

**MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY
OF LUFKIN, TEXAS HELD ON THE 18th DAY OF JULY, 2006**

On the 18th day of July, 2006, 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
Rose Faine Boyd	Mayor pro tem
R. L. Kuykendall	Councilmember, Ward No. 1
Don Langston	Councilmember, Ward No. 4
Rufus Duncan, Jr.	Councilmember, Ward No. 5
Phil Medford	Councilmember, Ward No. 6
Paul L. Parker	City Manager
Renee Thompson	City Secretary
Robert Flournoy	City Attorney
Keith Wright	Asst. City Manager/Public Works
Kenneth Williams	Asst. City Manager/Administrative Services
David Koonce	Human Resource Director
Beauford Chapman	Inspection Services Director
Don Hannabas	Parks and Recreation Director
Larry Brazil	Police Chief
Scott Marcotte	Asst. Police Chief
Pete Prewitt	Fire Chief
Doug Wood	Finance Director
Dorothy Wilson	Planning Director
Barbara Thompson	Main Street Director
Jim Wehmeier	Economic Development Director
Rhonda McLendon	Municipal Court & Animal Control Director
Scott Rayburn	City Planner
J. P. McDonald	Museum of East Texas Director
Carol Riggs	Texas Forestry Museum Director
Judge David Wilson	President of the George H. Henderson, Jr. Exposition Center
Heather Kartye	Vice President of marketing, tourism development, and membership for the Angelina County Chamber of Commerce
Glen Sullivan	George H. Henderson, Jr. Exposition Center Director
being present, and	
Lynn Torres	Councilmember, Ward No. 3

being absent, when the following business was transacted:

1. The meeting was opened with prayer by Brother Roger Fancher, Bald Hill Baptist Church.
2. Mayor Jack Gorden welcomed visitors present.
3. **APPROVAL OF MINUTES**

Minutes of the Regular Meeting on July 5, 2006 were approved on a motion by Councilmember Rose Faine Boyd, and seconded by Councilmember Rufus Duncan. A unanimous affirmative vote was recorded.

OLD BUSINESS:

4. **PUBLIC HEARING AND SECOND READING OF AN ORDINANCE AMENDING THE ZONING ORDINANCE AND THE COMPREHENSIVE PLAN 2001 OF THE CITY OF LUFKIN, TEXAS - APPROVED - BY ESTABLISHING A "COMMERCIAL" ZONING DISTRICT AND CHANGING THE FUTURE LAND USE PLAN DESIGNATION FROM "RETAIL" AND "LOW DENSITY RESIDENTIAL" TO "COMMERCIAL" FOR 5.254 ACRES OF LAND IN THE P. C. ABNEY SURVEY, ABSTRACT NO. 69 AND THE J. L. QUINALTY SURVEY, ABSTRACT NO. 40 ANNEXED BY THE CITY OF LUFKIN AND AUTHORIZING THE CITY PLANNER TO MAKE SUCH CHANGES ON THE OFFICIAL MAP**

Mayor Jack Gorden stated that the next item for consideration was a Public Hearing and Second Reading of an Ordinance amending the Zoning Ordinance and the Comprehensive Plan 2001 of the City of Lufkin, Texas by establishing a "Commercial" Zoning District and changing the Future Land Use Plan designation from "Retail" and "Low Density Residential" to "Commercial" for 5.254 acres of land in the P. C. Abney Survey, Abstract No. 69 and the J. L. Quinalty Survey, Abstract No. 40 annexed by the City of Lufkin and authorizing the City Planner to make such changes on the official map. City Manager Paul Parker stated this was the Second Reading of the Ordinance and that Staff would answer any questions that Council had regarding the item.

Mayor Gorden then opened the Public Hearing at 5:09 p.m. concerning the Ordinance Amendment. Mayor Gorden asked those attending the Council Meeting if there was anyone who wanted to speak concerning the Ordinance Amendment. Mayor Gorden then closed the Public Hearing at 5:10 p.m.

Councilmember Don Langston moved to approve the Second Reading of the Ordinance amending the Zoning Ordinance and the Comprehensive Plan 2001 of the City of Lufkin, Texas by establishing a "Commercial" Zoning District and changing the Future Land Use Plan designation from "Retail" and "Low Density Residential" to "Commercial" for 5.254 acres of land in the P. C. Abney Survey, Abstract No. 69 and the J. L. Quinalty Survey, Abstract No. 40 annexed by the City of Lufkin and authorizing the City Planner to make such changes on the official map. Councilmember Rose Faine Boyd seconded the motion. A unanimous affirmative vote was recorded.

