

**MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY
OF LUFKIN, TEXAS HELD ON THE 16TH OF AUGUST, 2016.**

On the 16th day of August, 2016 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:

Bob F. Brown	Mayor
Mark Hicks	Mayor Pro Tem
Guessippina Bonner	Councilmember, Ward No. 1
Robert Shankle	Councilmember, Ward No. 2
Lynn Torres	Councilmember, Ward No. 3
Rocky Thigpen	Councilmember, Ward No. 5
Sarah Murray	Councilmember, Ward No. 6
Keith Wright	City Manager
Steve Floyd	Assistant City Manager
Bruce Green	City Attorney
Kara Atwood	City Secretary
Rodney Ivy	Human Resources Director
Gerald Williamson	Police Chief
David Thomas	Assistant Police Chief
Belinda Southern	Finance Director
Dorothy Wilson	Planning Director
Steve Poskey	Street Director
Mike Akridge	Parks & Recreation Director
Barbara Thompson	Main Street Director
Brant Lee	Water Distribution Director
Jason Arnold	Water & Sewer Director
Dale Allred	Inspection Services Director
Sid Munlin	IT Director
Chuck Walker	Public Works Director
Kent Havard	Solid Waste Director
Gorden Henley	Ellen Trout Zoo Director
Tara Watkins	LCVB Director

being present when the following business was transacted.

1. The meeting was opened with prayer by City Manager Keith Wright.
2. Mayor Bob F. Brown welcomed visitors present and acknowledged State Representative Trent Ashby for his service to the community. Mayor Brown congratulated Buddy Ziegler on his retirement from the T. L. L. Temple Foundation.
3. **MINUTES OF THE SPECIAL CALLED CITY COUNCIL BUDGET RETREAT OF JULY 26, 2016 AND THE REGULAR CITY COUNCIL MEETING HELD AUGUST 2, 2016 - APPROVED**

Councilmember Lynn Torres moved to approve the minutes of the meetings as presented. Councilmember Guessippina Bonner seconded the motion and a unanimous vote to approve was recorded.

4. **PRESENTATION AND PROPOSAL OF THE ELLEN TROUT ZOO GORILLA EXHIBIT – APPROVED**

Ellen Trout Zoo Director, Gorden Henley outlined the projected revenues and expenditures for the gorilla exhibit which included the costs of animal food, staff salaries and utilities. Zoo Director Henley referenced the current expected standard of practices of gorilla management. Zoo Director Henley estimated the total expenditure at \$6,251,371 with an annual operating cost of \$189,844. Zoo Director Henley concluded by showing a computer animated video of the gorilla exhibit and offered to answer questions.

City Manager Wright recapped the estimated costs for the project and stated that Zoo Director Henley planned to appropriate the construction funding through charitable donations.

5. PUBLIC HEARING AND FIRST READING OF AN ORDINANCE AMENDING THE ZONING ORDINANCE OF THE CITY OF LUFKIN, TEXAS BY GRANTING A SPECIAL USE PERMIT FOR A COMMUNICATIONS TOWER ON PROPERTY ADDRESSED AS 500 ABNEY AVENUE - APPROVED

City Manager Keith Wright stated that the applicant, Vertical Bridge Holdings, LLC proposed to construct a one hundred and ninety-five foot (195') Communications Tower with related equipment at 500 Abney Avenue. City Manager Wright furthered that the applicant expressed that the proposed property was ideally suited for Cellular One to continue its service to North Lufkin residents. City Manager Wright pointed out the subject property on a map. City Manager Wright stated that the application for the Special Use Permit was approved by the Planning and Zoning Commission during the meeting of June 27, 2016 and the item was withdrawn from the City Council agenda of July 5, 2016. City Manager Wright furthered that during the City Council meeting of July 19, 2016 and August 2nd, 2016 the item was postponed in order for the applicant to provide additional information regarding the necessity of the tower. City Manager Wright stated that the applicant submitted the requested information. City Manager Wright concluded that Staff recommended City Council conduct a Public Hearing and consider the First Reading of an Ordinance granting a Special Use Permit for a Communications Tower on the property addressed as 500 Abney Avenue.

