

**MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY
OF LUFKIN, TEXAS HELD ON THE 17TH DAY OF NOVEMBER, 2009**

On the 17th day of November, 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.	Mayor
Don Langston	Mayor Pro-Tem
R. L. Kuykendall	Councilmember, Ward No. 1
Robert Shankle	Councilmember, Ward No. 2
Lynn Torres	Councilmember, Ward No. 3
Rufus Duncan	Councilmember, Ward No. 5
Phil Medford	Councilmember, Ward No. 6
Paul L. Parker	City Manager
Keith Wright	Deputy City Manager
Robert Flournoy	City Attorney
Bruce Green	Asst. City Attorney
Renee Thompson	City Secretary
Rodney Ivy	Human Resource Director
Scott Marcotte	Police Chief
Gerald Williamson	Asst. Police Chief
Danny Kistner	Fire Chief
Doug Wood	Finance Director
Dorothy Wilson	Planning Director
Steve Floyd	Public Works Director
Don Hannabas	Parks & Leisure Services Director
Barbara Thompson	Main Street Director
Jim Wehmeier	Economic Development Director
Dale Allred	Inspection Services Director
Chuck Walker	Public Utilities Director
J. B. Smith	Lufkin Police Association
Walter Diggles	Deep East Texas Council of Governments
Mark Spencer	MHS Planning and Design, LLC
Tom Gann	Board Member- Texas Department of Housing and Community Development
Mike Gerber	Executive Director- Texas Department of Housing and Community Development

being present, when the following business was transacted:

1. The meeting was opened with prayer by Pastor Randy Brown, Calvary Baptist Church.
2. Mayor Jack Gorden welcomed visitors present.
3. **APPROVAL OF MINUTES**

Minutes of the Regular Meeting of November 3, 2009 were approved on a motion by Councilmember Lynn Torres, and seconded by Councilmember R. L. Kuykendall. A unanimous affirmative vote was recorded.

OLD BUSINESS:

4. **PUBLIC HEARING AND SECOND READING OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LUFKIN, TEXAS, - APPROVED - AUTHORIZING THE CITY OF LUFKIN TO PARTICIPATE IN THE TEXAS ENTERPRISE ZONE PROGRAM, PURSUANT TO THE TEXAS ENTERPRISE ZONE ACT, CHAPTER**

2303, TEXAS GOVERNMENT CODE (“ACT”), IDENTIFYING TAX INCENTIVES DESIGNATING A LIAISON FOR COMMUNICATION WITH THE INTERESTED PARTIES, AND NOMINATING LUFKIN INDUSTRIES, INC. TO THE OFFICE OF THE GOVERNOR, ECONOMIC DEVELOPMENT AND TOURISM (OOGEDT) THROUGH THE ECONOMIC DEVELOPMENT BANK (“BANK”) AS AN ENTERPRISE PROJECT (“PROJECT”)

Mayor Jack Gorden stated that the next item for consideration was a Public Hearing and Second Reading of an Ordinance of the City Council of the City of Lufkin, Texas, authorizing the City of Lufkin to participate in the Texas Enterprise Zone Program, pursuant to the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code (“Act”), identifying tax incentives designating a liaison for communication with the interested parties, and nominating Lufkin Industries, Inc. to the Office of the Governor, Economic Development and Tourism (OOGEDT) through the Economic Development Bank (“Bank”) as an Enterprise Project (“Project”).

City Manager Paul Parker stated that the item concerned an enterprise project to allow Lufkin Industries to receive incentives for job retention in the City of Lufkin. City Manager Parker added that Staff recommended approval of the designation of Lufkin Industries as an “Enterprise Project” for job retention in Lufkin and the State of Texas.

Mayor Gorden opened the Public Hearing 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 of the City Council of the City of Lufkin, Texas, authorizing the City of Lufkin to participate in the Texas Enterprise Zone Program, pursuant to the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code (“Act”), identifying tax incentives designating a liaison for communication with the interested parties, and nominating Lufkin Industries, Inc. to the Office of the Governor, Economic Development and Tourism (OOGEDT) through the Economic Development Bank (“Bank”) as an Enterprise Project (“Project”). Councilmember R. L. Kuykendall seconded the motion. A unanimous affirmative vote was recorded.

