

**MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY
OF LUFKIN, TEXAS HELD ON THE 20TH DAY OF DECEMBER, 2011**

On the 20th day of December, 2011, 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
Sarah Murray	Councilmember, Ward No. 6
Paul L. Parker	City Manager
Keith Wright	Deputy City Manager
Bruce Green	City Attorney
Renee Thompson	City Secretary
Rodney Ivy	Human Resource Director
Gerald Williamson	Asst. Police Chief
Ted Lovett	Interim Fire Chief
Belinda Southern	Finance Director
Steve Floyd	Public Works Director
Steve Poskey	Street Department, Superintendent
Mike Akridge	Parks & Leisure Services Director
Barbara Thompson	Main Street Director
Jim Wehmeier	Economic Development Director
Dale Allred	Inspection Services Director
Chuck Walker	Public Utilities Director
Robbin Crawford	Senior Accountant

being present, when the following business was transacted:

1. The meeting was opened with prayer by Pastor James Taylor, Missionary Baptist Mission.
2. Mayor Jack Gorden welcomed visitors present.
3. **APPROVAL OF MINUTES**

Minutes of the Regular Meeting of December 20, 2011 were approved on a motion by Councilmember Lynn Torres, and seconded by Councilmember Robert Shankle. A unanimous affirmative vote was recorded.

NEW BUSINESS:

4. **PUBLIC HEARING AND FIRST READING OF AN ORDINANCE OF THE CITY OF LUFKIN, TEXAS TO TAX TANGIBLE PERSONAL PROPERTY IN TRANSIT THAT WOULD OTHERWISE BE EXEMPT PURSUANT TO TEXAS TAX CODE SECTION 11.253; - APPROVED - AND PROVIDING AN EFFECTIVE DATE ON AND AFTER ITS ADOPTION**

Mayor Jack Gorden stated that the next item for consideration was a Public Hearing and First Reading of an Ordinance of the City of Lufkin, Texas to tax tangible personal property in transit that would otherwise be exempt pursuant to Texas Tax Code Section 11.253; and providing an effective date on and after its adoption.

City Manager Paul Parker stated that up until 2007 goods-in-transit were taxed by all entities. City Manager Parker added that in 2007 the Texas Legislature passed House Bill 621, which allowed local taxing entities to allow goods-in-transit that were stored at a location not

owned or controlled by the property owner for no more than two hundred seventy (270) days after acquisition or importation to be waived from taxation if the local entity so desired. City Manager Parker explained that this was different from "freeport" exemptions, which the City offered, where the goods were shipped out of State. City Manager Parker stated that in 2007 the City of Lufkin passed a Resolution to continue taxing, or "opt out" of the legislation, because House Bill 621 said that a city would not tax unless they decided to go ahead and pass a Resolution to tax. City Manager Parker added that the City of Lufkin chose the Resolution to continue to tax, but after checking with the Appraisal District found that the City had not been taxing, even though the Resolution to tax had been approved.

City Manager Parker stated that in 2011, Senate Bill 1 was passed to clarify the definition of goods-in-transit. City Manager Parker explained that in some areas individuals were trying to have petroleum products qualified as goods-in-transit. City Manager Parker explained that the State Legislature came back and said that there were certain goods that would not be allowed. City Manager Parker added that most of these were related to petroleum products. City Manager Parker stated that the State Legislature once again said that if a City wanted to tax goods that the City must "opt out" or pass another Resolution. City Manager Parker added that this was the reason that the item was back before the City Council. City Manager Parker stated that any action on the goods-in-transit had to take place no later than January 1, 2012. City Manager Parker added that this was a piece of legislation that was buried in Senate Bill 1 that came to the City's attention later in the process. City Manager Parker explained that if the City Council chose to approve the First Reading of the Ordinance during the Regular Meeting the City Council would have to conduct a Special Called Meeting for the Second Reading to be held immediately following the conclusion of the Regular City Council Meeting on Tuesday, December 20, 2011. City Manager Parker added that if the City Council chose not to adopt the Ordinance there would be no reason for the Special Called City Council Meeting later that evening. City Manager Parker stated that since the City had not been taxing the goods-in-transit the City would not lose funding by not passing the Ordinance. City Manager Parker clarified that if the City Council took no action it would mean that the goods-in-transit would not be taxed.

