Gorden, Council Members R.L. Kuykendall, Lynn Torres, and Rose Faine Boyd

Nay: Council Members Phil Medford and Rufus Duncan

The motion carried with four (4) affirmative votes.

9. RESOLUTION ADOPTING CERTAIN FEES FOR THE USE OF THE CITY OF LUFKIN PITSER GARRISON CIVIC CENTER, - APPROVED - REPEALING ALL ORDINANCES AND PROVISIONS IN CONFLICT THEREWITH AND ESTABLISHING AN EFFECTIVE DATE

Mayor Jack Gorden stated that the next item for consideration was a Resolution adopting certain fees for the use of the City of Lufkin Pitsier Garrison Civic Center, repealing all Ordinances and provisions in conflict therewith and establishing an effective date.

City Manager Paul Parker stated this item was reviewed at the recent Council Work Session. City Manager Parker added that the Council's handout showed the proposed rate increases for both non-profit and regular rates. City Manager Parker stated that the rate structure presently divided regular rates from those groups that were non-profit. City Manager Parker added that non-profit customers received a lower rate than regular customers. City Manager Parker stated that the rate structure break down was in the Council's packets and that he would not go over it in detail unless Council had questions. City Manager Parker stated that if the Civic Center was booked the same amount of times as the previous year, the revenue would increase by approximately forty-one percent (41%). City Manager Parker added that the City had not, however, raised rates for the Civic Center since 1994. City Manager Parker

stated that the Civic Center had massive improvements to the facility in recent years. City Manager Parker added that Civic Center Director Nellie Matthews also provided the breakdown of other cities' rates and that of other areas to show that the City of Lufkin was in line with what other cities were doing. City Manager Parker added that additionally Council had asked for a breakdown of events by types and months of occurrence. City Manager Parker added that there were several events each year that the City co-sponsored and waived all charges. City Manager Parker stated that Staff was prepared to answer any questions that Council had concerning the rate increases or any of the operations of the Civic Center. City Manager Parker then recommended that Council approve the rate increase, as presented.

Mayor Gorden commented that it had been a long time to hold the line on rates for the Civic Center and that the Center continued to be a huge asset to the City and thanked Director Matthews for the excellent job she did at the Center.

Mayor Gorden asked for questions or comments from the Council.

Councilmember Rufus Duncan moved to approve the Resolution adopting certain fees for the use of the City of Lufkin Pitser Garrison Civic Center, repealing all ordinances and provisions in conflict therewith and establishing an effective date. Councilmember R. L. Kuykendall seconded the motion. A unanimous affirmative vote was recorded.

10. CONTRACT EXTENSION – APPROVED - WITH FIRST BANK AND TRUST EAST TEXAS (FBTET) AS THE CITY OF LUFKIN DEPOSITORY

Mayor Jack Gorden stated that the next item for consideration was to accept a contract extension with First Bank and Trust East Texas (FBTET) as the City of Lufkin depository. Mayor Gorden then requested City Secretary Renee Thompson to show him recused from the discussion and vote due to his employment at that bank.

City Manager Paul Parker asked Mayor Pro Tem Rose Faine Boyd to reside over the meeting during the item. City Manager Parker stated that the City had a good relationship with First Bank and Trust of East Texas and that the initial contract expired on September 30, 2008. City Manager Parker explained that the contract provided for two (2) renewal periods that could grant a two (2) year extension. City Manager Parker added that the contract would therefore be extended until September 30, 2010. City Manager Parker stated that one (1) of the benefits of staying with First Bank and Trust of East Texas, other than the excellent service level, was that all of the City's checks, stationery, and inventory was already provided and that there was some savings from that standpoint. City Manager Parker stated that based on the past working relationship, Staff recommended that Council accept the two (2) year extension provided in the contract which First Bank and Trust of East Texas had agreed to accept and extend the contract with the same conditions.

Mayor Pro Tem Rose Faine Boyd then asked for questions or comments from the Council.

Councilmember Phil Medford moved to approve accepting a contract extension with First Bank and Trust East Texas (FBTET) as the City of Lufkin depository. Councilmember Lynn Torres seconded the motion. A unanimous affirmative vote was recorded.

11. RESOLUTION AMENDING THE AUTHORIZED REPRESENTATIVES FOR THE CITY OF LUFKIN – APPROVED - TO THE TEXAS LOCAL GOVERNMENT INVESTMENT POOL (TEXPOOL)

Mayor Jack Gorden stated that the next item for consideration was a Resolution amending the authorized representatives for the City of Lufkin to the Texas Local Government Investment Pool (TexPool).

