

MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF LUFKIN, TEXAS HELD ON THE 20th DAY OF MAY, 2008.

On the 20th day of May, 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.	Mayor
Rose Faine Boyd	Mayor Pro Tem
R. L. Kuykendall	Councilmember, Ward No. 1
Lynn Torres	Councilmember, Ward No. 3
Don Langston	Councilmember, Ward No. 4
Rufus Duncan	Councilmember, Ward No. 5
Phil Medford	Councilmember, Ward No. 6
Paul L. Parker	City Manager
Bob Flournoy	City Attorney
Renee Thompson	City Secretary
David Koonce	Human Resource Director
Larry Brazil	Police Chief
Scott Marcotte	Asst. Police Chief
Doug Wood	Finance Director
Jim Wehmeier	Economic Development Director
Chuck Walker	City Engineer
Bill Cameron	City Webmaster
Rachel Emrick	City Arborist
Joe Pase	Tree Board
John Courtenay	Tree Board
Darwin Foster	Tree Board
Janet Clarke	Tree Board
Todd Nightingale	Texas Forest Service District Forester
being present, and	
Keith Wright	Assistant City Manager

being absent, when the following business was transacted:

1. The meeting was opened with prayer by Pastor Walter Futch, Trinity Baptist Church
2. Mayor Jack Gorden welcomed visitors present. Councilmember Lynn Torres welcomed a LISD student who was present satisfying her government class requirement.

3. APPROVAL OF MINUTES

Minutes of the Regular Meeting of May 6, 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:

7. OATH OF OFFICE TO COUNCIL MEMBERS RUFUS DUNCAN AND PHIL MEDFORD. (HONORABLE PAUL WHITE, JUDGE 159TH DISTRICT COURT)

Mayor Jack Gorden stated that there would be a slight change in the agenda order that evening. Mayor Gorden explained that the next item for consideration would be item number seven (7) on the agenda which was to administer the Office to Council Members Rufus Duncan and Phil Medford. Mayor Gorden stated that the Council was privileged to have the Honorable Paul White, Judge 159th District Court present at the meeting to swear in the recently re-elected Council Members.

Honorable Paul White, Judge 159th District Court, stated that he appreciated the invitation to be a part of the ceremony. The Honorable Paul White, Judge 159th District Court, administered the Oath of Office to Council Members Phil Medford and Rufus Duncan.

OLD BUSINESS:

4. **SECOND READING OF AN ORDINANCE ESTABLISHING A “SPEED ZONE” ON HIGHWAY 59 SOUTH – APPROVED - AT SIXTY (60) MILES PER HOUR**

Mayor Jack Gorden stated that the next item for consideration was the Second Reading of the Ordinance establishing a “Speed Zone” on Highway 59 South at sixty (60) miles per hour.

City Manager Paul Parker stated that the Council had discussed the Ordinance at two (2) previous meetings. City Manager Parker added that the Texas Department of Transportation had requested that the City of Lufkin lower the speed limit in the newly annexed area on Highway 59 South to sixty (60) miles per hour.

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

Councilmember Rose Faine Boyd moved to approve the Second Reading of the Ordinance establishing a “Speed Zone” on Highway 59 South at sixty (60) miles per hour. Councilmember Lynn Torres seconded the motion. A unanimous affirmative vote was recorded.

5. **PUBLIC HEARING AND SECOND READING OF AN ORDINANCE AMENDING THE ZONING ORDINANCE OF THE CITY OF LUFKIN, TEXAS, - APPROVED - BY GRANTING A SPECIAL USE PERMIT FOR AN INSTITUTION OF RELIGIOUS, EDUCATIONAL, OR PHILANTHROPIC NATURE WITHIN A DUPLEX ZONING DISTRICT AND SITUATED ON A CERTAIN TRACT OR PARCEL OF LAND WITHIN THE CORPORATE LIMITS OF THE CITY OF LUFKIN, TEXAS, DESCRIBED AS BLOCK 44, LOT 5, OF THE CITY OF LUFKIN, AND MORE COMMONLY KNOWN AS 601 NORTH FIRST STREET**

Mayor Jack Gorden stated that the next item for consideration was a Public Hearing and Second Reading of an Ordinance amending the Zoning Ordinance of the City of Lufkin, Texas, by granting a Special Use Permit for an institution of religious, educational, or philanthropic nature within a Duplex Zoning District and situated on a certain tract or parcel of land within the corporate limits of the City of Lufkin, Texas, described as Block 44, Lot 5, of the City of Lufkin, and more commonly known as 601 North First Street.