Mayor Gorden stated that the City of Lufkin was proud of Lufkin Industries and was happy to be a small part of trying to assist them in their endeavors in Lufkin.

NEW BUSINESS:

5. PRESENTATION BY MIKE GERBER, EXECUTIVE DIRECTOR OF TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS ON HOUSING

Mayor Jack Gorden stated that the next item for consideration was a Presentation by Mike Gerber, Executive Director of Texas Department of Housing and Community Affairs on Housing. Mayor Gorden then acknowledged that Lufkinite Tom Gann was present in the audience, and that Mr. Gann had been appointed by the Governor to be on the Board for the Texas Department of Housing and Community Affairs. Mayor Gorden also recognized Walter Diggles who was the Executive Director of the Deep East Texas Council of Governments.

Mayor Gorden stated that the Council had been very interested in housing in the City of Lufkin for quite some time and had discussions related to it. Mayor Gorden added that the Council was contemplating how they could affect housing in the Lufkin area, and had talked to Mr. Gerber about the subject and were happy to have Mr. Gerber come to Lufkin to give the presentation.

Mike Gerber, Executive Director for the Texas Department of Housing and Community Affairs, stated that they were the State’s lead affordable housing agency for the State of

Texas. Mr. Gerber added that TDHCA appreciated the City of Lufkin for lending them Mr. Tom Gann. Mr. Gerber explained that Mr. Gann was an extraordinary part of the TDHCA Governing Board for the last few months, and that Mr. Gann had given TDHCA solid guidance in his role as a realtor. Mr. Gerber stated that he and Mr. Walters Diggles had talked earlier in the evening and Mr. Diggles remarked that Lufkin was a very progressive community. Mr. Gerber added that it was refreshing to come to a community that had a sense of direction and strategic planning and also had a sense of where the community needed to be in five (5), ten (10), and twenty (20) years down the road. Mr. Gerber stated that the City of Lufkin knew that in addition to transportation, health care, and workforce that housing was an important component. Mr. Gerber added that TDHCA wanted to be a partner to the City of Lufkin, as the Council anticipated the housing needs of the City. Mr. Gerber stated that TDHCA offered an important set of tools from the State and the Federal side that could play a role in the future development in Lufkin.

Mr. Gerber then explained the different programs that TDHCA offered which included Rental Housing Development and Rental Assistance, the federally funded HOME Program that offered the Homeowner Rehabilitation Program, Tenant Based Rental Assistance Program, and the Homeowner Assistance Program. Mr. Gerber stated that TDHCA had the largest lender network in the State of Texas. Mr. Gerber explained that TDHCA worked with community banks and large major national banks to provide some of the lowest interest rates in the State of Texas for people ready for the challenge of home ownership. Mr. Gerber added that TDHCA currently had mortgage rates at approximately 6.25%. Mr. Gerber stated that the loans came with four percent (4%) down payment assistance and closing cost assistance. Mr. Gerber added that this could often make a difference in whether a family could get into a home or not. Mr. Gerber stated that TDHCA welcomed the chance to partner with communities that knew of low income individuals that qualified and to get them into a safe conventional mortgage product.

Mr. Gerber then discussed the Housing Trust Fund Program, which was the only state source of affordable housing funds. Mr. Gerber explained that TDHCA used the funds to try to identify gaps that existed in funding from the federal government, and to try to meet some critical needs. Mr. Gerber stated that the Housing Trust Fund Program offered the Veterans Housing Support Program and the Homeownership Assistance Program.

Mr. Gerber then shared a sense of what TDHCA was really about, and how they wanted to be a part of the goals of the Lufkin community and wanted to fit into the strategic vision of the City of Lufkin's future. Mr. Gerber added that TDHCA wanted to tailor their programs to adapt to the changing circumstances in Lufkin.