Mayor Brown opened the Public Hearing at 5:18 p.m.

Victor Travis questioned the financial motivation of the Vertical Bridge Holdings, LLC, representatives, and reiterated his reasons for opposition to the construction of the cellular communications tower.

Shelley Williams stated that she was not opposed to the benefits of the cellular tower and listed her concerns regarding the construction of the cellular tower based on property devaluation, aesthetics, health issues, necessity, safety of the neighborhood children, and the traffic limitations anticipated throughout the construction phase of the cellular tower.

Jeff Chance represented Vertical Bridge Holdings, LLC by reminding City Council of the compliance of the company in an effort to provide the information City Council requested. Jeff Chance paraphrased the FCC rulings related to cellular communication towers. Attorney Chance stated that the Chief Technology Engineer of Vertical Bridge Holdings, LLC compiled a superfluous amount of supporting data that demonstrated the need for the construction of the cellular communications tower. Mayor Brown thanked Attorney Jeff Chance.

Councilmember Mark Hicks asked how the cellular tower would enhance coverage. EVP and Chief Technology Officer Neka C. Hicks highlighted exhibits A–C. Chief Engineer Neka Hicks stated that the increased demand for high speed data supported the need for an additional cellular tower. Engineer Neka Hicks furthered that a new tower increased coverage area and increased coverage amounts for those within range. Chief Engineer Neka Hicks presented data and maps that demonstrated a gap in coverage. Councilmember Mark Hicks requested that the representatives recap the information presented in relation to the FCC guidelines. Chief Engineer Neka Hicks stated that the FCC specified a threshold of allowable radiation exposure. Chief Engineer Neka Hicks furthered that a fence would enclose the cellular tower and those individuals outside of the fence would not be exposed to a radiation threshold deemed unsafe, per FCC guidelines. Councilmember Mark Hicks questioned if the property belonging to Victor Travis would remain within the safe guidelines per the FCC regulations. Chief Engineer Neka Hicks affirmed that the property belonging to Victor Travis would remain within the guidelines of safety per FCC regulations.

Victor Travis asked how many towers Cellular One had in Lufkin. Victor Travis asked if Cellular One would own the tower or Vertical Bridge Holdings, LLC. Attorney Jeff Chance responded that Vertical Bridge Holdings, LLC was contracted to construct the tower. Attorney Chance furthered that Cellular One was contracted to lease a portion of the tower space, however Vertical Bridge Holdings, LLC reserved the option to lease other available portions of the cellular tower to competing cellular providers. Attorney Chance stated that shared spacing on the same tower reduced the total number of towers needed in the Lufkin area. Chief Engineer Neka Hicks stated that although Vertical Bridge Holdings, LLC owned the tower; Cellular One would be the initial tenant utilizing the tower space. Victor Travis stated that he understood the guidelines and maintained resolute opposition to the construction of the cellular tower.

There being no one else who wished to speak Mayor Bob F. Brown closed the Public Hearing at 5:37 p.m. and requested comment from the City Council.

Councilmember Guessippina Bonner expressed her opposition and the mutual opposition of those community members she represented. Councilmember Bonner requested a review of Ordinances and further research and education for the purpose of preventing future impasses relevant to a proliferation of cellular towers. Councilmember Bonner requested guidance and a criteria design to enhance fairness to all of the citizens of Lufkin.

City Attorney Bruce Green outlined the logistical and acceptable denial criteria involved in cellular communication tower proposals. City Attorney Green summarized the legal position of the City of Lufkin and that of Vertical Bridge Holdings, LLC and explained how those positions interrelated to the law, to include the FCC guidelines.

City Manager Wright offered to move forward with the research requested by Councilmember Guessippina Bonner.

Discussion ensued.

Mayor Brown thanked those involved for their efforts.

Councilmember Robert Shankle stated that the constituents of Ward No. 2 were opposed to the construction of the cellular tower for valid reason and furthered that the subject company did not express a “lack of coverage” as the reasoning behind the construction of a tower; thus the motivation appeared to be financial gain for the company.

Councilmember Mark Hicks supported the concerns of Councilmember Bonner, Councilmember Shankle and those individuals they represented. Councilmember Hicks endorsed the plan for a course of action to prevent future impasses concerning cell tower construction proposals.