City Manager Paul Parker stated the Resolution simply allowed Belinda Southern to be able to sign for TEXPOOL, which was part of the City's investment pool. Mayor Gorden stated that this gave the Council the opportunity to publicly thank Debbie Vance for her service to the City of Lufkin.

Mayor Gorden asked for questions or comments from the Council.

Councilmember Rose Faine Boyd moved to approve the Resolution amending the authorized representatives for the City of Lufkin to the Texas Local Government Investment Pool (TexPool). Councilmember Lynn Torres seconded the motion. A unanimous affirmative vote was recorded.

12. GRANT FROM DEEP EAST TEXAS COUNCIL OF GOVERNMENT AND THE TEXAS DEPARTMENT OF EMERGENCY MANAGEMENT – APPROVED - IN THE AMOUNT OF SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$7,500) TO PURCHASE TWELVE (12) PORTABLE TWO-WAY RADIOS FOR THE POLICE DEPARTMENT

Mayor Jack Gorden stated that the next item for consideration was to accept a grant from Deep East Texas Council of Government (DETCOG) and the Texas Department of Emergency Management in the amount of seven thousand five hundred dollars (\$7,500) to purchase twelve (12) portable two-way radios for the Police Department.

City Manager Paul Parker stated this was a grant, with no match required, for twelve (12) additional portable radios in the amount of seven thousand two hundred sixty-two dollars and four cents (\$7,262.04). City Manager Parker added that the grant was for seven thousand five hundred dollars (\$7,500) and that the balance would be held and added to additional money for the City's future usage. City Manager Parker stated that Staff recommended that Council approve the purchase of the portable radios.

Mayor Gorden commended Police Chief Larry Brazil for obtaining the grant for the City. Mayor Gorden then asked for comments or questions from the Council.

Councilmember Rufus Duncan moved to approve acceptance of the grant from Deep East Texas Council of Government and the Texas Department of Emergency Management in the amount of seven thousand five hundred dollars (\$7,500) to purchase twelve (12) portable two-way radios for the Police Department. Councilmember Lynn Torres seconded the motion. A unanimous affirmative vote was recorded.

13. CONTRACT WITH ANGELINA COUNTY – APPROVED - CONCERNING HANDLING AND DISCHARGE OF LEACHATE AND CONTAMINATED WATER

Mayor Jack Gorden stated that the next item for consideration was a contract with Angelina County concerning handling and discharge of leachate and contaminated water.

City Manager Paul Parker stated the City of Lufkin had made a previous arrangement with Angelina County to take the leachate from the Angelina County Landfill. City Manager Parker explained that this was the sediment water which was treated at the City's Sewer Plant. City Manager Parker stated that this item was requesting the renewal of the contract and was based on the current rate structures and provided for the continuation of that program. City Manager Parker stated that Staff recommended that the City enter into a contract with Angelina County with the rates specified in the contract for the continuation of the treatment of the Angelina County Landfill's leachate from the landfill.

Mayor Gorden asked for questions or comments from the Council about extending the contract with the County.

Councilmember Lynn Torres moved to approve the contract with Angelina County concerning handling and discharge of leachate and contaminated water. Councilmember Rose Faine Boyd seconded the motion. A unanimous affirmative vote was recorded.

14. RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2007/2008 OPERATING BUDGET (BUDGET AMENDMENT NO. 33), - APPROVED - PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE GENERAL AND WATER/WASTEWATER FUNDS; AND PROVIDING AN EFFECTIVE DATE

Mayor Jack Gorden stated that the next item for consideration was a Resolution authorizing an amendment to the 2007/2008 Operating Budget (Budget Amendment No. 33), providing

for the supplemental appropriation of funds in the General and Water/Wastewater Funds; and providing an effective date.