City Manager Paul Parker stated that the four thousand (4,000) square foot facility that was donated to the Mosaic Center that fell under the “Special Use” classification. City Manager Parker added that the Planning and Zoning Commission and Staff unanimously recommended that the Council approve the Ordinance.

Mayor Gorden opened the Public Hearing at 5:10 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 5:11 p.m.

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

Councilmember Don Langston moved to approve the Second Reading of the Ordinance amending the Zoning Ordinance of the City of Lufkin, Texas, by granting a Special Use Permit for an institution of religious, educational, or philanthropic nature within a Duplex Zoning District and situated on a certain tract or parcel of land within the corporate limits of the City of Lufkin, Texas, described as Block 44, Lot 5, of the City of Lufkin, and more commonly known as 601 North First Street. Councilmember R. L. Kuykendall seconded the motion. A unanimous affirmative vote was recorded.

6. **PUBLIC HEARING AND SECOND READING OF AN ORDINANCE ANNEXING THE HEREINAFTER DESCRIBED TERRITORY TO THE CITY OF LUFKIN, TEXAS, - APPROVED - AND EXTENDING THE BOUNDARIES OF SAID CITY SO AS TO INCLUDE SAID HEREINAFTER DESCRIBED PROPERTY WITHIN THE CITY LIMITS, AND GRANTING TO SAID TERRITORY AND TO ALL FUTURE INHABITANTS OF SAID PROPERTY ALL OF THE RIGHTS AND PRIVILEGES OF**

OTHER CITIZENS AND BINDING SAID FUTURE INHABITANTS BY ALL OF THE ACTS AND ORDINANCES OF THE SAID CITY

Mayor Jack Gorden stated that the next item for consideration was a Public Hearing and consider on Second Reading an Ordinance annexing the hereinafter described territory to the city of Lufkin, Texas, and extending the boundaries of said City so as to include said hereinafter described property within the city limits, and granting to said territory and to all future inhabitants of said property all of the rights and privileges of other citizens and binding said future inhabitants by all of the Acts and Ordinances of the said City

City Manager Paul Parker stated that the owner requested that the twenty (20) acre parcel of land be annexed into the City of Lufkin for the purpose of receiving full municipal services. City Manager Paul Parker added that the Planning and Zoning Commission and Staff recommended that the proposed annexation ordinance be approved.

Mayor Gorden opened the Public Hearing at 5:13 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 5:14 p.m.

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

Councilmember Rufus Duncan moved to approve the Second Reading of the Ordinance annexing the hereinafter described territory to the city of Lufkin, Texas, and extending the boundaries of said City so as to include said hereinafter described property within the city limits, and granting to said territory and to all future inhabitants of said property all of the rights and privileges of other citizens and binding said future inhabitants by all of the Acts and Ordinances of the said City. Councilmember Rose Faine Boyd seconded the motion. A unanimous affirmative vote was recorded.

NEW BUSINESS (cont.):

8. PRESENTATION OF TREE CITY USA CERTIFICATION TO MAYOR JACK GORDEN AND CITY OF LUFKIN COUNCIL BY TODD NIGHTINGALE, TEXAS FOREST SERVICE, DISTRICT FORESTER.

Mayor Jack Gorden stated that the next item for consideration was the Presentation of Tree City USA Certification to Mayor Jack Gorden and City of Lufkin Council by Todd Nightingale, Texas Forest Service District Forester.