Mr. Gerber stated that the single page handed out to the Council was a housing assistance snapshot oriented to constituents and the services provided for housing assistance, weatherization assistance, foreclosure prevention assistance, the First Time Homebuyer Program and how to access TDHCA. Mr. Gerber then stated that he would be happy to answer any questions of the City Council.

Mayor Gorden asked for questions or comments from the Council. The Council then asked questions and discussed the programs offered by TDHCA. Mayor Gorden stated that Mr. Gerber had given the Council a lot to think about, and that Mr. Gerber had many mechanisms that the City could use. Mr. Gerber stated that he would keep the City posted on the availability of funds through the Mayor Gorden and City Manager Parker. Mr. Gerber added that the programs had different degrees of complexity, and that he would be delighted to have program staff come and do a walk through and allow the Council to see what they did and how they did it to give ideas for the direction the Council would like to go.

6. PRESENTATION BY MARK SPENCER OF MHS PLANNING AND DESIGN, LLC ON THE PARKS MASTER PLAN

Mayor Jack Gorden stated that the next item for consideration was a Presentation by Mark Spencer of MHS Planning and Design, LLC on the Parks Master Plan. Mayor Gorden recognized the members of the Parks Master Plan Committee who were Victor Bruce, Nathan Gann, Trent Ashby, Ellen Temple, Roy Reyes, Lela Simmons and Johnnie Giles.

Mayor Gorden added that City Staff involved in the Parks Master Plan were Mike Akridge, Barry Cox, Dorothy Wilson, Don Hannabas, and Steve Floyd. Mayor Gorden stated that the Council appreciated all of the work and time that everyone put into the project.

City Manager Paul Parker stated that the Council would not adopt the Parks Master Plan until the draft Plan was taken to the Parks Board for Public Hearings. City Manager Parker added that Mr. Spencer was present to go through the Master Plan recommendations with the Council.

Mark Spencer of MHS Planning and Design, LLC, stated that the Parks Master Plan process began in April 2009, and that the philosophy was that every successful plan should be incredibly citizen based. Mr. Spencer added that the Committee spent a lot of time in making the plan reflective of the City of Lufkin's needs.

Mr. Spencer then explained the Parks Master Plan's goals and objectives, methodology, analysis, implementation and potential funding. Mr. Spencer stated that the current level of service was at 8.3 acres per thousand (1000), and added that if each of the projects were implemented in the next ten (10) years the level of service would go to 9.7 acres per thousand (1000). Mr. Spencer stated that the Plan outlined between sixteen to seventeen million dollars (\$16,000,000-\$17,000,000) of construction, and that the cost of land was an additional cost.

Mayor Gorden asked for questions or comments from the Council. The Council then asked questions and discussed the Parks Master Plan. Mayor Gorden again thanked the Committee Members for the time spent on the Plan that would assist in approving the Parks system.

City Manager Parker asked Mr. Spencer if the next step in the procedure would be to go back and hold a Public Hearing with the Parks Board and get the endorsement of the Parks Board to bring back the Plan the Council for final approval. Mr. Spencer stated the Steering Committee had signed off on the draft Parks Master Plan that was before the Council. Mr. Spencer added that the next step would be to hold a Public Hearing, and then a Resolution should be passed accepting the Plan. Mr. Spencer explained that the Parks Master Plan was simply a guideline, and did not bind the City Council to seventeen million dollars (\$17,000,000) worth of construction in the next ten (10) years. Mr. Spencer added that the Plan was an analysis of the needs, and a game plan to meet those needs. City Manager Parker stated that he recommended that the Public Hearing take place at the Parks Board level, and then a recommendation would be needed from the Parks Board, to bring to the City Council for final approval. The Mayor and City Council concurred with City Manager Parker.