City Manager Paul Parker stated that the Council was aware of the fact that the City had been dealing with this program for quite some time. City Manager Parker explained that in 2002 the City of Lufkin received a Texas Community Development Block Grant contract from the Offices of Rural Community Affairs (ORCA) in the amount of four hundred thousand dollars (\$400,000) for the installation of streets, water and sewer lines in the Myrna Addition Subdivision. City Manager Parker added that the improvements were installed and therefore the City acquired the four hundred thousand dollar (\$400,000) worth of improvements. City Manager Parker stated that along with the improvements was the agreement that the grant would not have to be repaid if the stipulations of the agreement were met. City Manager Parker stated that the stipulations included a number of the units to low to moderate income families. City Manager Parker explained that the City of Lufkin partnered with the Pineywoods Home Team, who was to administer the grant. City Manager Parker added that the City had an agreement with the Pineywoods Home Team, that if the City had to return any of the funds, the Pineywoods Home Team would be responsible for those returned funds. City Manager Parker stated that Staff had numerous conversations with the Pineywoods Home Team and that to date, the City had not reached an agreement on the return of the funds. City Manager Parker pointed out that the City had a pending grant that had been approved for the North Lufkin area for sewer improvements, which was being held in abeyance until the City arranged for the repayment of the four hundred thousand dollars (\$400,000). Mayor Gorden asked if the North Lufkin sewer improvement grant was for two hundred fifty thousand dollars (\$250,000). City Manager Parker confirmed that the grant was in the amount of two hundred fifty thousand dollars (\$250,000) for replacement of Orangeburg pipe and some water extensions. City Manager Parker stated that Staff was recommending that the City repay the four hundred thousand dollars (\$400,000) to ORCA. City Manager Parker added that the Council had requested Mayor Gorden and City Manager Parker to visit with Charlie Stone, Executive Director of ORCA, to determine a payback system that ORCA would agree with. City Manager Parker stated that in the conversation with ORCA, the maximum amount of time that ORCA would agree to was thirty-six (36) months, with equal payments and no interest charged to the City. City Manager Parker stated that Staff recommended that Council approve the Budget Amendment and to set aside funds from the General Fund and Water/Wastewater Fund into an account for the full four hundred thousand dollars (\$400,000) and draw the interest on the money to benefit the City and repay ORCA over a three (3) year period with no interest. City Manager Parker stated that the next step, if the Council agreed to the recommendation, would be for the Mayor to write a letter to Mr. Charlie Stone requesting the “pay out” system. City Manager Parker added that Mr. Stone had verbally told the City that the “pay out” system would be acceptable and then ORCA would release the other grant and the City would be back in compliance with ORCA’s requirements for the repayment of the ORCA grant. City Manager Parker reiterated that Staff recommended that Council approve the Budget Amendment that set aside the funding and provide for the repayment of the ORCA grant in the amount of four hundred thousand dollars (\$400,000).

Mayor Gorden commented that it seemed as though the situation with the Pineywoods Home Team had gone on forever. Mayor Gorden added that the City had gotten the improvements and that a lot of people had homes because of the grant, but the bad news was the City was going to have to repay the funds and then possibly seek restitution.

Councilmember Rufus Duncan stated that he was personally disappointed in the Federal Government requiring the City to pay back the full amount. Councilmember Duncan stated that he did not think that the City of Lufkin had been treated fairly, but that the City did not have much control in the situation. Councilmember Duncan added that he did believe that the City should file suit with the Pineywoods Home Team. City Attorney Bob Flournoy stated that the City had already filed that lawsuit.

Councilmember Rose Faine Boyd inquired if the City had heard from the Pineywoods Home Team. City Attorney Flournoy stated that the Pineywoods Home Team had twenty (20) days to file an answer and that the City was in the process of serving the Pineywoods Home Team.

Councilmember Boyd asked if the funds came from both the General Fund and the Water/Wastewater Fund. City Manager Parker explained that the amount of money for the

water and sewer lines was taken from the Water/Wastewater Fund and the balance would be taken from the General Fund. City Manager Parker added that three hundred thirty four thousand fifty-eight dollars (\$334,058) came from the General Fund and sixty-five thousand nine hundred forty-two dollars (\$65,942) came from the Water/Wastewater Fund. City Manager Parker stated that this was why Staff wanted to set the funds aside in a holding account, in case there was a shortfall in revenue in future years. City Manager Parker added that it would then not impact ongoing operations because at the present time the City had the money in the Fund Balance above the twenty-five percent (25%) reserve.

Councilmember Phil Medford moved to approve the Resolution authorizing an amendment to the 2007/2008 Operating Budget (Budget Amendment No. 33), providing for the supplemental appropriation of funds in the General and Water/Wastewater Funds; and providing an effective date. Councilmember R. L. Kuykendall seconded the motion. A unanimous affirmative vote was recorded.

15. RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2007/2008 OPERATING BUDGET (BUDGET AMENDMENT NO. 34). - APPROVED - PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE ZOO BUILDING AND ZOO EDUCATION CENTER FUNDS; AND PROVIDING AN EFFECTIVE DATE

Mayor Jack Gorden stated that the next item for consideration was a Resolution authorizing an amendment to the 2007/2008 Operating Budget (Budget Amendment No. 34), providing for the supplemental appropriation of funds in the Zoo Building and Zoo Education Center Funds; and providing an effective date. Mayor Gorden added that he encouraged anyone that hadn't seen the facility under construction at the Ellen Trout Zoo, to go by and take a look. Mayor Gorden stated that the facility was going to be a fabulous addition to the Zoo.

