MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF LUFKIN, TEXAS HELD ON THE 21ST DAY OF SEPTEMBER, 2010

On the 21st day of September, 2010, 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
Victor Travis	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
Bruce Green	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
Barbara Thompson	Main Street Director
Jim Wehmeier	Economic Development Director
Chuck Walker	Public Utilities Director
Robbin Crawford	Senior Accountant
J. P. McDonald	Museum of East Texas
Juli Cook	Director of Admissions/Marketing at Pinecrest Retirement Community

being present, and

Keith Wright	Deputy City Manager

being absent, 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. Mayor Gorden then welcomed Anniesue Emmons, Gena Hanner, Paula Havard, Nancy Westbury, Kimber Rhodes, and Keith Gee, who were all members of the 2010/2011 Leadership Lufkin Class. Mayor Gorden then presented Juli Cook, Director of Admissions and Marketing for the Pinecrest Retirement Community, a Proclamation declaring Tuesday, September 21, 2010, as World's Alzheimer's Day.

3. **APPROVAL OF MINUTES**

Minutes of the Regular Meeting of September 7, 2010 were approved on a motion by Councilmember Lynn Torres, and seconded by Councilmember Robert Shankle. A unanimous affirmative vote was recorded.

OLD BUSINESS:

4. **SECOND READING OF AN ORDINANCE DELETING RESOLUTION 3924 AND AMENDING ORDINANCE 3942 AND ALL AMENDMENTS THERETO; - APPROVED - OF THE CITY OF LUFKIN, TEXAS, REPEALING**

CONFLICTING AND INCONSISTENT PROVISIONS; AND PROVIDING AN EFFECTIVE DATE

Mayor Gorden stated that there were several items on the agenda that were Second Readings, which meant that they had been reviewed and passed on the First Reading at the last City Council Meeting. Mayor Jack Gorden stated that the next item for consideration was the Second Reading of an Ordinance deleting Resolution 3924 and amending Ordinance 3942 and all amendments thereto; of the City of Lufkin, Texas, repealing conflicting and inconsistent provisions; and providing an effective date.

City Manager Paul Parker stated that this was the Second Reading of the Ordinance that brought the City into compliance with State law on fees related to the annual alcohol permits.

Mayor Gorden asked for questions or comments from the Council.

Councilmember Don Langston moved to approve the Second Reading of the Ordinance deleting Resolution 3924 and amending Ordinance 3942 and all amendments thereto; of the City of Lufkin, Texas, repealing conflicting and inconsistent provisions; and providing an effective date. 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 A HOSPITAL WITHIN A "LOCAL BUSINESS" ZONING DISTRICT ON CERTAIN TRACTS OR PARCELS OF LAND WITHIN THE CORPORATE LIMITS OF THE CITY OF LUFKIN, TEXAS, BEING 2.487 ACRES DESCRIBED AS LOT 3 OF THE SOUTHWOOD SUBDIVISION #3 AND AUTHORIZING THE CITY PLANNER TO MAKE SUCH CHANGES ON THE OFFICIAL MAP AND THE FUTURE LAND USE PLAN OF THE 2001 COMPREHENSIVE PLAN**

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 a Hospital within a "Local Business" Zoning District on certain tracts or parcels of land within the corporate limits of the City of Lufkin, Texas, being 2.487 acres described as Lot 3 of the Southwood Subdivision #3 and authorizing the City Planner to make such changes on the Official Map and the Future Land Use Plan of the 2001 Comprehensive Plan.

City Manager Paul Parker stated that this was also a Second Reading for the item. City Manager Parker stated that the request was for a proposed twenty-four (24) bed facility that was characterized by the State of Texas as a sheltered care facility. City Manager Parker stated that the Planning and Zoning Commission and Staff recommended approval of the "Special Use" request to the City Council.

Mayor Gorden opened the Public Hearing 5:12 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 5:13 p.m.

Mayor Gorden asked for questions or comments from the Council.

City Councilmember Phil Medford stated that he needed to be recused from voting on the item. Mayor Gorden requested that this be duly noted by City Secretary Renee Thompson.

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 a Hospital within a "Local Business" Zoning District on certain tracts or parcels of land within the corporate limits of the City of Lufkin, Texas, being 2.487 acres described as Lot 3 of the Southwood Subdivision #3 and authorizing the City

Planner to make such changes on the Official Map and the Future Land Use Plan of the 2001 Comprehensive Plan. Councilmember Lynn Torres seconded the motion. A unanimous affirmative vote was recorded.