City Manager Parker stated that his understanding was that the Lufkin Independent School District chose to take no action and let the State Law take effect. City Manager Parker added that he also understood that Angelina County and some of the other area school districts were taking action, and therefore there was a mixed use of the local entities. City Manager Parker stated that as far as the City knew the only business that met the qualifications at the present time was Dunagan Warehouse. City Manager Parker explained that Brookshire Brothers Warehouse would not be affected because they owned the goods that they were selling. City Manager Parker furthered that the business could not own and sell the product and qualify. City Manager Parker stated that most of the local businesses owned their own products and would not qualify under any area. City Manager Parker reiterated that the City was not aware of anyone other than Dunagan Warehouse inside the City limits that qualified. City Manager Parker stated that the law also required that a Public Hearing be held on the item.

Mayor Gorden opened the Public Hearing at 5:19 p.m. and asked anyone who wished to speak on the item to please step forward. Speaking concerning the item was:

Ronnie Robinson

Mayor Gorden closed the Public Hearing at 5:22 p.m.

Mayor Gorden asked for questions or comments from the Council. There was discussion among the Mayor, City Council and City Manager regarding the item.

Councilmember Lynn Torres moved to not adopt the First Reading of the Ordinance of the City of Lufkin, Texas to tax tangible personal property in transit that would otherwise be exempt pursuant to Texas Tax Code Section 11.253; and providing an effective date on and after its adoption. Councilmember Robert Shankle seconded the motion. A unanimous affirmative vote was recorded.

5. **FIRST READING OF AN ORDINANCE AMENDING THE CODE OF ORDINANCES 26 AND 27 TITLED "ADVERTISING AND REPEALING ALL**

**ORDINANCES IN CONFLICT HEREWITH" - TABLED - AND ESTABLISHING
AN EFFECTIVE DATE FOR THIS ORDINANCE TITLED: "SIGN
MAINTENANCE"**

Mayor Jack Gorden stated that the next item for consideration was the First Reading of an Ordinance amending the Code of Ordinances 26 and 27 titled "Advertising and Repealing All Ordinances in Conflict Herewith" and establishing an effective date for this Ordinance titled: "Sign Maintenance".

City Manager Paul Parker stated that there were several items on the agenda that were a result of the City Council requesting Staff to look at methods to make development within the City easier for the developers to build and to reduce the cost of lots to encourage growth within the city limits. City Manager Parker added that the following four (4) items were all part of the results from the request, but that this item was the only one (1) not directly related to development. City Manager Parker stated that there were two (2) other items that would go before the Planning and Zoning Commission that were also related to these Ordinances and would require Public Hearings.

City Manager Parker stated that the first Ordinance was not really related to the same development criteria. City Manager Parker added that the Committee made up of Mayor Gorden and Council Members Duncan and Langston reviewed the items and one (1) item brought by the Staff was the problem that the City was having with abandoned and deteriorated signage throughout the City. City Manager Parker stated that there were several examples of the abandoned or damaged signage in the Council packets showing the areas where signs were not being maintained. City Manager Parker added that there were many places where panels were completely gone from closed businesses and also there were areas where there were no signs but the standards were still there. City Manager Parker explained that the Ordinance would require people that had existing businesses on site to repair their signs and correct any defects or damages. City Manager Parker added that businesses were given sixty (60) days to remove or repair off premise signs. City Manager Parker stated that the Ordinance was not written to penalize or affect development but it was to improve the aesthetic look of the City. City Manager Parker added that the Ordinance was meant for abandoned signs that were left to be an eyesore in the City and that there were numerous examples of these types of signs on the streets of Lufkin and that Staff recommended that the City Council approve the Ordinance.