NEW BUSINESS:

5. **PUBLIC HEARING AND FIRST READING OF AN ORDINANCE AMENDING THE ZONING ORDINANCE OF THE CITY OF LUFKIN, TEXAS - APPROVED - BY GRANTING A "SPECIAL USE" PERMIT FOR A "STORAGE FACILITY- SELF STORAGE" WITHIN A "LOCAL BUSINESS" ZONING DISTRICT ON CERTAIN TRACTS OR PARCELS OF LAND WITHIN THE CORPORATE LIMITS OF THE CITY OF LUFKIN, TEXAS, DESCRIBED AS LOT 3, BLOCK 1 OF THE SOUTHERN COLONY SHOPPING CENTER AND AUTHORIZING THE CITY PLANNER TO MAKE SUCH CHANGES ON THE OFFICIAL MAP**

Mayor Jack Gorden stated that the next item for consideration was a 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 "Storage Facility- Self Storage" within a "Local Business" Zoning District on certain tracts or parcels of land within the corporate limits of the City of Lufkin, Texas, described as Lot 3, Block 1 of the Southern Colony Shopping Center and authorizing the City Planner to make such changes on the Official Map. City Manager Paul Parker stated that Lufkin Storage Partners, L. P. and Dude Development, LTD were seeking approval of a "Special Use" Permit to construct an approximate thirty-seven thousand (37,000) square foot self-storage facility on a 3.062 acre tract on Whitehouse Drive. City Manager Parker added that the property was a portion of a larger 8.269 acre tract. City Manager Parker stated that the developer had stated to the Planning and Zoning Commission that the remainder of the tract would be used for high-end apartments or additional self-storage. City Manager Parker explained that the storage units would consist of climate controlled and non-climate controlled units and would also include RV spaces.

City Manager Parker stated that the general character of the area was retail with high traffic present along Whitehouse Drive. City Manager Parker added that the property was currently zoned "Local Business" with the Future Land Use of "Retail". City Manager Parker added that there was a protest by the adjacent land owner who controls more than twenty percent (20%) of the land coverage. City Manager Parker explained that three fourths $\frac{3}{4}$ of the Council members would have to vote affirmative to approve the requested application for the Special Use Permit. City Manager Parker added that the Staff and the Planning and Zoning Commission recommended that the City Council approve the "Special Use" Permit.

Mayor Gorden then opened the Public Hearing at 5:13 p.m. concerning the Ordinance. Mayor Gorden asked those attending the Council Meeting if there was anyone who wanted to speak concerning the Ordinance. Speaking on the Zoning Ordinance was:

Timothy Johnson

There were questions and discussion among the Mayor and City Council Members concerning the Ordinance.

Mayor Gorden then closed the Public Hearing at 5:16 p.m.

There were further questions and discussion among the Mayor and City Council Members concerning the Ordinance and possible property uses.

Councilmember Rufus Duncan moved to approve the First Reading of the Ordinance amending the Zoning Ordinance of the City of Lufkin, Texas by granting a "Special Use" Permit for a "Storage Facility- Self Storage" within a "Local Business" Zoning District on certain tracts or parcels of land within the corporate limits of the City of Lufkin, Texas, described as Lot 3, Block 1 of the Southern Colony Shopping Center and authorizing the City Planner to make such changes on the Official Map. Councilmember R. L. Kuykendall seconded the motion. A unanimous affirmative vote was recorded.