City Manager Paul Parker stated when the building contract for the Zoo for the construction of the Zoo Educational/Administration Building was set up, there was money set aside for the conduit to run the wiring at a later date. City Manager Parker added that the City would then obtain a separate contract with the technicians that install cabling, fiber, phone and data drops, electronics, and infrastructure to support the computer and phone systems. City Manager Parker stated that included in the funds was additional phones, computers, printers and docking stations as well as the fiber runs that would help put the Zoo Educational/Administration Building to total functional use once the building was completed. City Manager Parker stated that the funds would come from the unfunded balance in the Zoo Building Fund in the amount of sixty-three thousand nine hundred sixty-six dollars (\$63,966). City Manager Parker added that the amount had approximately a five percent (5%) contingency. City Manager Parker explained that as projects progressed, it was hard to determine the total costs for the fiber runs and that Staff felt that there might be a little excess money in the contingency, but that any money not spent would return to the Zoo Building Fund balance.

Mayor Gorden asked what the projected opening date was for the Zoo Educational/Administration Building. City Manager Parker stated that the contract stated that the opening date would be in December 2008. Ellen Trout Zoo Director Gorden Henley stated that information received from the Project Manager was the completion would be in mid-September 2008. Mr. Henley added that the Zoo was still using the existing classroom and that there were supplies and materials in the classroom that would have to be moved into the new facility. Mr. Henley added that the earliest projected opening date would be in October 2008. Mr. Henley added that he did not want to go on record, because anything could happen. Mr. Henley stated that the original opening was expected to be in November or December 2008, but that the project was expected to be finished sooner, as it was coming along pretty fast.

Mayor Gorden asked for questions or comments from the Council concerning the amendment.

Councilmember R. L. Kuykendall moved to approve the Resolution authorizing an amendment to the 2007/2008 Operating Budget (Budget Amendment No. 34), providing for the supplemental appropriation of funds in the Zoo Building and Zoo Education Center

Funds; and providing an effective date. Councilmember Lynn Torres seconded the motion. A unanimous affirmative vote was recorded.

16. MODIFIED TECHNICAL CONSTRUCTION STANDARDS - APPROVED

Mayor Jack Gorden stated that the next item for consideration was to approve Modified Technical Construction Standards.

City Manager Paul Parker stated that during the Capital Improvements Project Meeting the Council and Staff discussed some of the problems with deteriorating culverts in the city and that Council brought to the attention of the City Staff that many of the detention ponds that were built had the same material in them. City Manager Parker explained that the primary portion of the item was to modify the standards. City Manager Parker then asked Assistant City Manager Keith Wright to explain the standards. Assistant City Manager Wright explained that the detention facilities would require the use of concrete RCP, HDPE high density polyethylene or PVC pipe, or other materials that may be approved by the City Engineer.

Mayor Gorden asked for comments or questions from the Council. Councilmember Rufus Duncan stated that the design requirements went into things such as ninety-five percent (95%) compaction on earth and berms. Councilmember Duncan asked if the City would require compaction tests. Assistant City Manager Wright stated that the City would not require the compaction tests and that the City did not check on the project unless it was work that would have to be accepted by the City. Councilmember Duncan asked if he had built a detention pond in the past, as opposed to a new detention pond, what the difference in the requirements would be. Assistant City Manager Wright stated that the difference was the pipe.

Councilmember Rose Faine Boyd moved to approve Modified Technical Construction Standards. Councilmember R. L. Kuykendall seconded the motion. A unanimous affirmative vote was recorded.

17. CAPITAL IMPROVEMENT PROGRAM (CIP) WORK SESSION

Mayor Jack Gorden stated that the next item for consideration was the Capital Improvement Program (CIP) Work Session.