Mayor Gorden asked for questions or comments from the Council. There was discussion among the Mayor, City Council, City Manager, Deputy City Manager and Staff regarding the Ordinance and the cost to businesses to repair the signs.

Councilmember Lynn Torres moved to table the First Reading of the Ordinance amending the Code of Ordinances 26 and 27 titled "Advertising and Repealing All Ordinances in Conflict Herewith" and establishing an effective date for this Ordinance titled: "Sign Maintenance" until Staff could look at adding a section regarding an appeal process. Councilmember Torres also added the caveat that Staff would also research the possibility of adding a section regarding the City's assistance in the removal of some of the signs and would clarify that the City would have sign companies remove signs, whenever it was needed, and put a lien process in place. Councilmember Sarah Murray seconded the motion. A unanimous affirmative vote was recorded.

City Manager Parker stated that Staff would be able to bring the tabled Ordinance back to the City Council by the second City Council Meeting in January 2012.

6. **FIRST READING OF AN ORDINANCE AMENDING THE SUBDIVISION
ORDINANCE OF THE CITY OF LUFKIN, TEXAS, BEING ORDINANCE NO. 3693,
BY AMENDING SECTION 3.8, ENTITLED "WATER AND WASTEWATER
FACILITY DESIGN", TO ADD SUBSECTION E., CONCERNING ASSISTING
DEVELOPERS WITH WATER AND SEWER INFRASTRUCTURE, - APPROVED -
REPEALING CONFLICTING PROVISIONS; AND PROVIDING AN EFFECTIVE
DATE**

Mayor Jack Gorden stated that the next item for consideration was the First Reading of an Ordinance amending the Subdivision Ordinance of the City of Lufkin, Texas, being Ordinance No. 3693, by amending Section 3.8, entitled "Water and Wastewater Facility Design", to add Subsection E., concerning assisting developers with water and sewer infrastructure, repealing conflicting provisions; and providing an effective date.

City Manager Paul Parker stated that this was one (1) of the Ordinances that had been referred to earlier in the meeting where Staff was trying to make development within the City of Lufkin more cost effective. City Manager Parker explained that currently a developer had to construct the infrastructure (streets, water, sewer, storm drains, etc.) and all improvements needed for development. City Manager Parker added that these improvement costs were then passed back to the person purchasing the lot. City Manager Parker stated that this proposed Ordinance recommended that modifications be made so that the developer would purchase the materials and City of Lufkin Staff would complete the installation of water and sewer infrastructure, thus minimizing the construction cost and possibly lead to a lower cost for the home owner. City Manager Parker stated that Staff recommended that the City Council adopt the Ordinance that would authorize the new policy regarding water and sewer services.

Mayor Gorden asked for questions or comments from the Council. There was discussion among the City Council, City Manager and Deputy City Manager regarding the Ordinance.

Councilmember Victor Travis moved to approve the First Reading of the Ordinance amending the Subdivision Ordinance of the City of Lufkin, Texas, being Ordinance No. 3693, by amending Section 3.8, entitled "Water and Wastewater Facility Design", to add Subsection E., concerning assisting developers with water and sewer infrastructure, repealing conflicting provisions; and providing an effective date. Councilmember Robert Shankle seconded the motion. A unanimous affirmative vote was recorded.

7. FIRST READING OF AN ORDINANCE AMENDING THE SUBDIVISION ORDINANCE OF THE CITY OF LUFKIN, TEXAS, BEING ORDINANCE NO. 3693, BY AMENDING SECTION 3.1, ENTITLED "STREETS", SUBSECTION M., CONCERNING RURAL TYPE CONSTRUCTION OF ROADS (TYPE "F"), - APPROVED - REPEALING CONFLICTING PROVISIONS; AND PROVIDING AN EFFECTIVE DATE

Mayor Jack Gorden stated that the next item for consideration was the First Reading of an Ordinance amending the Subdivision Ordinance of the City of Lufkin, Texas, being Ordinance No. 3693, by amending Section 3.1, entitled "Streets", Subsection M., concerning rural type construction of roads (Type "F"), repealing conflicting provisions; and providing an effective date.