Texas Forest Service District Forester Todd Nightingale stated that he was the new District Forester in Hudson, Texas. Mr. Nightingale added that it was with great pleasure that he could recognize the City of Lufkin for being a "Tree City USA". Mr. Nightingale stated that there were many people responsible for making it possible to be a "Tree City" for the past eighteen (18) years. Mr. Nightingale added that the recognition proved that the community took value in its urban forests, by taking action, worked on education, supported the Arbor Day Celebration, and has a Tree Board. Mr. Nightingale then recognized the Tree Board Members that were present at the Council Meeting. Mr. Nightingale then presented the Mayor and Council with the "Tree City USA" flag, lapel pin, and baseball cap.

Mayor Gorden thanked Mr. Nightingale for the recognition and stated that Lufkin was glad to have him in the community. Mayor Gorden added that the meaning of being named a "Tree City USA" was growing as time went by. Mayor Gorden stated that the community was much more aware of what the recognition stood for and then thanked the Tree Board for their service.

9. ACCEPTANCE OF A GIFT FROM THE JUNIOR SERVICE LEAGUE OF LUFKIN - APPROVED - IN THE AMOUNT OF \$3,000 TO FUND EXPENSES FOR THE GANG RESISTANCE AND EDUCATION TRAINING ("GREAT") AT THE MIDDLE SCHOOL

Mayor Jack Gorden stated that the next item for consideration was the acceptance of a gift from the Junior Service League of Lufkin in the amount of \$3,000 to fund expenses for the Gang Resistance and Education Training ("GREAT") at the Middle School.

City Manager Paul Parker stated that this was the fifth (5th) year that the City of Lufkin had been fortunate enough to receive a grant from the Junior Service League of Lufkin to the Lufkin Police Department to assist in the GREAT Program. City Manager Parker added that funds from the grant were used for t-shirts, incentives, books and graduation materials to encourage the youth in the Gang Resistance Education Program. City Manager Parker stated that the City of Lufkin wished to thank the Junior League and request that the City Council accept their generous donation of three thousand dollars (\$3,000) to assist the GREAT Program at the Middle School.

Mayor Gorden asked if there was anyone from the Junior League in attendance at the Council Meeting. Officer Ralph Bean with the Lufkin Police Department stated that he taught the GREAT Program at the Lufkin Middle School. Officer Bean added that it was his tenth (10th) year to teach the Program. Officer Bean stated that the Junior League was gracious enough to donate funds to the Program each year and that it would assist in providing t-shirts and with the graduation for the youth in the program. Officer Bean explained that he taught over six hundred youth in the Program and that he really enjoyed working with the group of students. Officer Bean added his thanks to the Junior League for their contribution. Mayor Gorden thanked Officer Bean for his service.

Councilmember Lynn Torres moved to approve acceptance of a gift from the Junior Service League of Lufkin in the amount of \$3,000 to fund expenses for the Gang Resistance and Education Training ("GREAT") at the Middle School. Councilmember Rose Faine Boyd seconded the motion. A unanimous affirmative vote was recorded.

10. RESOLUTION OF THE CITY OF LUFKIN, TEXAS AUTHORIZING AN AMENDMENT TO THE 2007/2008 OPERATING BUDGET (BUDGET AMENDMENT NO. 28) – APPROVED - PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE EQUIPMENT AMORTIZATION AND REPLACEMENT FUND AND PROVIDING AN EFFECTIVE DATE

Mayor Jack Gorden stated that the next item for consideration was a Resolution of the City of Lufkin, Texas authorizing an amendment to the 2007/2008 Operating Budget (Budget Amendment No. 28) providing for the supplemental appropriation of funds in the Equipment Amortization and Replacement Fund and providing an effective date.