6. PUBLIC HEARING AND FIRST READING OF AN ORDINANCE AMENDING THE ZONING ORDINANCE OF THE CITY OF LUFKIN, TEXAS, - APPROVED - BEING ORDINANCE NO. 3368, BY CREATING A NEW "ADAPTIVE REUSE OVERLAY - MEMORIAL DISTRICT" (ARO-M DISTRICT) AND AMENDING ARTICLE XIX, "SCHEDULE OF PERMITTED USES" TO INCLUDE SPECIFIED USES FOR THE ARO-M DISTRICT. ADDITIONALLY ARTICLE III "RESIDENTIAL LARGE SINGLE FAMILY DWELLING DISTRICT REGULATIONS" (RL) SHALL BE AMENDED TO INCLUDE ALL ZONING DISTRICTS AND READ "DISTRICTS AND SPECIFIC REQUIREMENTS PERTAINING TO EACH DISTRICT" AND AMENDING THE TABLE OF CONTENTS TO LABEL ARTICLES IV THROUGH ARTICLE XVII AS "RESERVED"; REPEALING CONFLICTING PROVISIONS; AND PROVIDING AN EFFECTIVE DATE

Mayor Jack Gorden stated that the next item for consideration was a Public Hearing and First Reading of an Ordinance amending the Zoning Ordinance of the City of Lufkin, Texas, being Ordinance No. 3368, by creating a New "Adaptive Reuse Overlay - Memorial District" (ARO-M District) and amending Article XIX, "Schedule of Permitted Uses" to include specified uses for the ARO-M District. Additionally Article III "Residential Large Single Family Dwelling District Regulations" (RL) shall be amended to include all Zoning Districts and read "Districts and Specific Requirements Pertaining to Each District" and amending the Table of Contents to label Articles IV through Article XVII as "Reserved"; repealing conflicting provisions; and providing an effective date. City Manager Paul Parker stated that item number six (6) and seven (7) were companion items. City Manager Parker added that item six (6) was the Ordinance creating the "Adaptive Reuse Overlay District" (ARO District) and that item seven (7) was the Ordinance area where the District would be applied. City Manager Parker explained that item six (6) required a simple majority of the City Council's affirmative vote to be approved, and item seven (7) had a twenty percent (20%) protest and would require that all six Councilmember vote affirmative to approve that Ordinance.

City Manager Parker stated that item six (6) was the proposed "Adaptive Reuse Overlay – Memorial District" (ARO-M District) and was designed to allow for the productive reuse of property in the City's core residential areas where neighborhoods were transitioning from single family homes to investment properties and other type of uses. City Manager Parker added that the District designation would assist in maintaining the residential character of an area and prevent excessive commercialization of the area. City Manager Parker stated that an additional purpose was to prevent the loss of distinctive structures in these neighborhoods, which may otherwise be demolished, and replaced with modern buildings. City Manager Parker added that the proposed coverage area recommended by the Staff originally encompassed approximately six (6) acres of land. City Manager Parker stated that the Planning and Zoning Commission reduced the area to one (1) block.

City Manager Parker stated that the Ordinance specified that all uses, more intensive than those existing for the current zoning of a property, be required to have site plan review by the Planning and Zoning Commission and approval of the City Council prior to having a building permit being issued. City Manager Parker explained that the proposed uses allowed, following approval of the City Council under the restrictions of the ARO-M District, would be as follows: Law Offices limited to three (3) attorneys with support staff and Medical Offices limited to three (3) practitioners with support staff.

City Manager Parker stated that the Planning and Zoning Commission unanimously recommended that Council approve the creation of the "Adaptive Reuse Overlay – Memorial District" (ARO-M District). City Manager Parker stated that Planning Director Dorothy Wilson was present to answer any specific questions concerning the Zoning Ordinance.

Mayor Gorden then opened the Public Hearing at 5:24 p.m. concerning the Ordinance. Mayor Gorden asked those attending the Council Meeting if there was anyone who wanted to speak concerning the Ordinance. Speaking on the Zoning Ordinance was:

Robert Estes
Lacey Breckenridge

City Attorney Bob Flournoy pointed out that this particular Ordinance was not concerning the specific property near Jefferson, but was to set up an Ordinance so that the Council could consider any area in the City of Lufkin as an ARO-M District. Also speaking on the Zoning Ordinance was:

Mary Stella Naranjo

City Planner Dorothy Wilson then explained that the area was reduced. Ms. Naranjo then pointed out an error in the proposed Ordinance.