6. **SECOND READING OF AN APPROPRIATIONS ORDINANCE ADOPTING A BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2010, - APPROVED - AND ENDING SEPTEMBER 30, 2011**

Mayor Jack Gorden stated that the next item for consideration was the Second Reading of an Appropriations Ordinance adopting a budget for the Fiscal Year beginning October 1, 2010, and ending September 30, 2011.

City Manager Paul Parker stated that he would answer any questions that the City Council had regarding the item. City Manager Parker added that the Ordinance was to adopt the annual budget and was based on the tax rate that would be discussed in the next item. City Manager Parker explained that the budget reflected a reduction in property tax for the second year in a row by the City Council. City Manager Parker stated that Staff recommended that the City Council approve the Ordinance.
Mayor Gorden asked for questions or comments from the Council.

Councilmember Phil Medford moved to approve the Second Reading of the Appropriations Ordinance adopting a budget for the Fiscal Year beginning October 1, 2010, and ending September 30, 2011. Councilmember Rufus Duncan seconded the motion. A unanimous affirmative vote was recorded.

7. **SECOND READING OF AN ORDINANCE LEVYING TAXES FOR THE USE AND SUPPORT OF THE MUNICIPAL GOVERNMENT OF THE CITY OF LUFKIN - APPROVED - AND PROVIDING FOR THE DEBT SERVICE FUND FOR THE FISCAL YEAR 2011, AND APPORTIONING EACH LEVY FOR THE SPECIFIC PURPOSE**

Mayor Jack Gorden stated that the next item for consideration was the Second Reading of an Ordinance levying taxes for the use and support of the Municipal Government of the City of Lufkin and providing for the Debt Service Fund for the Fiscal Year 2011, and apportioning each levy for the specific purpose.

City Manager Paul Parker stated that the Lufkin City Council, for the second year in a row, was reducing taxes for the City of Lufkin. City Manager Parker added that the taxes were being reduced from .5338 to .5138, which was a two (2) cent, or 3.75% reduction. City Manager Parker stated that during the previous year the City Council lowered taxes by 3.89 %. City Manager Parker explained that over the last two (2) years the Lufkin City Council had reduced the tax rate by 4.16 cents, or 7.5% for the City of Lufkin. City Manager Parker added that during the present economic downfall and serious problems that the City of Lufkin had been having with sales tax, it was remarkable and that the City Council should be commended. City Manager Parker pointed out that the City Council was trying to make the burden on the tax payers as light as they could. City Manager Parker stated that Staff recommended that the Council reduce the tax rate by two (2) cents and adopt a rate of .5138, per hundred dollar ($100) valuation.

Mayor Gorden then thanked the City Council and City Staff for their work on the budget. Mayor Gorden added that it was a team effort. Mayor Gorden asked for questions or comments from the Council.

Councilmember Rufus Duncan moved to approve the Second Reading of the Ordinance levying taxes for the use and support of the Municipal Government of the City of Lufkin and providing for the Debt Service Fund for the Fiscal Year 2011, and apportioning each levy for the specific purpose. Councilmember Robert Shankle seconded the motion. A unanimous affirmative vote was recorded.

8. **SECOND READING OF AN ORDINANCE AMENDING CHAPTER 51.111 OF THE CODE OF ORDINANCES OF THE CITY OF LUFKIN, TEXAS; -**

APPROVED - MAKING CERTAIN CHANGES IN THE SEWER RATES; REPEALING ALL ORDINANCES IN CONFLICT THEREWITH; AND PROVIDING AN EFFECTIVE DATE

Mayor Jack Gorden stated that the next item for consideration was the Second Reading of an Ordinance amending Chapter 51.111 of the Code of Ordinances of the City of Lufkin, Texas; making certain changes in the Sewer Rates; repealing all Ordinances in conflict therewith; and providing an effective date.