City Manager Paul Parker stated the City of Lufkin was building a new Fleet Maintenance Facility. City Manager Parker explained that the new facility did not include a "pit" for the maintenance and service of vehicles and equipment. City Manager Parker added that in order to service the City's fleet, a sixty-four thousand (64,000) pound capacity lift and ten thousand (10,000) pound lift, along with jack stands, was needed to accommodate both heavy equipment such as pumper trucks or garbage trucks and smaller equipment and vehicles such as pickups, Police cars, etc. City Manager Parker explained that in addition to the lifts, Staff recommended the purchase of a brake lathe, which would be used for routine brake jobs, especially Police vehicles, which needed brakes more frequently due to the nature of their use. City Manager Parker stated that the total cost of all of the equipment was forty-six thousand six hundred thirty-one dollars (\$46,631). City Manager Parker added that Staff recommended the funds be taken out of the Fleet Amortization Fund because the equipment was directly associated to the maintenance of the City's fleet. City Manager Parker stated that Staff recommended that the Council approve the Budget Amendment for forty-six thousand six hundred thirty-one dollars (\$46,631) as well as authorize the purchase of the equipment.

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

Councilmember Don Langston moved to approve the Resolution of the City of Lufkin, Texas authorizing an amendment to the 2007/2008 Operating Budget (Budget Amendment No. 28) providing for the supplemental appropriation of funds in the Equipment Amortization and Replacement Fund and providing an effective date. Councilmember Phil Medford seconded the motion. A unanimous affirmative vote was recorded.

11. CITY MANAGER'S REPORT

Mayor Jack Gorden stated that the next item for consideration was the City Manager's Report.

City Manager Paul Parker stated that he would highlight a couple of items in the Financial Report and then go over the Project Status Report. City Manager Parker stated that most of the revenue accounts in the General Fund were in good shape. City Manager Parker added that was

with the exception of the revenue from ambulance fees, which would run approximately four hundred fifty thousand dollars (\$450,000) below budget due to calculation errors in the budgeting process. City Manager Parker explained that estimates of the new ambulance rates were incorrectly assessed. City Manager Parker furthered that this would affect the Fund Balance as well as the future growth of the City of Lufkin. City Manager Parker stated that the miscalculation was not in the current Project Status Report because it had only been discovered earlier that week.

Councilmember Don Langston asked if there would be attempts to adjust budgets to correct the mistake. City Manager Parker stated that the budget process would begin Thursday, May 22, 2008 and during the budget process Staff would be looking at individual department budgets to begin compensating for some of the lost revenue. City Manager Parker added that overall the City was in good financial shape. City Manager Parker explained that the Fund Balance was still healthy but that he wanted to point out the revenue error because it would not only affect the Operating Budget but also the money available for the Capital Improvements Program. City Manager Parker stated that Sales Tax continued to be good although the month of April 2008 was slightly lower than April 2007. City Manager Parker pointed out that for the year the City still maintained an approximate five percent (5%) increase. City Manager Parker stated that he would answer any questions Council had concerning revenue.

City Manager Parker stated that expenditures were in line with very few expenditures going over the limit. City Manager Parker added that there was nothing that Staff was concerned about in the expenditure portion of the Financial Report.

City Manager Parker stated that the Water/Wastewater Revenue was a little low but was traditionally lower at that time of year until the summer months that usually produced more revenue. City Manager Parker added that 2007 was an unusually wet year, but warmer and drier weather encouraged citizens to use irrigation systems and water sales typically increased. City Manager Parker stated that water revenue was often hard to determine as it depended on the amount of rain and temperatures. City Manager Parker stated that expenditures were in line in the Water/Wastewater accounts.

City Manager Parker stated that the Solid Waste as well as the other accounts were all right on schedule. City Manager Parker added that the Hotel/Motel Revenue was even right on target. City Manager Parker stated that he would answer any questions the Council had concerning the Financial Report.