Councilmember Mark Hicks moved to approve the Ordinance as presented. Councilmember Lynn Torres seconded the motion. A vote of five (5) to two (2) was recorded. Councilmember Guessippina Bonner voted to oppose. Councilmember Robert Shankle voted to oppose.

NEW BUSINESS

6. PRESENTATION OF THE 2015 CITY OF LUFKIN COMPREHENSIVE ANNUAL FINANCIAL REPORT

Auditor Eric Carver of Axley & Rode, LLP reviewed the change in Accounting Principles that accounted for the TMRS liability. Eric Carver stated that the City of Lufkin was in sound financial condition. Eric Carver furthered that the City of Lufkin held strong at 128 million in net assets and 42 million on hand in cash funds. Eric Carver stated that the General Funds increased solidly across the board and that the City of Lufkin maintained well above the minimum fund balance goals that had been set. Eric Carver stated that the law firm did not find a need to issue deficiencies or note issues of

concern during the audit. Mr. Carver concluded by commending the Finance Department and offered to answer questions. There were none.

7. DISCUSSION REGARDING THE FISCAL YEAR 2016 – 2017 TAX RATE

City Manager Keith Wright stated that legislation required that City Council conduct a discussion regarding the proposed Tax Rate if it exceeded the Effective Rate or Rollback Rate and conduct two (2) Public Hearings if needed. City Manager Wright stated that the current Tax Rate was 0.5238 and the Effective Tax Rate was 0.529942. City Manager Wright furthered that the current rate (\$0.5238) would generate \$103,491 more total revenue than last year and of that, \$73,497 resulted from new property on the tax roll. City Manager Wright stated that the Effective Tax Rate was the total tax rate needed to raise the same amount of property tax revenue for the City of Lufkin from the same properties in both the 2015 tax year and the 2016 tax year. City Manager Wright furthered that did not include new properties or new value added to the tax roll for 2016. City Manager Wright stated that should the effective tax rate be adopted, the following statement must be included in the Ordinance: *“This tax rate will raise more taxes for maintenance and operations than last year’s tax rate.”* City Manager Wright furthered that the statement was required because the total levy would increase due to the new properties and new reappraisal values. City Manager Wright concluded that Staff recommended City Council conduct a discussion regarding the proposed 2016-2017 Tax Rate.

Mayor Brown requested questions or comments. There were none.

8. PRESENTATION OF THE CITY OF LUFKIN 2016-2017 DRAFT BUDGET AND CONDUCT A PUBLIC HEARING CONCERNING THE PROPOSED BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2016 AND ENDING SEPTEMBER 30, 2017 – APPROVED

City Manager Keith Wright stated that significant changes in the 2016-2017 Annual Budget were included in the Council Packet. City Manager Wright outlined the following: no proposed rate changes for the Water and Sewer Rates; a proposed \$1.00 increase for Residential Sewer Rates; adoption of an effective Tax Rate; budget increase for Finance and EMS Billing for the acceptance of credit cards; fee availability for outside counsel travel costs; Municipal Court increase for docket supplies; additional receptionist for the new building security in Human Resources; Fire Department lease purchase funding for personal protective equipment–bunker gear; 2% salary wage adjustment for City employees; Economic Development transfer of funds for the Assistant City Manager’s salary and benefits; and funding increase for the Street Department Overlay program to purchase needed items. City Manager Wright concluded that Staff recommended City Council conduct a Public Hearing on the proposed City of Lufkin 2016-2017 Annual Fiscal Budget.

Mayor Bob F. Brown opened the Public Hearing at 6:07 p.m. There being no one who wished to speak Mayor Brown requested comment from City Council. There was none.