City Manager Paul Parker stated that the purpose of the Work Session was to continue the Capital Improvement planning process. City Manager Parker explained that Staff wanted to show the Council the ranking sheets. City Manager Parker added that on the Council's desks were the revised ranking sheets that Council asked the Staff to look at again to consider several ways to recalculate the way jobs could be accomplished. City Manager Parker stated that the ranking sheet, before the Council, reflected the numbers that Staff had been working on. City Manager Parker stated that at first he would explain the difference between the two (2) ranking sheets, then talk through the process, and then explain what the updated numbers reflected. City Manager Parker stated that Council had one (1) sheet that had rankings of seven numbers across, reflecting the rankings of all seven members of the Council. City Manager Parker explained that on the second sheet, Staff threw out the highest and lowest ranking of the projects by the Council. City Manager Parker added that the second sheet took out any effort to indirectly skew, change or influence strongly, any one (1) project over another project. City Manager Parker stated that as Council was aware, the work session was just to give Council and Staff a process to begin talking and considering the projects. City Manager Parker stated that the two (2) ranking sheets, or exhibits, were just to guide the Staff and Council into the next phase of the Capital Improvement process. City Manager Parker explained that he envisioned the process would continue by the endorsement of the Council of one (1) of the two (2) methods of ranking the projects that would assist the Staff in working on financial assumptions for the next meeting. City Manager Parker added that Staff would then bring back different ways to fund projects, different amounts to consider, and more food for thought as Staff and Council went through the process. City Manager Parker stated that there were many factors facing the City that year. City Manager Parker explained that these factors included the Highway 59 Project, potential water purchase or water supplies, and the overall economy. City Manager Parker added that Staff did not anticipate asking the Council to push something through immediately to be funded during the

immediate calendar year. City Manager Parker stated that Staff was looking at the following year, based on the Council's direction from a funding standpoint. City Manager Parker added that Staff would probably ask the Council to consider the overall program and then come back in the final stages to develop a one (1) or two (2) year funding scheme that would be considered each subsequent year. City Manager Parker stated that Council may then add additional projects or change projects to allow the City the opportunity to sell bonds or to do projects through existing funding or however the Council chose to direct City Staff. City Manager Parker added that Staff was not looking for a quick decision, but were looking for the next step as the City walked down the path to try to come up with the overall Capital Improvements Projects. City Manager Parker stated that at the next meeting Staff would bring back a funding scheme, based on the Council's directions, to provide a way to approach the plan and therefore give the Council more time to mull, ask questions, and look at the projects to make a determination of whether to move projects up or down, discuss in detail all of the projects again, or however the Council wished to proceed with the process. City Manager Parker stated that from the Staff's standpoint and his recommendation was to consider the second exhibit, which was exhibit "B". City Manager Parker explained that exhibit "B" eliminated the highest and lowest rankings and gave the five median scores as a guide to rank the projects. City Manager Parker stated that hypothetically, the maximum amount in the General Fund would be thirty million dollars (\$30,000,000), but the Council might only look at funding twelve million dollars (\$12,000,000) for projects. City Manager Parker stated that nothing was set in stone, and by using the directions of the Council, Staff would consider how the projects could be completed with the existing tax rate as bond debt came out. City Manager Parker added that Staff also considered how the City could stretch the debt through other creative methods which might be to consider using part of the fund balance and using additional property values in future years. City Manager Parker stated that the funding would be laid out in future meetings, as Council and Staff pinpoints projects and the methods to accomplish them. City Manager Parker stated that by utilizing the thirty million dollars (\$30,000,000), the City could complete approximately twenty-eight (28) projects.

Mayor Gorden stated that he liked that concept, because between now and next year the Council had no idea what might occur and this would give them the flexibility to deal with any unforeseen issues. Mayor Gorden added that some of the projects could possibly be accomplished through grant funds and wanted to know the rationale of including them in the total amount of projects to fund. City Manager Parker explained that from the overall planning aspect, the City could not be assured that the City would receive grants. City Manager Parker added that Staff would still have to factor in the estimated costs. City Manager Parker explained that as Staff worked on the grants, and if the City then received them, the City would issue that much less in bonds. Mayor Gorden stated that in some ways the figures would still be skewed, and if the City were unable to attain grant funds, there were some projects that Council might not be in favor of including. City Manager Parker stated that he would recommend that the projects be ranked as though no grant funds would be received. City Manager Parker added that then if the City did obtain grant funds, Staff could always calculate the funding again. City Manager Parker pointed out that the maximum amount of funds that could be obtained through grants was five hundred thousand dollars (\$500,000). City Manager Parker explained that if a project was estimated to cost two million eight hundred thousand dollars (\$2,800,000) and the grant was for the full five hundred thousand dollars (\$500,000) there would still be needed funds to complete the project. City Manager Parker emphasized that the Council always had the option to shift projects and redefine the system. City Manager Parker added that the CIP plan was just a guide or tool to use for planning. City Manager Parker stated that if the current ranking was taken in its entirety, and if all of the cost estimates were absolute, and if the Council wanted to fund the first six (6) projects during the first two (2) years, each year the Council would have the opportunity to make changes based on the many variables of the economy. City Manager Parker added that the "plan" was strictly set up to be a strategy to be reviewed annually. City Manager Parker pointed out that the ranking sheets that had previously been given to the Council had already changed, based on alternative ways to accomplish the project. City Manager Parker added that Staff had taken direction from the Council from the last meeting, which was reflected in the new ranking sheets.