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

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

City Manager Paul Parker stated that included in the Council packet was a proposed contract between the City of Lufkin and the Lufkin Police Association concerning the Meet and Confer Agreement. City Manager Parker added that in November 2008, the Council approved entering in to Meet and Confer arrangements with the Lufkin Police Association being the bargaining unit for the Police Department. City Manager Parker stated that one (1) aspect that had transpired was the contract which reiterated the present arrangements between the City and the Department. City Manager Parker added that the Police Association was not asking for any additional benefits at the current time. City Manager Parker explained that currently the agreement was a two (2) year agreement to continue the TMRS benefits. City Manager Parker added that the benefit to the City concerning entering into the contract was that collective bargaining had a lot of impetus to be approved on the federal level, until the passing of Senator Kennedy. City Manager Parker stated that he felt that interest in collective bargaining would eventually resurface, and that one (1) advantage of having a contract with the Police Association was that cities that had a contract in place would be excluded from federal collective bargaining. City Manager Parker stated that the contract basically spelled out that the City of Lufkin had a very good working relationship with the

Lufkin Police Association. City Manager Parker added that Staff recommended that the City Council approve the Meet and Confer Agreement between the City of Lufkin and the Lufkin Police Association. City Manager Parker added that J. B. Smith, President of the Lufkin Police Association, was present in the audience to speak concerning the Agreement.

J. B. Smith, President of the Lufkin Police Association, stated that the Agreement was a good faith document on behalf of the Lufkin Police Association that currently was asking for nothing from the Council on behalf of the City. Mr. Smith stated that the only stipulation included in the Agreement, aside from keeping things the way they were, was the Lufkin Police Association agreed to meet again in April 2010.

Mayor Gorden asked for questions or comments from the Council. There was discussion by the Council and Staff regarding the Meet and Confer Agreement.

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

8. RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2009/2010 OPERATING BUDGET (BUDGET AMENDMENT NO. 4), - APPROVED - PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE GENERAL, HOTEL/MOTEL, ELLEN TROUT ZOO BUILDING FUND, HAZARD MITIGATION, ECONOMIC DEVELOPMENT, WATER/SEWER, AND THE EQUIPMENT AMORTIZATION FUNDS; AND PROVIDING AN EFFECTIVE DATE

Mayor Jack Gorden stated that the next item for consideration was a Resolution authorizing an Amendment to the 2009/2010 Operating Budget (Budget Amendment No. 4), providing for the supplemental appropriation of funds in the General, Hotel/Motel, Ellen Trout Zoo Building Fund, Hazard Mitigation, Economic Development, Water/Sewer, and the Equipment Amortization Funds; and providing an effective date.

City Manager Paul Parker stated the Resolution was the annual rollover Budget Amendment for projects that were not completed, purchases that were not delivered, and other projects that were either omitted from the Budget or had arisen during the interim period. City Manager Parker stated that the fund balance in all funds were sufficient without affecting any of the required fund balances. City Manager Parker explained that the General Fund would increase in expenditures by one hundred ninety thousand six hundred thirty-one dollars (\$190,631); the Hotel/Motel Fund would increase by fourteen thousand six hundred seventy-five dollars (\$14,675); the Ellen Trout Zoo Building Fund would increase by forty-one thousand six hundred thirty-one dollars (\$41,631); the Hazard Mitigation Fund would increase by one hundred fifty-six thousand nine hundred seventy-two dollars (\$156,972); the Economic Development Fund would increase by one hundred ninety-five thousand one hundred thirty-six dollars (\$195,136); the Water and Wastewater Fund would increase by two hundred nine thousand nine hundred forty-nine dollars (\$209,949); and the Equipment Amortization Fund would increase by one hundred forty-eight thousand nine hundred forty-four dollars (\$148,944) for a total increase of all funds in the amount of nine hundred fifty-seven thousand nine hundred thirty-eight dollars (\$957,938). City Manager Parker added that he would be happy to answer any questions the Council had concerning the Budget Amendment, and that there was a breakdown of the requests of each department included in the Council packets. City Manager Parker stated that Staff recommended that the Council approve Budget Amendment No. 4.

Mayor Gorden asked for questions or comments from the Council.