City Manager Paul Parker stated that the present Subdivision Ordinance allowed Type "F" construction for residential streets. City Manager Parker added that the City allowed this in subdivisions that had lots of thirty-six thousand (36,000) square feet or greater. City Manager Parker stated that the proposed change before the Council would allow Type "F" construction on land within the city limits zoned "Residential Large" and "Agricultural". City Manager Parker explained that "Residential Large" lots were a minimum size of twelve thousand (12,000) square feet. City Manager Parker stated that this was an effort to allow roads to be constructed at a lesser cost. City Manager Parker added that the City Engineer and Planning and Zoning Commission would both have to make the recommendation before this would be approved, where the present Ordinance required approval of the City Council. City Manager Parker explained the reason for the need of an approval of the City Engineer was that the Engineer needed to look for consistency and uniformity and at the drainage to make sure it would be adequate.

Mayor Gorden asked for questions or comments from the Council. There was discussion among the City Council regarding the Ordinance.

Councilmember Victor Travis moved to approve the First Reading of an Ordinance amending the Subdivision Ordinance of the City of Lufkin, Texas, being Ordinance No. 3693, by amending Section 3.1, entitled "Streets", Subsection M., concerning rural type construction of roads (Type "F"), repealing conflicting provisions; and providing an effective

date. Councilmember Rufus Duncan seconded the motion. A unanimous affirmative vote was recorded.

8. FIRST READING OF AN ORDINANCE AMENDING THE SUBDIVISION ORDINANCE OF THE CITY OF LUFKIN, TEXAS, BEING ORDINANCE NO. 3693, BY AMENDING SECTION 2.10, ENTITLED "MINOR PLATS" TO ADD SUBSECTION F., CONCERNING ONE LOT SUBDIVISIONS, - APPROVED - REPEALING CONFLICTING PROVISIONS; AND PROVIDING AN EFFECTIVE DATE

Mayor Jack Gorden stated that the next item for consideration was the First Reading of an Ordinance amending the Subdivision Ordinance of the City of Lufkin, Texas, being Ordinance No. 3693, by amending Section 2.10, entitled "Minor Plats" to add subsection F., concerning one lot subdivisions, repealing conflicting provisions; and providing an effective date.

City Manager Paul Parker stated that presently whenever a large tract or a tract of ten (10) or more acres was divided the owner of the tract would be required to plat each tract. City Manager Parker added that the proposed Ordinance would allow the owner to plat the one (1) acre tract and not have to survey and plat both lots for a one (1) time division only. City Manager Parker stated that the reason that this was only allowed one (1) time was that this would keep a person from repeatedly coming back with one (1) acre divisions and trying to avoid some of the requirements of the Subdivision Ordinance. City Manager Parker explained that this would make it easier for the one (1) time development if a person wanted to parcel out a smaller portion of a parent or larger lot. City Manager Parker stated that this was the recommendation from the Construction Committee for the Council's approval.

Mayor Gorden asked for questions or comments from the Council. There was discussion among the Mayor, City Council and City Manager regarding the Ordinance.

Councilmember Victor Travis moved to approve the First Reading of the Ordinance amending the Subdivision Ordinance of the City of Lufkin, Texas, being Ordinance No. 3693, by amending Section 2.10, entitled "Minor Plats" to add subsection F., concerning one lot subdivisions, repealing conflicting provisions; and providing an effective date. Councilmember Sarah Murray seconded the motion. A unanimous affirmative vote was recorded.

9. REQUEST FOR APPROVAL OF THE RESALE AUCTION BID FROM CARL KIEL OF ONE THOUSAND ONE HUNDRED DOLLARS (\$1,100), FOR TRUST PROPERTY, ACCOUNT #22729, - APPROVED - LEGAL DESCRIPTION 0.34 ACRES IN A. BARELA", OR MORE COMMONLY KNOWN AS 106 PENSON STREET

Mayor Jack Gorden stated that the next item for consideration was the request for approval of the Resale Auction bid from Carl Kiel of one thousand one hundred dollars (\$1,100), for trust property, account #22729, legal description 0.34 acres in A. Barela", or more commonly known as 106 Penson Street.