City Manager Paul Parker stated that the comments for items eight (8) and nine (9) were identical. City Manager Parker explained that item eight (8) was regarding sewer rates and that item nine (9) was regarding water rates. City Manager Parker stated that whenever the City of Lufkin purchased the Abitibi water rights, which insured the City of Lufkin's water needs for the foreseeable future, the City had a study done by Freese and Nichols, Inc. which said that in order to pay for the fifteen million dollar ($15,000,000) bonds for the water rights, the Kurth Lake property and all of wells and above ground storage facilities, it would take a twenty-five percent (25%) increase in the water and sewer rates. City Manager Parker added that Freese and Nichols, Inc. requested an eighteen percent (18%) first year increase and twenty-five percent (25%) increase over the next two (2) years. City Manager Parker stated that the City Council did not want to put that kind of burden on the citizens of Lufkin. City Manager Parker added that the City used nine hundred ninety-eight thousand ninety-two dollars ($998,092) out of the Water and Sewer Fund Reserve to underwrite the cost of that water and sewer increase. City Manager Parker stated that the City Council had voted to look at increases for four (4) years at six percent (6%) per year. City Manager Parker explained that this was the second year of that four (4) year phase in plan to ease the burden of the impact of the water and sewer rate increases. City Manager Parker furthered that the City had at that same time met the needs of the Lufkin citizens for water resources well into the future. City Manager Parker added that it was well worth raising the rates in order to be able to provide that type of security for the future. City Manager Parker then stated that Staff recommended that the Council pass the six percent (6%) sewer increase. City Manager Parker added that the comments were the same for the following item.

Mayor Gorden asked for questions or comments from the Council. There were comments by the City Council regarding the sewer and water rates.

Councilmember Don Langston moved to approve the Second Reading of the Ordinance amending Chapter 51.111 of the Code of Ordinances of the City of Lufkin, Texas; making certain changes in the Sewer Rates; repealing all Ordinances in conflict therewith; and providing an effective date. Councilmember Phil Medford seconded the motion. A unanimous affirmative vote was recorded.

9. **SECOND READING OF AN ORDINANCE AMENDING CHAPTER 52.15, (A), (1), (2), (3), (B), (1), (2), (3), (C), (1), (2), (3), (D), (1), (2) AND (E) OF THE CODE OF ORDINANCES OF THE CITY OF LUFKIN, TEXAS; - APPROVED - MAKING A CHANGE IN THE RESIDENTIAL, COMMERCIAL, IRRIGATION, INDUSTRIAL AND WHOLESALE WATER RATES; REPEALING ALL ORDINANCES IN CONFLICT THEREWITH; AND PROVIDING AN EFFECTIVE DATE**

Mayor Jack Gorden stated that the next item for consideration was the Second Reading of an Ordinance Amending Chapter 52.15, (A), (1), (2), (3), (B), (1), (2), (3), (C), (1), (2), (3), (D), (1), (2) AND (E) of the Code of Ordinances of the City of Lufkin, Texas; making a change in the Residential, Commercial, Irrigation, Industrial and Wholesale Water Rates; repealing all Ordinances in conflict therewith; and providing an effective date. Mayor Gorden stated that Staff was recommending that the Council approve the Ordinance as was previously stated by City Manager Parker.

Mayor Gorden asked for questions or comments from the Council.

Councilmember Lynn Torres moved to approve the Second Reading of the Ordinance

Amending Chapter 52.15, (A), (1), (2), (3), (B), (1), (2), (3), (C), (1), (2), (3), (D), (1), (2) AND (E) of the Code of Ordinances of the City of Lufkin, Texas; making a change in the Residential, Commercial, Irrigation, Industrial and Wholesale Water Rates; repealing all Ordinances in conflict therewith; and providing an effective date. Councilmember Robert Shankle seconded the motion. A unanimous affirmative vote was recorded.

10. <u>SECOND READING OF AN ORDINANCE AMENDING ORDINANCE 3961 OF THE CITY COUNCIL OF THE CITY OF LUFKIN, TEXAS, - APPROVED - ADOPTING RULES AND REGULATIONS HEREIN SET FORTH ESTABLISHING CERTAIN FLOOD PREVENTION AND MITIGATION MEASURES; PROVIDING FOR THE PROTECTION OF THE HEALTH AND SAFETY OF THE CITIZENS OF LUFKIN; PROVIDING A PENALTY FOR VIOLATION; CONTAINING A SAVINGS CLAUSE, A SEVERABILITY CLAUSE AND A REPEALER CLAUSE; PROVIDING FOR PUBLICATION, CODIFICATION, AND AN EFFECTIVE DATE; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT</u>

Mayor Jack Gorden stated that the next item for consideration was the Second Reading of an Ordinance amending Ordinance 3961 of the City Council of the City of Lufkin, Texas, adopting rules and regulations herein set forth establishing certain flood prevention and mitigation measures; providing for the protection of the health and safety of the citizens of Lufkin; providing a penalty for violation; containing a savings clause, a severability clause and a repealer clause; providing for publication, codification, and an effective date; and containing other provisions relating to the subject.