Mayor Gorden stated that between Staff and Council there had been a list identified of items that would be most important to the ongoing good of the City of Lufkin.

Mayor Gorden asked for comments from the Council.

Councilmember Lynn Torres stated that she preferred the ranking that removed the highest and lowest scores because it seemed to be more reflective of the Council's collective opinion. Councilmember Torres added that it would not; however be a productive way to go about accomplishing the plan by going in numerical order. Councilmember Torres stated that next she would like to see a Staff grouping of the projects. Councilmember Torres added that the projects should be in groups such as street projects, water projects, park projects, etc., so that Council could determine within a group which projects were more urgent and necessary. Councilmember Torres stated that Council would still take into account the ranking, but could not just draw a line to determine the projects to be accomplished, because more entered in to the decision. Councilmember Torres added that the City would not be very productive and would have to move equipment all over town if forethought was not given in the planning process. City Manager Parker stated that he was surprised at the overall process because everyone had their own preconceived notions about what was more important or what everyone individually considered to be most important. City Manager Parker added that the process had been very beneficial and had brought out a different ideology than it would have if only Staff had made recommendations. City Manager Parker stated that Council had given Staff some redirection to refine the projects into categories. Councilmember Torres stated that the Council's opinions were more alike when the highest and lowest scores were removed. Councilmember Torres added that all Council Members would have pet projects, but removing the highest and lowest scores leveled the playing field somewhat.

Councilmember Rufus Duncan stated that he would like to see a revenue number independent of the current plan, using cash flow and a lump sum amount every year, and not issuing bonds, and to try to determine how the City would pay for the projects as funds were available. City Manager Parker stated that the only dilemma would be that Staff would have to assume the amount of revenue the City would have above expenditures each year. City Manager Parker added that it could be accomplished with the funds on hand, but would have to make assumptions based on the last two (2) to three (3) years trend. City Manager Parker explained that as budgets got tighter the City might not have as much to use over the twenty-five percent (25%) fund balance, but there might be other items that could be brought into the budget to accomplish Councilmember Duncan's proposal. City Manager Parker added that the strategy could be achieved, but might not be as concrete as bonds because there would have to be some assumptions made. Councilmember Duncan stated that the City would have to make assumptions when bonds were issued anyway. City Manager Parker stated that when Staff prepared the financials there were a lot of options, other than just bonds. City Manager Parker explained that there were pay as you go plans, combination bonds, remaining funds in the Asbestos Waterline Program, excess bond indebtedness in the Debt Fund, and other sources of funding. City Manager Parker added that Staff wanted to bring all of those to the Council at the next CIP Planning Meeting. City Manager Parker stated that Staff wanted to keep Council up on the process and get direction on which system to use in the rankings. City Manager Parker then asked Assistant City Manager Keith Wright to highlight some of the projects that Council had given direction on at the last meeting.

Assistant City Manager Wright stated that Public Works Director/City Engineer Chuck Walker and his staff had been working hard on updating information on the projects and trying to narrow down the costs. Assistant City Manager Wright added that Staff had gone through numbers one (1) through thirty (30) on the ranking list, but had not looked at items from thirty-one (31) down. Assistant City Manager Wright explained that there were still a few projects that Staff was still tweaking. Assistant City Manager Wright stated that one of the things that Staff did go back and do was to adjust asphalt price, because Staff was using sixty-six dollars (\$66) per ton in the calculations and now the estimates were approximately eighty dollars (\$80) per ton. Assistant City Manager Wright added that Staff went back and adjusted contingencies. Assistant City Manager Wright explained that Staff had estimated an approximate fifteen percent (15%) contingency on each project and Staff adjusted the contingency to five percent (5%). Assistant City Manager Wright stated that several of the projects were estimated with engineering done "in house" and Staff adjusted those projects. Assistant City Manager Wright stated that in every project the asphalt was adjusted by using professionals that were more familiar with certain projects to give a more accurate cost for each project. Assistant City Manager Wright added that the Pines Theater Project was reduced by five hundred thousand dollars (\$500,000) off of the estimate that Councilmember