Councilmember Lynn Torres moved to approve the Resolution authorizing an Amendment to the 2009/2010 Operating Budget (Budget Amendment No. 4), providing for the supplemental appropriation of funds in the General, Hotel/Motel, Ellen Trout Zoo Building Fund, Hazard Mitigation, Economic Development, Water/Sewer, and the Equipment Amortization Funds; and providing an effective date. Councilmember Don Langston seconded the motion. A unanimous affirmative vote was recorded.

9. AWARD OF BID FOR THE ELECTRICAL DISTRIBUTION SYSTEM UPGRADE AT KURTH LAKE AND ABITIBI WELL FIELD TO SIX B CONSTRUCTION IN THE AMOUNT OF TWO HUNDRED EIGHTEEN THOUSAND ONE HUNDRED FOUR DOLLARS AND SEVENTEEN CENTS (\$218,104.17), AND AWARD OF BID FOR THE ELECTRICAL SERVICE UPGRADE AT KURTH LAKE AND ABITIBI WELL FIELD TO ALLEN FIELDING ELECTRIC IN THE AMOUNT OF FORTY-FIVE THOUSAND SIX HUNDRED SEVENTY-TWO DOLLARS (\$45,672), AND A RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2009/2010 OPERATING BUDGET (BUDGET AMENDMENT NO. 5), - APPROVED - PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE WATER/WASTEWATER DEPRECIATION FUND; AND PROVIDING AN EFFECTIVE DATE

Mayor Jack Gorden stated that the next item for consideration was the award of bid for the electrical distribution system upgrade at Kurth Lake and Abitibi Well Field to Six B Construction in the amount of two hundred eighteen thousand one hundred four dollars and seventeen cents (\$218,104.17), and award of bid for the electrical service upgrade at Kurth Lake and Abitibi Well Field to Allen Fielding Electric in the amount of forty-five thousand six hundred seventy-two dollars (\$45,672), and a Resolution authorizing an Amendment to the 2009/2010 Operating Budget (Budget Amendment No. 5), providing for the supplemental appropriation of funds in the Water/Wastewater Depreciation Fund; and providing an effective date.

City Manager Paul Parker stated that when the City purchased the water rights from Abitibi for the Angelina River last year, the City also obtained the electrical distribution system. City Manager Parker added that Staff had been working with Oncor with the concept that if the City upgraded the lines to Oncor's specifications, Oncor would take over the operation, maintenance and ownership of the electrical lines, and then the City would get out of the electrical delivery business. City Manager Parker explained that Oncor had been excellent in working with the City in the past, and made sure that the City's water fields and wells were top priority. City Manager Parker stated that three (3) of the wells were not covered by Oncor, because they were located in Nacogdoches County and were served by a rural co-op. City Manager Parker explained that Staff would return with another proposal to address the wells at a future date. City Manager Parker stated that the City was fortunate that through Senator Hutchison office to receive an earmark in the amount of four hundred thirty-seven thousand dollars (\$437,000) to go with the money set aside by the City Council in the amount of four hundred thousand dollars (\$400,000). City Manager Parker added that this would give the City an operating budget of eight hundred thirty-seven thousand dollars (\$837,000). City Manager Parker stated that the City was working with a grant to make sure the language was inclusive to the work on the electrical power, as well as upgrades to the well systems and the two (2) ground water storage tanks. City Manager Parker stated that the total cost of repair of the project, with the upgrades to the electrical system and the well service, was two hundred sixty-three thousand seven hundred seventy-six dollars and seventeen cents (\$263,776.17). City Manager Parker added that of that amount, the contract with Six B Construction was in the amount of two hundred eighteen thousand one hundred four dollars and seventeen cents (\$218,104.17), and with Allen Fielding Electric in the amount of forty-five thousand six hundred seventy-two dollars (\$45,672). City Manager Parker stated that the specifications had been approved by Oncor, and that Six B Construction did a lot work with Oncor and that Oncor was very pleased with them, and that the City had no reason to believe that whenever the contract was completed, that Oncor would not accept the maintenance and operation of the lines. City Manager Parker stated that Staff recommended that the Council award the bid to Six B Construction, in the amount of two hundred eighteen thousand one hundred four dollars and seventeen cents (\$218,104.17), and to Allen Fielding Electric, in the amount of forty-five thousand six hundred seventy-two dollars (\$45,672).