City Manager Paul Parker stated that this was the Second Reading of the item, and that the Council had discussed the item in detail at previous meetings. City Manager Parker added that the Ordinance would simply update the flood insurance maps for the City of Lufkin with the recent maps that had come out. City Manager Parker stated that this would bring the City of Lufkin up to date on all of the FEMA prepared flood insurance maps. City Manager Parker stated that Staff recommended that the Council approve the Ordinance.

Mayor Gorden asked for questions or comments from the Council.

Councilmember Phil Medford moved to approve the Second Reading of the Ordinance amending Ordinance 3961 of the City Council of the City of Lufkin, Texas, adopting rules and regulations herein set forth establishing certain flood prevention and mitigation measures; providing for the protection of the health and safety of the citizens of Lufkin; providing a penalty for violation; containing a savings clause, a severability clause and a repealer clause; providing for publication, codification, and an effective date; and containing other provisions relating to the subject. Councilmember Rufus Duncan seconded the motion. A unanimous affirmative vote was recorded.

<u>NEW BUSINESS:</u>

11. <u>REVISED LEASE AGREEMENT BETWEEN THE CITY OF LUFKIN AND THE MUSEUM OF EAST TEXAS, - APPROVED - AND PRESENTATION BY J.P. MCDONALD REGARDING THE FUTURE BUILDING IMPROVEMENTS AND PLANS RELATED TO THE MUSEUM OF EAST TEXAS</u>

Mayor Jack Gorden stated that the next item for consideration was a revised lease agreement between the City of Lufkin and the Museum of East Texas, and presentation by J.P. McDonald regarding the future building improvements and plans related to the Museum of East Texas.

City Manager Paul Parker stated that recently the City of Lufkin did an internal audit of the insurance on all of the City's structures. City Manager Parker added that it was determined by lease that the City of Lufkin was supposed to provide the insurance on the Museum of East Texas. City Manager Parker explained that in reality, the

Museum had always carried the insurance. City Manager Parker stated that Museum had made some substantial improvements to the roofing, and had other plans for structural investments. City Manager Parker added that it was determined that it would be the proper time to extend the lease agreement. City Manager Parker stated that the Museum had a revised lease prepared, and that he and City Attorney Bruce Green reviewed the lease and agreed to recommend that the City Council extend the lease to the Museum of East Texas. City Manager Parker stated that Executive Director J. P. McDonald would explain the plans and future building improvements related to the Museum of East Texas.

Executive Director of the Museum of East Texas J. P. McDonald approached the podium and introduced David Allen, Walter Borgfeld, Mark Strong, Mary Jane West, Ben Moore, Becka Chance, Don Reilly, and Marianna Duncan, who comprised the Museum of East Texas Board of Trustees. Ms. McDonald also introduced Administrative Assistant Claudine Lovejoy and Ms. Joan Duncan, who was one (1) of the original founders of the Museum. Ms. McDonald then thanked the City of Lufkin for everything that the City had done for the Museum. Ms. McDonald then explained recent building improvements and future construction and maintenance plans for the Museum.

Ms. McDonald stated that the Museum was requesting a new lease for twenty-eight (28) years and three (3) months, beginning October 1, 2010, and ending on December 31, 2038. Ms. McDonald added that she would be happy to answer any questions that the Council had regarding the Museum, future building improvement plans, and the proposed lease with the City of Lufkin

Mayor Gorden asked for questions or comments from the Council. There were comments from the Mayor and Council regarding the Museum of East Texas and the report from Ms. McDonald.

Councilmember Lynn Torres moved to approve the revised lease agreement between the City of Lufkin and the Museum of East Texas. Councilmember Robert Shankle seconded the motion. A unanimous affirmative vote was recorded.

12. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LUFKIN, TEXAS, - APPROVED - AUTHORIZING THE CITY TO ENTER INTO AN AGREEMENT WITH THE STATE FOR TEMPORARY CLOSURE OF STATE HIGHWAYS FOR MAIN STREET MONSTER MASH

Mayor Jack Gorden stated that the next item for consideration was a Resolution of the City Council of the City of Lufkin, Texas, authorizing the City to enter into an agreement with the State for temporary closure of State Highways for Main Street Monster Mash.