9. MODIFICATIONS TO THE EXISTING TAX ABATEMENT AGREEMENT BETWEEN THE CITY OF LUFKIN AND ATKINSON CANDY COMPANY - APPROVED

City Manager Keith Wright stated that the Economic Development office received a request from Eric Atkinson of Atkinson Candy Company to modify the existing Tax Abatement and Economic Development Program Agreement between the City of Lufkin and Atkinson Candy Company. City Manager Wright furthered that Economic Development Staff, City Manager, and the City Attorney met with Mr. Atkinson to discuss the proposed modifications. City Manager Wright furthered that Mr. Atkinson advised that there had been construction delays due to weather and ongoing increased costs due to the contractor which resulted in the rebidding of the project. City Manager Wright concluded that Staff felt Atkinson Candy Company had executed the commercially reasonable best efforts to resolve the construction delays; however due to the inability to complete the installation of the building before the end of the year, Staff

therefore recommended entering into a good faith negotiation to defer the commencement of all benchmarks and the abatement period for one (1) year. City Manager Wright summarized that the agreements would remain unchanged and intact, excluding the time frame which would be deferred one (1) year.

Councilmember Guessippina Bonner questioned the Tax Abatement Agreement. City Manager Wright stated that Atkinson Candy Company would pay taxes on the current developed property owned by Atkinson Candy Company; however the new property under construction would be deferred one (1) year.

10. MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE CITY OF LUFKIN AND GOODWILL INDUSTRIES YOUTH BUILD FOR THE CONSTRUCTION OF BUS STOPS IN THE CITY OF LUFKIN - APPROVED

City Manager Keith Wright stated that Goodwill Industries of Central East Texas had requested that City Council consider approval of a Memorandum of Understanding between YouthBuild of the Pineywoods and the City of Lufkin. City Manager Wright furthered that the agreement would allow YouthBuild to apply for a Community Partners Grant from Lowes Home Improvement to fund the construction of sheltered bus stops along the routes that the Brazos Transit District Serviced. City Manager Wright stated that the YouthBuild Program served youths between the ages of eighteen (18) to twenty-four (24) years of age. City Manager Wright furthered that Goodwill financially supported the program through the sale of donated goods in the retail stores and that the construction trainers, academic instructors and case management staff taught the students residential construction skills and provided the youth with a General Education Diploma (GED) and industry-recognized construction certificates with leadership development and service learning opportunities. City Manager Wright stated that the Memorandum of Understanding was included in the packet and outlined the terms and responsibilities of both the City and Goodwill. City Manager Wright furthered that the partnership would provide much needed sheltered bus stops for the citizens that utilized public transportation. City Manager Wright concluded that Staff recommended City Council approve the Memorandum of Understanding between the City of Lufkin and Goodwill Industries YouthBuild for the construction of bus stops in the city of Lufkin. City Manager Wright stated that Doug Douglas would answer questions.

Councilmember Guessippina Bonner questioned if the Memorandum of Understanding would conflict with the Brazos Transit District route changes. City Manager Wright stated that he felt they could move forward without being affected.

Mayor Brown stated that the City of Lufkin would cooperate with the relevant entities to ensure that Lufkin citizens were able to reach desired destinations throughout Lufkin.

Councilmember Robert Shankle moved to approve the Memorandum of Understanding as presented. Councilmember Sarah Murray seconded the motion and a unanimous vote to approve was recorded.

11. APPOINTMENT TO THE CIVIL SERVICE COMMISSION – APPROVED

City Manager Wright stated that Staff recommended the consideration of an appointment to the Civil Service Commission to fill the vacancy of member Royce Garrett. City Manager Wright concluded that only one (1) application had been received for the position from Michael Jones.

Councilmember Lynn Torres moved to approve the appointment as presented. Councilmember Robert Shankle seconded the appointment and a unanimous vote to appoint Michael Jones to the Civil Service Commission was recorded.

12. CITY MANAGER REPORT

City Manager Wright highlighted the total revenues and expenditures. City Manager Wright stated that sales taxes increased by 3%. City Manager Wright reviewed the

finances and forfeitures, red light camera revenues, EMS Services and departmental budgets. City Manager Wright highlighted total revenues and transfers and the expenditures. City Manager Wright offered to answer questions. There were none.

13. ITEMS OF COMMUNITY INTEREST FROM MAYOR, CITY COUNCILMEMBERS AND STAFF

City Manager Wright detailed the various upcoming City sponsored and community events.

14. There being no more business to address the meeting was adjourned at 6:19 p.m.

Bob F. Brown, Mayor

ATTEST:

Kara Atwood, City Secretary