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

Councilmember Don Langston moved to approve the award of bid for the electrical distribution system upgrade at Kurth Lake and Abitibi Well Field to Six B Construction in the amount of two hundred eighteen thousand one hundred four dollars and seventeen cents (\$218,104.17), and award of bid for the electrical service upgrade at Kurth Lake and Abitibi Well Field to Allen Fielding Electric in the amount of forty-five thousand six hundred seventy-two dollars (\$45,672), and a Resolution authorizing an Amendment to the 2009/2010 Operating Budget (Budget Amendment No. 5), providing for the supplemental appropriation of funds in the Water/Wastewater Depreciation Fund; and providing an effective date. Councilmember Phil Medford seconded the motion. A unanimous affirmative vote was recorded.

City Manager Parker stated that there was a second earmarked grant from Senator Hutchison's office of four hundred thousand dollars (\$400,000) also approved for the City of Lufkin. City Manager Parker added that the second grant funds had not come through yet.

10. AWARD OF BID FOR THE QUES CAMERA SYSTEM AND EQUIPMENT UPGRADE TO QUES, INC., – APPROVED - IN THE AMOUNT OF SIXTY-SEVEN THOUSAND SEVEN HUNDRED EIGHTY DOLLARS AND SIXTY-THREE CENTS (\$67,780.63).

Mayor Jack Gorden stated that the next item for consideration was the award of bid for the Ques Camera System and Equipment upgrade to Ques, Inc., in the amount of sixty-seven thousand seven hundred eighty dollars and sixty-three cents (\$67,780.63).

City Manager Paul Parker stated that when Staff began looking at the amortization program, there was money set up for a new camera system and new vehicle support system. City Manager Parker explained that Staff had reviewed the City's existing camera system, and even though the chassis and box were older, they were still in very good shape because the system was very low mileage. City Manager Parker stated that Staff thought that more prudent use of the funds would be to just replace the camera system, and then place it in the existing chassis and box. City Manager Parker stated that the Ques camera system for the TV sewer, water and storm line system was in the amount of sixty-seven thousand seven hundred eighty dollars and sixty-three cents (\$67,780.63). City Manager Parker added that Staff recommended approval of the bid and the attached Budget Amendment appropriating the funds.

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

Councilmember Lynn Torres moved to approve the award of bid for the Ques Camera System and Equipment upgrade to Ques, Inc., in the amount of sixty-seven thousand seven hundred eighty dollars and sixty-three cents (\$67,780.63). Councilmember Don Langston seconded the motion. A unanimous affirmative vote was recorded.

11. RESOLUTION OF THE CITY OF LUFKIN, TEXAS, - APPROVED - REQUESTING THE TEXAS DEPARTMENT OF TRANSPORTATION TO UPDATE PLANS FOR THE CONSTRUCTION OF US I-69, UTILIZING THE US 59 FOOTPRINT

Mayor Jack Gorden stated that the next item for consideration was a Resolution of the City of Lufkin, Texas, requesting the Texas Department of Transportation to update plans for the construction of US I-69, utilizing the US 59 footprint.

City Manager Paul Parker stated that the Resolution was a method to encourage the Texas Department of Transportation to go forward with the I-69 planning in the Lufkin and Nacogdoches area. City Manager Parker added that several years earlier there had been a design that some referred to as the "Super S". City Manager Parker stated that the terminology was no longer used, but the design was from the Lufkin area around Diboll to Nacogdoches. City Manager Parker explained that Staff was requesting the Council to approve a Resolution that TxDOT go back and refresh the plans, to determine if TxDOT would go forth to get that segment of I-69 moved up to be built at a more rapid pace than the remainder of the interchange. City Manager Parker stated that Staff recommended that Council approve the Resolution, requesting TxDOT to update the plans for the construction

of US I-69 using the footprint of US 59 in the Lufkin and Nacogdoches area as much as possible.