Mayor Gorden asked City Manager Parker if he had any comments concerning the price of fuel at that time. City Manager Parker stated that Staff was taking a hard look at fuel prices. City Manager Parker added that fuel was already above what was budgeted last year and as Staff went through the mid-year budget process they would have to adjust upwards in some categories for the rising costs. City Manager Parker stated that the City of Lufkin did not have to pay a Federal tax on fuel but did have to pay a State tax. City Manager Parker added that the City bought the fuel in bulk and therefore received a discount rate. City Manager Parker explained that the City was still well above the projected expenditures for fuel. City Manager Parker added that fuel was approximately fifty cents higher per gallon than last year's estimate. City Manager Parker stated that those estimates were higher than the current prices at budget time because Staff anticipated some inflation but Staff still underestimated the recent escalation of fuel costs. City Manager Parker stated that fuel was affecting the City of Lufkin the same as it was everyone and there didn't appear to be any relief in sight.

City Manager then asked City Engineer Chuck Walker to update the Council on the Whitehouse and Highway 59 Projects.

City Engineer Chuck Walker stated that Staff had a meeting with TxDOT that morning and discussed the bridge at Whitehouse. Mr. Walker added that the bridge had been shut down and were estimating that the bridge would be lifted and braced and TxDOT expected the project to run about one (1) week longer than was originally anticipated. Mr. Walker stated that the portion of Whitehouse that was being constructed back to FM 819 was coming along well. Mr. Walker stated that there were four (4) creek crossings that had to be completed and that three (3) of them were finished. Mr. Walker added that asphalt had been laid from FM 819 to the creek and had lime stabilized from Wal-Mart to the creek. Mr. Walker stated that the Whitehouse Project was going well and should be completed ahead of schedule. Mayor Gorden asked Mr. Walker for an approximate time of completion. Mr. Walker stated that completed would

depend on the weather but hoped to have it finished before Thanksgiving. City Manager Parker added that the goal was to have the project completed before Thanksgiving and in time for the Christmas season.

City Manager Parker stated that the Lotus Lane Project was running into sub-grade problems and asked City Engineer Chuck Walker to bring the Council up to date on that project, as well. Mr. Walker stated that Lotus Lane was being done in six hundred (600) foot increments. Mr. Walker added that the last six hundred (600) foot section was milled up and dug down approximately two and one-half (2 ½) feet and had Terracon test the subgrade. Mr. Walker stated that Terracon was going to send the City of Lufkin a letter recommending that the City select fill the area three and one-half (3 ½) feet deep, forty (40) feet wide, and seven hundred fifty (750) feet long. Mr. Walker added that the cost was approximately sixty-five thousand dollars (\$65,000).

Councilmember Don Langston requested that Mr. Walker get a second opinion. Mr. Walker stated that the City could do that. Mr. Walker added that Staff had made suggestions and had asked Terracon if there were other ways to correct the problem. Mr. Walker added that he anticipated that the sub-grade problems could possibly extend another two hundred (200) feet.

City Manager Parker stated that Staff was considering other options to correct the sub-grade problems.

City Manager Parker then requested that Mr. Walker update the Council on the progress of the Crown Colony Asbestos Pipe Replacement Project. Mr. Walker stated that work had been started on Augusta Drive. Mr. Walker stated that Staff had been having substantial problems with utility locates in that area. Mr. Walker stated that the project should be completed soon.

City Manager Parker stated that the Service Center Project was almost completed and the Zoo Administration and Education Center and the Solid Waste Center were both proceeding along well. City Manager Parker added that all of the City's building projects were on schedule.

12. Mayor Jack Gorden recessed the Regular Session at 5:33 p.m. to enter into Executive Session.

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

Mayor Jack Gorden reconvened the Regular Session at 6:35 p.m.