There were questions and discussion among the Staff, Mayor and City Council Members concerning the Ordinance. Planning Director Dorothy Wilson stated that Ms. Naranjo pointed out some errors in the Ordinance, and thanked Ms. Naranjo for bringing it to the attention of the Staff, Mayor and Council. There was further discussion among the Mayor and City Council Members concerning the Ordinance and the ARO-M District. Further speaking on the Zoning Ordinance was:

Mark Parton
Robert Estes

There was further discussion among the Mayor and City Council Members concerning the Ordinance and the ARO-M District. Robert Estes then pointed out an additional error in the Ordinance that made the Ordinance "specific" to the Jefferson area. City Planner Dorothy Wilson stated that there was indeed another error in the Ordinance and explained the error. There was further discussion among the Mayor and City Council Members concerning the Ordinance and the ARO-M District.

Mayor Gorden then closed the Public Hearing at 5:55 p.m.

Councilmember Don Langston moved to approve the First Reading of an Ordinance amending the Zoning Ordinance of the City of Lufkin, Texas, being Ordinance No. 3368, by creating a New "Adaptive Reuse Overlay – Memorial District" (ARO-M District) and

amending Article XIX, "Schedule of Permitted Uses" to include specified used for the ARO-M District. Additionally Article III "Residential Large Single Family Dwelling District Regulations" (RL) shall be amended to include all Zoning Districts and read "Districts and Specific Requirements Pertaining to Each District" and amending the Table of Contents to label Articles IV through Article XVII as "Reserved"; repealing conflicting provisions; and providing an effective date subject to the typographical errors being corrected. Councilmember Langston explained that this would include Section 3A: removing the designation of a minimum of ten (10) feet and making it a minimum of twenty (20) feet, Section 3C: removing the designation of a minimum of twenty (20) feet and making it a minimum of ten (10) feet, removing Section III and renumbering the Sections, to exclude the specific description of the area, and also remove Section IV. Councilmember Rufus Duncan, Jr. seconded the motion. A unanimous affirmative vote was recorded.

7. PUBLIC HEARING AND ORDINANCE DESIGNATING AN AREA OF ZONING TITLED "ADAPTIVE REUSE OVERLAY - MEMORIAL DISTRICT" (ARO-M DISTRICT) - APPROVED - LOCATED WITHIN THE AREA BOUNDED BY SOUTH BYNUM STREET, JEFFERSON AVENUE, AVONDALE STREET AND NEWSOM AVENUE AND PROVIDING AN EFFECTIVE DATE FOR THE ORDINANCE

Mayor Jack Gorden stated that the next item for consideration was a Public Hearing and Ordinance designating an area of Zoning titled "Adaptive Reuse Overlay - Memorial District" (ARO-M District) located within the area bounded by South Bynum Street, Jefferson Avenue, Avondale Street and Newsom Avenue, and providing an effective date for the Ordinance. City Manager Paul Parker stated this was the Ordinance that would set up the one block area where the District would be applied. City Manager Parker stated that this area would be bounded by South Bynum Street, Jefferson Avenue, Avondale Street, and Newsom Avenue. City Manager Parker reminded the City Council that there was a twenty percent (20%) protest, and approval of the Ordinance would require a three fourth (3/4) affirmative vote by the City Council.

There were questions and discussion among the Staff, Mayor and City Council Members concerning the Ordinance. City Planner Dorothy Wilson pointed out that there were also errors in this Ordinance. There was further discussion among the Staff, Mayor and City Council Members concerning the Ordinance.

Mayor Gorden then opened the Public Hearing at 6:03 p.m. concerning the Ordinance. Mayor Gorden asked those attending the Council Meeting if there was anyone who wanted to speak concerning the Ordinance. Speaking on the Zoning Ordinance was:

Robert Estes

There were questions and discussion among the Staff, Mayor and City Council Members concerning the Ordinance. Mayor Gorden then closed the Public Hearing at 6:05 p.m.

There were additional questions and discussion among the City Attorney, Mayor and City Council Members concerning the Ordinance.

Councilmember Rose Faine Boyd moved to approve the Ordinance designating an area of Zoning titled "Adaptive Reuse Overlay - Memorial District" (ARO-M District) located within the area bounded by South Bynum Street, Jefferson Avenue, Avondale Street and Newsom Avenue and providing an effective date for the Ordinance, subject to the errors and changes being corrected.. Councilmember Rufus Duncan, Jr. seconded the motion. A unanimous affirmative vote was recorded.