City Manager Paul Parker stated that the Main Street Department and Main Street Board were anticipating hosting the First Annual Lufkin Monster Mash. City Manager Parker explained that the event was designed to be an adult costume party with dancing and food. City Manager Parker stated that Main Street Director Barbara Thompson and her staff were working hard to make the event a success. City Manager Parker added that the City was requesting that the Texas Department of Transportation (TxDOT) would allow the City to close First Street on Saturday, October 30, 2010, for the event. City Manager Parker stated that Staff recommended that the City Council authorize a Resolution requesting TxDOT to close First Street for the First Annual Lufkin Monster Mash.

Mayor Gorden asked for questions or comments from the Council. There was some discussion regarding the event among the Council and Staff.

Councilmember Lynn Torres moved to approve the Resolution of the City Council of the City of Lufkin, Texas, authorizing the City to enter into an agreement with the State for temporary closure of State Highways for Main Street Monster Mash. Councilmember Robert Shankle seconded the motion. A unanimous affirmative vote was recorded.

13. **ACCEPT FUNDS FROM THE DEEP EAST TEXAS REGIONAL ADVISORY COUNCIL (DETRAC) TO THE LUFKIN FIRE DEPARTMENT IN THE AMOUNT OF FOUR THOUSAND NINE HUNDRED FIFTY-SEVEN DOLLARS AND FIFTEEN CENTS ($4,957.15) FOR THE PURCHASE OF LAPEL MICROPHONES AND PORTABLE RADIOS FOR THE LUFKIN FIRE DEPARTMENT AND APPROVE A RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2009-2010 OPERATING BUDGET (BUDGET AMENDMENT NO. 42), - 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 to accept funds from the Deep East Texas Regional Advisory Council (DETRAC) to the Lufkin Fire Department in the amount of four thousand nine hundred fifty-seven dollars and fifteen cents ($4,957.15) for the purchase of lapel microphones and portable radios for the Lufkin Fire Department and approve a Resolution authorizing an amendment to the 2009-2010 Operating Budget (Budget Amendment No. 42), providing for the supplemental appropriation of funds in the General Fund; and providing an effective date.

City Manager Paul Parker stated that the City of Lufkin received a grant in the amount of four thousand nine hundred fifty-seven dollars and fifteen cents ($4,957.15) from the Deep East Texas Regional Advisory Council (DETRAC). City Manager Parker added that there was no match required for the grant. City Manager Parker explained that the Fire Department anticipated using the grant for lapel microphones for the firefighters and paramedics. City Manager Parker stated that Staff recommended that the City Council approve Budget Amendment No. 42.

Mayor Gorden asked for questions or comments from the Council.

Councilmember Don Langston moved to accept funds from the Deep East Texas Regional Advisory Council (DETRAC) to the Lufkin Fire Department in the amount of four thousand nine hundred fifty-seven dollars and fifteen cents ($4,957.15) for the purchase of lapel microphones and portable radios for the Lufkin Fire Department and approve a Resolution authorizing an amendment to the 2009-2010 Operating Budget (Budget Amendment No. 42), providing for the supplemental appropriation of funds in the General Fund; and providing an effective date. Councilmember Lynn Torres seconded the motion. A unanimous affirmative vote was recorded.

Mayor Gorden thanked the Fire Department for finding and applying for the grant. Councilmember Rufus Duncan stated that the Police and Fire Departments were doing an excellent job finding funds.

14. **RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2009-2010 OPERATING BUDGET (BUDGET AMENDMENT NO. 43), - APPROVED - PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE 1999 CIP BOND PROGRAM FUND; 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. 43), providing for the supplemental appropriation of funds in the 1999 CIP Bond Program Fund; and providing an effective date.

City Manager Paul Parker stated that the City of Lufkin had recently purchased a new fire pumper engine that was to be delivered soon. City Manager Parker added that the newer fire trucks were larger than the older fire stations in Lufkin's bays. City Manager Parker explained that the City would have to construct a metal structure that was twelve feet (12') wide, thirty feet (30') long, and ten feet five inches (10'5") high that would attach to the back of the fire station. City Manager Parker stated that this was a temporary solution, because the a new fire station on Kurth Drive would be constructed, if the Council approved the second phase of the Bond Program, as outlined in the previous year. City Manager Parker explained that there were sufficient funds left over from the recent construction of the Ellen Trout Zoo maintenance building to fund the extension. City Manager Parker added that Staff recommended that the City Council approve Budget Amendment No. 43, which would transfer three thousand nine hundred eighty-five dollars ($3,985) from the Zoo Building Fund to the Fire Department for the construction of a portable extension for Fire Station No. 5.