Deputy City Manager Keith Wright stated that it was the alignment that was east of Lufkin and west of Nacogdoches, crossing the river bridge and minimizing the environmental impact.

Mayor Gorden stated that TxDOT spent a considerable amount of money on the plans and the plans were shelved. Mayor Gorden added that whenever there were some plans that had already been completed there would be more money readily available. Mayor Gorden explained that the City of Nacogdoches was also addressing the issue that night, and that the thought process was to ask TxDOT to revisit their plans, and that TxDOT had agreed to do that if they had a formal request.

Mayor Gorden asked for questions or comments from the Council.

Councilmember Don Langston moved to approve the Resolution of the City of Lufkin, Texas, requesting the Texas Department of Transportation to update plans for the construction of US I-69, utilizing the US 59 footprint. Councilmember Robert Shankle seconded the motion. A unanimous affirmative vote was recorded.

12. CITY MANAGER'S REPORT

Mayor Jack Gorden stated that the next item for consideration was a report from City Manager Paul Parker.

City Manager Paul Parker stated that he was giving the Council an end of year report on the financials. City Manager Parker explained that the numbers would be subject to audit, but should be close to the final numbers. City Manager Parker stated that perhaps the Staff and Council were getting too good at budgeting, because the City was cutting it rather close. City Manager Parker then went over the City's Financial Status Report.

City Manager Parker stated that the City's committed Fund Reserve based on the policy was seven million three hundred seventy-nine thousand five hundred fifty-two dollars (\$7,379,552). City Manager Parker added that five hundred twenty thousand seven hundred fifty-seven dollars (\$520,757) was pledged to balance next year's budget. City Manager Parker stated that this left a balance, above the funded policy, in the amount of two million nine hundred seventy-five thousand nine hundred forty-three dollars (\$2,975,943). City Manager Parker added that this left the City in a pretty good position. City Manager Parker explained that hopefully the City wouldn't have to use any of those funds for a Sales Tax decrease, because the City began the year rather slowly.

City Manager Parker stated that the City committed one million nine hundred seven thousand one hundred sixteen dollars (\$1,907,116) for the Water/Wastewater Enterprise Fund's Reserve. City Manager Parker added that three hundred fifty-seven thousand six hundred nine dollars (\$357,609) was utilized in the balancing of the budget. City Manager Parker stated that the total of funds available in the Water/Wastewater Enterprise Fund was in the amount of one million four hundred eighty-nine thousand nine hundred six dollars (\$1,489,906). City Manager Parker explained that this amount was smaller than usual in that Fund, but there were some adjustments in expenditures to help keep the rate increases down for the customers. City Manager Parker added that the Water/Wastewater Enterprise Funds could go quickly because the City had been notified earlier in the day that the US Hwy 59 North project may be moved up, causing utility relocations.

City Manager Parker stated that there was seven hundred fifty thousand twenty-five dollars (\$750,025) in the Solid Waste and Recycling Fund's Reserve. City Manager Parker added that the Assigned Fund Balance was two hundred eighty-nine thousand three hundred ninety-eight dollars (\$289,398). City Manager Parker stated that this left a total of two million one hundred twenty-five thousand five hundred six dollars (\$2,125,506) available in that fund. City Manager Parker added that the Solid Waste Department's Staff did an excellent job during the year in their Cart Program change out. City Manager Parker stated that expenditures had gone down and the revenues had gone up without increasing rates in the Solid Waste Department. City Manager

Parker added that Public Works Director Steve Floyd and Deputy City Manager Keith Wright did a really good job restructuring that department. City Manager Parker explained that rates had not been raised in several years, and that there was no plan to raise them in the next few years either.

City Manager Parker stated that the Hotel/Motel Fund's revenues exceeded the projections again, by one hundred two percent (102%) and that the expenditures were down to the ninety-two percent (92%) level. City Manager Parker stated that most of reason that the expenditures were down was that there was money set aside for special projects that had not been utilized.