8. WAIVING PERMIT FEES AND THE WATER AND SEWER TAP FEES - APPROVED - FOR THE NEW AQUATIC CENTER, 909 SOUTH ANGELINA STREET, FOR THE BOYS & GIRLS CLUB

Mayor Jack Gorden stated that the next item for consideration was waiving the permit fees and the water and sewer tap fees for the new Aquatic Center, 909 South Angelina Street, for the Boys and Girls Club. City Manager Paul Parker stated that in 2004, the City of Lufkin

and the Boys and Girls Club entered into negotiations when it appeared that an Aquatic Center would be built during that year. City Manager Parker added that there was an understanding that the City of Lufkin would contribute thirty-five thousand dollars (\$35,000) toward the operation of the Aquatic Center if the City was allowed to use the Center. City Manager Parker explained that adequate funding had not been raised at that time. City Manager Parker added that the funding had now been secured and the Boys and Girls Club wished to go forth with the joint use of the Center and was asking the City of Lufkin to waive the permit fees and the water and sewer tap fees for the new Aquatic Center at 909 South Angelina Street.

Councilmember Don Langston asked to be recused from voting on the item due to being issued the contract for the construction of the facility.

There were questions and discussion among the Staff, Mayor and City Council Members concerning the contract between the City of Lufkin and the Boys and Girls Club and the construction of the facility.

Councilmember Rose Faine Boyd moved to approve waiving the permit fees and the water and sewer tap fees for the new Aquatic Center, 909 South Angelina Street, for the Boys & Girls Club. Councilmember R. L. Kuykendall seconded the motion. A unanimous affirmative vote was recorded.

9. RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2005/2006 OPERATING BUDGET (BUDGET AMENDMENT NO. 25), - APPROVED - PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE GENERAL, HOTEL/MOTEL TAX, SPECIAL RECREATION, COURT SECURITY/TECHNOLOGY, ANIMAL ATTIC GIFT SHOP, ECONOMIC DEVELOPMENT, GENERAL DEBT SERVICE, WATER/WASTEWATER AND SOLID WASTE AND RECYCLING FUNDS; AND PROVIDING AN EFFECTIVE DATE

Mayor Jack Gorden stated that the next item for consideration was a Resolution authorizing an amendment to the 2005/2006 Operating Budget (Budget Amendment No. 25), providing for the supplemental appropriation of funds in the General, Hotel/Motel Tax, Special Recreation, Court Security/Technology, Animal Attic Gift Shop, Economic Development, General Debt Service, Water/Wastewater and Solid Waste and Recycling Funds; and providing an effective date. City Manager Paul Parker stated that each year, as the City Staff goes through the budget reviews, revised budgets and proposals for the next year's budget, departments determine a spending plan that would allow continuing present levels of services for the remainder of the current fiscal year. City Manager Parker added that this was basically a "clean up" Resolution that would bring the City into compliance with the revised budgets that Staff provided the Council during the Budget Workshop. City Manager Parker stated that Staff would be happy to go through the Resolution in more detail if the Council so desired, or would answer any questions that Council had concerning the Resolution authorizing the Amendment to the 2005/2006 Operating Budget.

There were questions and discussion among the Staff, Mayor and City Council Members concerning the Resolution.

Councilmember Phil Medford moved to approve the Resolution authorizing an amendment to the 2005/2006 Operating Budget (Budget Amendment No. 25), providing for the supplemental appropriation of funds in the General, Hotel/Motel Tax, Special Recreation, Court Security/Technology, Animal Attic Gift Shop, Economic Development, General Debt Service, Water/Wastewater and Solid Waste and Recycling Funds; and providing an effective date. Councilmember Don Langston seconded the motion. A unanimous affirmative vote was recorded.

10. RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2005/2006 OPERATING BUDGET (BUDGET AMENDMENT NO. 26), - APPROVED - PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE GENERAL FUND; AND PROVIDING AN EFFECTIVE DATE

Mayor Jack Gorden stated that the next item for consideration was a Resolution authorizing an amendment to the 2005/2006 Operating Budget (Budget Amendment No. 26), providing for the supplemental appropriation of funds in the General Fund; and providing an effective date. City Manager Paul Parker stated that, as Council would recall, the City of Lufkin received a thirty-five thousand dollar (\$35,000) grant from the Texas Department of Health to assist in the purchase of an ambulance. City Manager Parker added that the Council approved the request, but at that time the Staff did not provide a Budget Amendment to authorize the increased expenditure by thirty-five thousand dollars (\$35,000) in the Fire Department budget. City Manager Parker stated that the total cost of the unit was approximately one hundred twelve thousand dollars (\$112,000) and would include a defibrillator.