Mayor Gorden asked for questions or comments from the Council.

Councilmember Robert Shankle moved to approve the Resolution authorizing an amendment to the 2009-2010 Operating Budget (Budget Amendment No. 43), providing for the supplemental appropriation of funds in the 1999 CIP Bond Program Fund; and providing an effective date. Councilmember Lynn Torres seconded the motion. A unanimous affirmative vote was recorded.

15. <u>CITY MANAGER'S REPORT</u>

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 would only highlight a couple of items, because the Mayor and Council had seen the financials for the last two (2) months concerning the budget. City Manager Parker stated that the City of Lufkin had recently had three (3) successful months of Sales Tax Revenue. City Manager Parker added that the City was at approximately eighty-five percent (85%) of its collection rate and had two (2) more checks coming in the current fiscal year. City Manager Parker explained that the City would come a lot closer to projections than had recently been forecasted approximately four (4) to five (5) months earlier when the City began its budget process. City Manager Parker stated the remainder of the City's revenue accounts was close to being final. City Manager added that the License, Forfeiture and Fees Accounts were somewhat down at the current time. City Manager Parker explained that this was partly due to the economy and the fact that some people were not paying their fines. City Manager Parker stated that the City had a lot of warrants out at the present time. City Manager Parker added that the Police Department was actively patrolling for safety reasons, and that there had not been a drop in that area, but there were people who were unable and unwilling to pay their fines.

City Manager Parker stated that most departments' expenditures were below projections and were in good standing. City Manager Parker stated that the Water Account revenue was currently at eighty-five percent (85%). City Manager Parker added that this mimicked the City's Sales Tax. City Manager Parker explained that the gap should close due to the hotter months still to come, and that people would use more water which should bring the revised estimates closer to projections. City Manager Parker stated that the Solid Waste Fund was on target and should get close to projections

City Manager Parker stated that he would answer any questions that the Council had regarding the financials or Project Status Report.

16. Mayor Jack Gorden recessed the Regular Session at 5:41 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 6:41 p.m.

17. **INCENTIVES FOR PROJECT AEROSPACE- APPROVED**

Mayor Jack Gorden stated that the next item for consideration was incentives for Project Aerospace.

Councilmember Don Langston asked to be recused from voting on the item. Mayor Gorden requested that this be duly noted by City Secretary Renee Thompson.

Councilmember Lynn Torres moved to approve the incentives for Project Aerospace, as discussed in Executive Session, with the changes that were also discussed, and authorize Economic Development Director Jim Wehmeier and City Attorney Bruce Green to negotiate a final contract with the company. Councilmember Rufus Duncan seconded the motion. A unanimous affirmative vote was recorded.

18. **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. Mayor Gorden stated that there would be a DETCOG Board Meeting on Thursday, September 23, 2010, at the First Baptist Church Family Life Center in Woodville. City Manager Parker reminded the Council that there would be a Partnership Meeting on Wednesday, September 22, 2010 at 7:30 a.m. at the Chamber of Commerce. City Manager Parker added that there would be a Firemen's Pension Board Meeting on Thursday, September 23, 2010, at 8:30 a.m. at the Lufkin City Hall Council Chambers. City Manager Parker stated that Staff was considering holding a Called City Council Meeting on Monday, October 4, 2010, at 12:00 noon, concerning the proposed annexation of the Abitibi property. City Manager Parker stated that Staff anticipated that there would be citizens attending the meeting, and asked the Council to check their schedules to see if the date and time were convenient. City Manager Parker stated that there would be a TML Region XVI Quarterly Meeting on Thursday, October 7, 2010, at 6:30 p.m. at Crown Colony. City Manager Parker requested that City Secretary Renee Thompson send out a notice to the City Council concerning the TML Region XVI Quarterly Meeting.

19. There being no further business for consideration, the meeting adjourned at 6:45 p.m.

Jack Gorden

Jack Gorden, Mayor

Renee Thompson

Renee Thompson – City Secretary