City Manager Parker stated that he would not go through the remainder of the funds unless the Council had particular questions related to the Funds.

There was discussion among Council and Staff regarding the Financial Status Report and the FEMA Grant Hazardous Mitigation.

City Manager Parker stated that concluded the Financial Report, and that overall the Departments held expenditures down, and revenues came in slightly above the budgeted amount. City Manager Parker added that the year ended with a positive balance in all of the accounts.

City Manager Parker stated that the Council had the Project Status Report in their packets, and that he would answer any questions the Council had concerning any particular project. City Manager Parker reminded the Council that this was the first report on projects in the new fiscal year, and that most of the projects in the report were being carried over from the previous fiscal year. City Manager Parker stated that Public Utilities Director Chuck Walker had a briefing earlier that day from TxDOT and Zachary concerning the Hwy 59 South Project. Mr. Walker stated that the target date for having the construction portion completed was March 5, 2010. Mayor Gorden asked about the date for opening the Tulane bridge. City Manager Parker stated that the bridge would not be opened until March 5, 2010. City Manager Parker explained that the bridge would be built, but because of the traffic on frontage roads the bridge would not be opened. Mr. Walker stated that the east bound turn lane at Target would open the day before Thanksgiving. City Manager Parker that TxDOT and Zachary had both been great to work with the City to try to keep the traffic flowing and the shops open as much as possible.

Mayor Gorden asked if there was any discussion from TxDOT concerning finding some relief for the traffic congestion on FM 819. Mr. Walker stated that there was discussion but the answer was that there was no solution.

Mayor Gorden thanked City Manager Parker on behalf of the Council for the way the kept the Council informed through the monthly reports.

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

14. DISCUSSION OF ITEMS OF COMMUNITY INTEREST, INCLUDING EXPRESSIONS OF THANKS, CONGRATULATIONS OR CONDOLENCE; INFORMATION REGARDING HOLIDAY SCHEDULES; HONORARY RECOGNITIONS OF CITY OFFICIALS, EMPLOYEES OR OTHER CITIZENS; REMINDERS ABOUT UPCOMING EVENTS SPONSORED BY THE CITY OR OTHER ENTITY THAT IS SCHEDULED TO BE ATTENDED BY CITY OFFICIALS OR EMPLOYEES; AND ANNOUNCEMENTS INVOLVING IMMINENT THREATS TO THE PUBLIC HEALTH AND SAFETY OF THE CITY

Mayor Gorden stated that the next item for consideration was the discussion of items of community interest, including expressions of thanks, congratulations or condolence; information regarding holiday schedules; honorary recognitions of City officials, employees or other citizens; reminders about upcoming events sponsored by the City or other entity that is scheduled to be attended by City officials or employees; and announcements involving imminent threats to the public health and safety of the City.


City Manager Parker stated that Tuesday, December 8, 2009, was the Annual City Employee Banquet and Christmas Party, and invited the Council and their spouses to attend. City Manager Parker added that there would be a Welcoming Reception for Fire Chief Danny Kistner on Friday, December 4, 2009, from 2:00 p.m. until 4:00 p.m., in the Atrium, and that

there would be a Retirement Reception for Parks and Leisure Services Director Don Hannabas on Monday, November 30, 2009, at 2:00 p.m., to honor Mr. Hannabas for his thirty-six plus (36+) years of service with the City of Lufkin. City Manager Parker added that the Annual Christmas Parade would be on Thursday, December 3, 2009, at 6:00 p.m.

City Manager Parker stated that the Council had received a letter from Ms. Rose Boyd, who resigned from the Lufkin Convention and Visitors Bureau Board, and that it was in the packet at the last Council Meeting. City Manager Parker requested the Council to begin thinking of names to submit, and that the item would be on the next agenda to fill the position.

15. There being no further business for consideration, the meeting adjourned at 6:41 p.m.


Renee Thompson – City Secretary


Jack Gorden, Mayor