Don Langston developed. Assistant City Manager Wright stated that Staff had a contractor go in and look at the Fire Station Upgrade Project and price the needed equipment and discovered that the previous estimate was too low. Assistant City Manager Wright stated that there was a map in front of each Council Member to show the new alignment of the proposed East Whitehouse Drive project. Assistant City Manager Wright explained that one of the Council's concerns with the project was going through existing residential areas and not having the potential for development. Assistant City Manager Wright added that with the new alignment the price for the project would go up some and the alignment was based on areas that could be developed and expanded upon if the road was constructed. Assistant City Manager Wright stated that the Restroom Replacement Project went down in cost. City Manager Parker stated that the Restroom Replacement Project was a perfect example of what Councilmember Duncan was asking about earlier. City Manager Parker explained that those projects would probably be moved into the budget now and not be in the current CIP Program. Assistant City Manager Wright stated that all of the bridges such as the White Oak Bridge were taken and were estimated by the same procedure that was used when working on the Pershing Street Bridge. Assistant City Manager Wright explained that the City Staff did most of the work and the only thing that was bid out was the concrete headwalls. Assistant City Manager Wright stated that the Moffett Road Project was the same with the asphalt, engineering done "in house" and contingencies. Assistant City Manager Wright added that the Denman Avenue Project was much the same but Staff estimated that City would lay the box culverts and the design was changed a little. Assistant City Manager Wright stated many of the other projects were similar because contingencies could be lowered and engineering could be provided "in house". Assistant City Manager Wright stated that on the Spence Street Project, Staff did a lot of revisions and the project went down considerably in cost. Assistant City Manager Wright added that the original estimate for Spence Street was what was typically done. Assistant City Manager Wright explained that Spence Street was predominantly an industrial street, and Staff estimated to reclaim the existing asphalt into a base material and put four (4) inches of new asphalt on top of the existing asphalt. Assistant City Manager Wright added that this would make a very nice road and a good road to hold up the type load that the road was currently experiencing, but would be done at a lot cheaper price. Assistant City Manager Wright stated that Staff made some minor adjustments to the Cottonbelt Street Drainage Project, based on using "in house" labor. Assistant City Manager Wright added that the estimate for the Williams Street Reconstruction Project was adjusted by also using "in house" labor. Assistant City Manager Wright stated that was all of the major adjustments, but wanted to point out that the cost estimates were based on the current economy and could increase as the CIP Projects developed over time. Assistant City Manager Parker added that in the original CIP book, Staff estimated an increase of three percent (3%) per year based on cost of living increases. Assistant City Manager Wright stated that was one of the reasons that he was in favor of bonding, was because if the City used bonds then today's dollars could perhaps be leveraged versus future dollars, which would not go as far. Assistant City Manager Wright then asked if the Council had any questions concerning his presentation.

Mayor Gorden asked the Council for further questions or comments.

City Manager Parker asked Council for a consensus on the type of ranking that the Council wanted to use. Council concurred to use the ranking sheet that threw out the highest and lowest scores.

City Manager Parker then introduced Mark Dunn to make a presentation concerning the future plans for Bronaugh Park, as it related to the Capital Improvements Program. City Manager Parker asked Mr. Dunn to give the Council an overview of the Bronaugh Park concept that the Landscape Taskforce had been working on.

Mr. Dunn approached the podium. Mr. Dunn stated that he wanted to give the Council a brief overview of the Landscape Task Force and what they represented and had done for Lufkin. Mr. Dunn stated that he had a model of what the Landscape Task Force was proposing to do in the Bronaugh Park located beside City Hall. Mr. Dunn then passed the model around to the Council for their viewing.

Mr. Dunn stated that the Louis Bronaugh Park was, in essence, an undeveloped piece of ground with picnic tables. Mr. Dunn explained that through the Landscape Task Force the "Spirit of America" Garden had been developed that provided a nice backdrop and setting for

the future of the park. Mr. Dunn stated that the Landscape Task Force was suggesting adding an amphitheater that could host outdoor events, an avenue of flags around the current "Spirit of America" Garden, a restroom, and landscaping using native trees and plants. Mr. Dunn stated that the Landscape Task Force basically planned to convert the park into a park that would be useful to the visitors and citizens of Lufkin. Mr. Dunn stated that he did not want the requested funds to be reflective of what would be funded. Mr. Dunn explained that the Landscape Task Force expected to raise a majority of the money for the improvements to the park and wanted to ask the City of Lufkin to provide "like in kind" donations from the various departments such as Engineering and Public Works. Mr. Dunn stated that the Engineering Department could help in developing the plans for the park and the Public Works Department could lay sewer and water lines for the restroom and provide drainage from the amphitheater. Mr. Dunn added that his understanding was the Landscape Task Force would go out and raise funds for most of the improvements. Mr. Dunn explained that the Landscape Task Force had already written several grants and expected some funds back from those grants and had voted to proceed with the sale of the Avenue of Flags to groups or individuals around the City. Mr. Dunn added that the Landscape Task Force would sell the flags at two thousand five hundred dollars (\$2,500) apiece. Mr. Dunn stated that all the Landscape Task Force asked of the City would be to dig a hole and help pour the concrete.