There were questions and discussion among the Staff, Mayor and City Council Members concerning the Resolution.

Councilmember Don Langston moved to approve the Resolution authorizing an amendment to the 2005/2006 Operating Budget (Budget Amendment No. 26), providing for the supplemental appropriation of funds in the General Fund; and providing an effective date. Councilmember Rose Faine Boyd seconded the motion. A unanimous affirmative vote was recorded.

11. RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2005/2006 OPERATING BUDGET (BUDGET AMENDMENT NO. 27), - APPROVED - PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE GENERAL FUND; AND PROVIDING AN EFFECTIVE DATE

Mayor Jack Gorden stated that the next item for consideration was a Resolution authorizing an amendment to the 2005/2006 Operating Budget (Budget Amendment No. 27) providing for the supplemental appropriation of funds in the General Fund; and providing an effective date. City Manager Paul Parker stated that this was additional funding that was needed to cover expenses incurred for both Kiwanis and Chambers Park, when the City was improving the bridges, in an effort to beautify the parks and replace deteriorating drainage ways. City Manager Parker added that the Lufkin Landscape Task Force, working in conjunction with Lufkin Industries, donated twenty-seven thousand dollars (\$27,000) to assist in the drainage enhancement and beautification project of Chambers Park. City Manager Parker stated that Staff initially estimated that the Street Department would pile-drive sheet metal to stabilize the deteriorating creek. City Manager Parker explained that due to overhead power lines and inadequate equipment, the Street Department was unable to complete the project at Chambers Park as originally designed. City Manager Parker added that at Kiwanis Park, the Street Department did not have adequate equipment to complete the project and a pile-driver was contracted to drive the sheet metal and stabilize the creek. City Manager Parker stated the park projects exceeded funding allocations by nineteen thousand nine hundred twenty-three dollars and fifty-five cents (\$19,923.55). City Manager Parker added that Staff recommended that Council approve the Resolution amending the Budget (Budget Amendment No. 27) to cover overruns in the Kiwanis and Chambers Park Projects.

There were questions and discussion among the Staff, Mayor and City Council Members concerning the Resolution.

Councilmember Rose Faine Boyd moved to approve the Resolution authorizing an amendment to the 2005/2006 Operating Budget (Budget Amendment No. 27) providing for the supplemental appropriation of funds in the General Fund; and providing an effective date. Councilmember R. L. Kuykendall seconded the motion. A unanimous affirmative vote was recorded.

12. RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2005/2006 OPERATING BUDGET (BUDGET AMENDMENT NO. 28), - APPROVED - PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE ASBESTOS PIPE REPLACEMENT CAPITAL IMPROVEMENT FUND; AND PROVIDING AN EFFECTIVE DATE AND AWARDED A CONTRACT TO OSCAR CRAWFORD CONSTRUCTION IN THE AMOUNT OF \$1,961,189.91 FOR THE AC WATERLINE REPLACEMENT PROJECT #12 AND #13

Mayor Jack Gorden stated that the next item for consideration was a Resolution authorizing an amendment to the 2005/2006 Operating Budget (Budget Amendment No. 28) providing for the supplemental appropriation of funds in the Asbestos Pipe Replacement Capital Improvement Fund; and providing an effective date and awarding a contract to Oscar Crawford Construction in the amount of one million nine hundred sixty-one thousand one hundred eighty-nine dollars and ninety-one cents (\$1,961,189.91) for the AC Waterline Replacement Project #12 and #13. City Manager Paul Parker stated that this was a combination of a Budget Amendment and the award of contract. City Manager Parker added that Staff recently received bids for the AC Waterline Replacement Projects #12 and #13 in Crown Colony. City Manger Parker stated that the apparent low bidder was Oscar Crawford Construction in the amount of one million nine hundred sixty-one thousand one hundred eighty-nine dollars and ninety-one cents (\$1,961,189.91). City Manager Parker added that the current budget was one million one hundred eighty-five thousand thirty-eight dollars (\$1,185,038). City Manager Parker stated that the project was seven hundred seventy-six thousand one hundred fifty-one dollars and ninety-one cents (\$776,151.91) over the existing budget. City Manager Parker stated that the original cost estimates were developed in 1999 and were developed under the premise that Staff would be doing open cuts. City Manager Parker added that the project was designed with underground bores and that technology has developed rapidly since 1999, and because of problems in that area, Staff looked at bores being more efficient. City Manager Parker stated that there was money set aside in the fund balance and the City could not at this time complete Project #8. City Manager Parker added that Projects #12 and #13 were the last of the Asbestos Pipe Replacement Project. City Manager Parker stated that Staff recommended approval of Budget Amendment No. 28 and awarding of bid to Oscar Crawford Construction in the amount of one million nine hundred sixty-one thousand one hundred eighty-nine dollars and ninety-one cents (\$1,961,189.91) to complete AC Waterline Replacement Projects #12 and #13 in Crown Colony.