13. **RESOLUTION OF THE CITY OF LUFKIN, TEXAS – APPROVED - AUTHORIZING THE CITY MANAGER TO PREPARE, FILE AND PROSECUTE WITH THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY AN APPLICATION FOR AMENDMENT TO CERTIFICATE OF ADJUDICATION NO. 06-4411 TO ALTER THE EFFECT OF PARAGRAPH 5, SPECIAL CONDITIONS C AND D REGARDING THE PRIORITY OF THE CERTIFICATE AND PROVIDING AN EFFECTIVE DATE**

Mayor Jack Gorden stated that the next item for consideration was a Resolution of the City of Lufkin, Texas authorizing the City Manager to prepare, file and prosecute with the Texas Commission on Environmental Quality an application for Amendment to Certificate of Adjudication No. 06-4411 to alter the effect of Paragraph 5, Special Conditions C and D regarding the priority of the Certificate and providing an effective date. Mayor Jack Gorden then stated that Water Rights Specialist/Attorney Ron Freeman was present at the meeting and added that Mr. Freeman would be working with City Attorney Bob Flournoy.

City Manager Paul Parker then requested that Mr. Freeman give a brief explanation of the proposed Resolution. Mr. Freeman stated that the proposed Resolution would authorize the City of Lufkin to file an application, similar to a pending application filed by the Lower Neches Valley Authority to amend their portion of the certificate regarding some subordination clauses concerning priority dates. Mr. Freeman recommended that the Council approve the proposed Resolution.

Councilmember Don Langston moved to approve the Resolution of the City of Lufkin, Texas authorizing the City Manager to prepare, file and prosecute with the Texas Commission on Environmental Quality an application for Amendment to Certificate of Adjudication No. 06-4411 to alter the effect of Paragraph 5, Special Conditions C and D regarding the priority of the Certificate and providing an effective date. Councilmember R. L. Kuykendall seconded the motion. A unanimous affirmative vote was recorded.

14. RESOLUTION OF THE CITY OF LUFKIN, TEXAS – APPROVED - AUTHORIZING THE CITY MANAGER TO PREPARE, FILE AND PROSECUTE WITH THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY AN APPLICATION FOR AMENDMENT TO CERTIFICATE OF ADJUDICATION NO. 06-4411 TO AMEND THE DIVERSION POINT FOR, AND THE PLACE OF USE OF WATER UNDER, THE CERTIFICATE AND PROVIDING AN EFFECTIVE DATE

Mayor Jack Gorden stated that the next item for consideration was a Resolution of the City of Lufkin, Texas authorizing the City Manager to prepare, file and prosecute with the Texas Commission on Environmental Quality an application for Amendment to Certificate of Adjudication No. 06-4411 to amend the diversion point for, and the place of use of water under, the Certificate and providing an effective date.

Mr. Ron Freeman explained that the Resolution would allow the City of Lufkin to file a separate application to authorize a diversion point on the perimeter of Lake Sam Rayburn Reservoir. Mr. Freeman added that the Lower Neches Valley Authority had received such an amendment for their portion of the water right approximately one (1) year earlier. Mr. Freeman added that the Resolution would also change the place of use for the water. Mr. Freeman explained that the Resolution would authorize the City Manager to prepare and file the application.

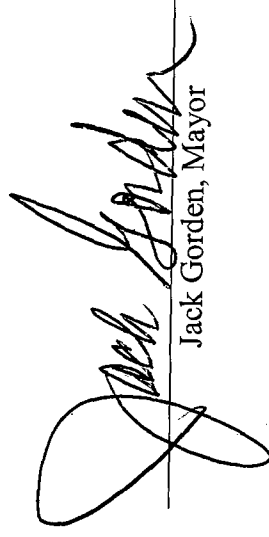
Councilmember Rufus Duncan moved to approve the Resolution of the City of Lufkin, Texas authorizing the City Manager to prepare, file and prosecute with the Texas Commission on Environmental Quality an application for Amendment to Certificate of Adjudication No. 06-4411 to amend the diversion point for, and the place of use of water under, the Certificate and providing an effective date. Councilmember Phil Medford seconded the motion. A unanimous affirmative vote was recorded.

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

City Manager Parker reminded the Council that the DETCOG Annual Membership Meeting was Thursday, May 29, 2008 at the Lufkin Pitser Garrison Civic Center. City Manager Parker stated that other meetings on the Council Calendar were standard meetings.

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


Renee Thompson – City Secretary


Jack Gorden, Mayor