Mr. Dunn then went through his presentation relating to the Landscape Task Force. Mr. Dunn explained that the Landscape Task Force was no more than a volunteer board that went out seeking funding and raising money to promote public landscape projects to enhance the image and appearance of Lufkin to make Lufkin more attractive to visitors, citizens and potential businesses. Mr. Dunn then went through the many accomplishments of the Landscape Task Force. These accomplishments included: the landscaping on Gaslight Boulevard, establishing the Spirit of American Gardens, entrance to the Ellen Trout Zoo, the Circle of Seven Memorial in the atrium at City Hall, renovations and improvements to Chambers Park and the "Rock House", and a new wall and monument in Louis Bronaugh Park. Mr. Dunn stated that the future plans for Bronaugh Park would include the amphitheater, walking trails, handicap accessibility, a restroom, the Avenue of Flags, and finally landscaping throughout the park. Mr. Dunn explained the model for the Bronaugh Park. Mr. Dunn explained that the Bronaugh Park plans were an open concept and that the Landscape Task Force would appreciate the Council's ideas, but reminded the Council that the project needed to begin moving. Mr. Dunn then explained some of the ways that the Landscape Task Force funded projects. Mr. Dunn stated that the Landscape Task Force needed the Council's consideration for assistance with "like in kind" donations from the City's different departments. Mr. Dunn then asked the Council for questions or comments.

Mayor Gorden stated that it went without saying that each one of the Council Members appreciated the Landscape Task Force and their work in the City of Lufkin. Mayor Gorden added that the Landscape Task Force made a huge difference in the way the City looked.

Councilmember Rufus Duncan stated that the Landscape Task Force had gotten more done with less money than anyone he knew. Mr. Dunn stated that when the citizens got involved the money did not have to come from taxes. Mr. Dunn added that when neighbors saw neighbors giving and helping, they came to the forefront. Mr. Dunn stated that the City had seen countless numbers of people come forward through disasters and public projects. Mr. Dunn stated that Lufkin was a tremendous city and encouraged the Council to consider the Landscape Task Force's project in Bronaugh Park.

Mayor Gorden then asked Mr. Victor Travis if he would like to make some remarks to the Council.

Mr. Victor Travis approached the podium. Mr. Travis stated that he was a citizen in North Lufkin. Mr. Travis explained that he was listening to the Council during the meeting and had become more informed about the efforts and plans of the City Staff and Council. Mr. Travis noted that the City had included in the CIP the street that he lived on which was Cottonbelt. Mr. Travis added that he considered Cottonbelt to be one of the worst streets in Lufkin and that he was glad to see that some funds would be coming for that particular street. Mr. Travis stated that he had been working in the area of Cottonbelt by picking up trash and planned to work in that area again that week. Mr. Travis added that he would really appreciate the Council working to improve the drainage problems on that street. Mr. Travis stated that hopefully, in the near future, more people would move back on Cottonbelt and appreciated all of the help the City could give.

City Manager Parker stated that Council had on their desks a letter to the City from the North Lufkin Neighborhood Leadership Council. City Manager Parker added that the letter made reference to the Capital Improvement Program and that he wanted to bring it to the attention of the Council.

18. Mayor Jack Gorden recessed the Regular Session at 7:12 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.

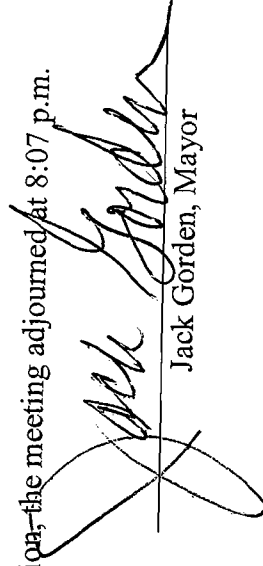
Mayor Jack Gorden reconvened the Regular Session at 8:05 p.m.

19. **CALENDAR NOTATIONS FROM MAYOR, COUNCIL MEMBERS, AND CITY MANAGER**

Mayor Gorden stated that the next item for consideration was the Calendar Notations. City Manager Parker stated that he wanted to highlight the upcoming TML Conference that would be held October 28 – 31, 2008 in San Antonio. City Manager Parker asked the Council to let City Secretary Renee Thompson know if they planned to attend.

20. There being no further business for consideration, the meeting adjourned at 8:07 p.m.


Renee Thompson – City Secretary


Jack Gorden, Mayor