There were questions and discussion among the Staff, Mayor and City Council Members concerning the Resolution.

Councilmember Phil Medford moved to approve the Resolution authorizing an amendment to the 2005/2006 Operating Budget (Budget Amendment No. 28) providing for the supplemental appropriation of funds in the Asbestos Pipe Replacement Capital Improvement Fund; and providing an effective date and awarding a contract to Oscar Crawford Construction in the amount of one million nine hundred sixty-one thousand one hundred eighty-nine dollars and ninety-one cents (\$1,961,189.91) for the AC Waterline Replacement Project #12 and #13. Councilmember R. L. Kuykendall seconded the motion. A unanimous affirmative vote was recorded.

13. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LUFKIN ADOPTING THE RECOMMENDATIONS OF THE ANNEXATION COMMITTEE CONCERNING AN ANNEXATION POLICY FOR THE CITY OF LUFKIN; - APPROVED - FINDING THAT THE MEETING AT WHICH THIS RESOLUTION PASSED COMPLIED WITH THE OPEN MEETINGS ACT; MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE

Mayor Jack Gorden stated that the next item for consideration was a Resolution of the City Council of the City of Lufkin adopting the recommendations of the Annexation Committee concerning an Annexation Policy for the City of Lufkin; finding that the meeting at which this Resolution passed complied with the Open Meetings Act; making other findings and provisions related to the subject; and declaring an effective date. City Manager Paul Parker stated that this Resolution was one that would begin the annexation process. City Manager Parker added that this Resolution did not guarantee that any particular areas would be annexed and would not obligate the Council to anything other than authorizing the Staff to go forth, send out public notices and begin the process.

There were questions and discussion among the Staff, Mayor and City Council Members concerning the annexation process.

Councilmember Rufus Duncan, Jr. moved to approve the Resolution of the City Council of the City of Lufkin adopting the recommendations of the Annexation Committee concerning an Annexation Policy for the City of Lufkin; finding that the meeting at which this Resolution passed complied with the Open Meetings Act; making other findings and provisions related to the subject; and declaring an effective date. Councilmember Don Langston seconded the motion. A unanimous affirmative vote was recorded.

14. BID FOR THE HOME STREET BRIDGE REPLACEMENT PROJECT - APPROVED - IN THE AMOUNT OF \$99,260

Mayor Jack Gorden stated that the next item for consideration was the bid for the Home Street Bridge Replacement project in the amount of ninety-nine thousand two hundred sixty dollars (\$99,260). City Manager Paul Parker stated that Staff recently received bids for the Home Street Replacement Project. City Manager Parker added that Staff was trying to expedite this process because of school starting soon. City Manager Parker explained that the City of Lufkin had a sixty (60) day contract with the developer, which meant that school would be started, but Staff was confident that by working with the developer the street would remain open throughout the area. City Manager Parker stated that the City had purchased box culverts for a cost of approximately ten thousand dollars (\$10,000). City Manager Parker added that the low bidder for this project was Ronson Constructors, Inc. in the amount of ninety-nine thousand two hundred sixty dollars (\$99,260). City Manager Parker stated that there would be additional cost for the asphalt as the Street Department does tie-ins but was anticipated to be well below the approved budget of one hundred fifty thousand dollars (\$150,000) that was set up for this project. City Manager Parker stated that Staff recommended awarding the contract to Ronson Constructors, Inc. in the amount of ninety-nine thousand two hundred sixty dollars (\$99,260).

There were questions and discussion among the Staff, Mayor and City Council Members concerning the project.

Councilmember Rose Faine Boyd moved to approve the bid for the Home Street Bridge Replacement project in the amount of ninety-nine thousand two hundred sixty dollars (\$99,260). Councilmember Phil Medford seconded the motion. A unanimous affirmative vote was recorded.

15. Mayor Jack Gorden stated that the next item for consideration was a report from City Manager Paul Parker. City Manager Paul Parker stated that the Council had been going through the Financial Status Reports regularly during the past few months. City Manager Parker added that this report was a one (1) month update since the last work sessions. City Manager Parker stated that the City recently had another month of superior Sales Tax collections reflected in the report.

City Manager Parker stated that the City was doing extremely well in the General Fund revenue and that the other funds were right on target. City Manager Parker added that during the next few months the City would determine the water usage. City Manager Parker stated that the other funds had little change since the last work sessions and that he would answer any specific questions that the City Council had regarding the Financial Status Report.

City Manager Parker added that he would also answer any questions that the Council had regarding the Project Status Report.

City Manager Parker stated that the City had recently poured the pad at Jones Park for the Spray Play Project. Assistant City Manager Keith Wright corrected that the pad would be poured in the next few days.

16. Mayor Jack Gorden recessed the Regular Session at 6:47 p.m. to enter into Executive Session.

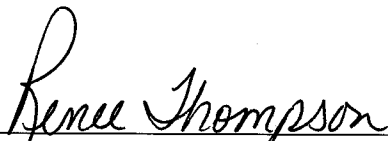
EXECUTIVE SESSION: In accordance with the Texas Government Code Section 551.071 (2) Consultation with City Attorney on any Regular Session Agenda item requiring confidential, attorney/client advices necessitated by the deliberation or discussion of said items (as needed), and real estate, appointment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

Mayor Jack Gorden reconvened the Regular Session at 7:30 p.m.

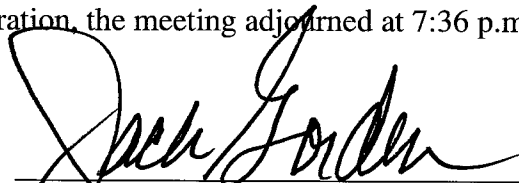
17. Mayor Jack Gorden stated that the next item for consideration was demolition of buildings. City Attorney Bob Flourney stated that the particular structures recommended for demolition were located at 2702 Freeman, 315 McHale, 1214 North Warren, 127 Forest Park, 200 North Timberland, and 132 East Kerr. City Attorney Flourney added that the Inspection Department had been working with the owners of these properties to get them remediated or demolished, and the only option the City now had was to demolish them, as they no longer had any value. City Attorney Flourney stated that it was the recommendation of the City that Council authorize the demolition of the properties. Councilmember Rose Faine Boyd moved to approve the demolition of structures at 2702 Freeman, 315 McHale, 1214 North Warren, 127 Forest Park, 200 North Timberland, and 132 East Kerr. Councilmember R. L. Kuykendall seconded the motion. A unanimous affirmative vote was recorded.
18. City Manager Paul Parker reminded the Council that there would be a "Ground-Breaking" on Wednesday, July 19, 2006 at 10:00 a.m. for the Boys and Girls Club for the new Aquatic Facility. City Manager Parker added that Thursday, July 20, 2006, the City of Lufkin would host the TML Region XVI Quarterly Meeting at 6:30 p.m. at the Crown Colony Country Club Garden Room. City Manager Parker stated that pictures would be made just before the next Council Meeting which would be held on August 1, 2006. City Manager Parker asked that all of the Council try to be at the Lufkin City Hall no later than 4:30 p.m. to 4:45 p.m. City Secretary Renee Thompson reminded those that served on the Insurance Committee that there would be a meeting for that group on Monday, July 24, 2006, at 2:00 p.m.

Mayor Jack Gorden stated that this would be the last meeting for Inspection Services Director Beauford Chapman, as he had recently resigned, and thanked Mr. Chapman for his service to the City of Lufkin and that the Council appreciated everything that Mr. Chapman had done for the City.

19. There being no further business for consideration, the meeting adjourned at 7:36 p.m.



Renee Thompson - City Secretary



Jack Gorden - Mayor