City Manager Paul Parker stated that this was the first time the City had received a request of this nature. City Manager Parker added that it had, however possibly occurred in the past according to the Tax Assessor Collector Thelma Sherman. City Manager Parker stated that the City had recently tried to sell a piece of property and the property did not receive an opening bid or the minimum bid. City Manager Parker added that the recommended minimum bid for the property was five thousand three hundred ninety-eight dollars (\$5,398) and the recommended opening bid was one thousand one hundred dollars (\$1,100). City Manager Parker stated that no bid was received at the resale auction and after the auction Mr. Carl Kiel approached the entities about purchasing the property for the original opening bid of one thousand one hundred dollars (\$1,100). City Manager Parker added that the Tax Assessor Collector's Office and the City's Attorneys recommended that the City approve and allow the sale of the property at 106 Penson Street because there had been no other bidders involved in or interested in the property. City Manager Parker explained that none of the taxing entities would receive any funds from the sale because all of the proceeds were

currently in legal costs at the present time. City Manager Parker stated that the positive side of this was that none of the taxing entities would have to maintain the property. City Manager Parker stated that Staff recommended that the City Council approve the sale of 0.344 acres in the A. Barela League to Carl Kiel in the amount of one thousand one hundred dollars (\$1,100).

Mayor Gorden asked for questions or comments from the Council. There was some discussion among the Mayor, City Council and City Manager concerning the sale of the property.

Councilmember Victor Travis moved to approve the request for approval of the Resale Auction bid from Carl Kiel of one thousand one hundred dollars (\$1,100), for trust property, account #22729, legal description 0.34 acres in A. Barela", or more commonly known as 106 Penson Street. Councilmember Robert Shankle seconded the motion. A unanimous affirmative vote was recorded.

10. ALLOCATION OF FUNDS FROM THE GENERAL FUND, FUND BALANCE, TO REIMBURSE ANGELINA COUNTY FOR THE INCARCERATION OF CITY OF LUFKIN CLASS C MISDEMEANOR PRISONERS AND A RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2011/2012 OPERATING BUDGET (BUDGET AMENDMENT NO. 9), - 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 the allocation of funds from the General Fund, Fund Balance, to reimburse Angelina County for the incarceration of City of Lufkin Class C misdemeanor prisoners and a Resolution authorizing an amendment to the 2011/2012 Operating Budget (Budget Amendment No. 9), providing for the supplemental appropriation of funds in the General Fund; and providing an effective date.

City Manager Paul Parker stated that whenever the Angelina County Jail was built in 2004, it was assumed that the facility would house City prisoners. City Manager Parker added that from 2004 to 2007 there was a time that the County had not housed City violators, except for special circumstances. City Manager Parker stated that in 2007 the City of Lufkin entered into a Interlocal Agreement with Angelina County to provide for the housing of prisoners for the City of Lufkin and that the City of Lufkin would pay for the housing of City "Class C" misdemeanor offenders a rate of thirty-five dollars (\$35) per day. City Manager Parker explained that the funding to reimburse the County Jail was not included in the 2011-2012 Annual Budget. City Manager Parker added that the proposed Budget Amendment would provide thirty thousand dollars (\$30,000) in the City's Budget for the housing of City incarcerated Class C misdemeanor offenders.

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

Councilmember Rufus Duncan moved to approve the allocation of funds from the General Fund, Fund Balance, to reimburse Angelina County for the incarceration of City of Lufkin Class C misdemeanor prisoners and a Resolution authorizing an amendment to the 2011/2012 Operating Budget (Budget Amendment No. 9), providing for the supplemental appropriation of funds in the General Fund; and providing an effective date. Councilmember Robert Shankle seconded the motion. A unanimous affirmative vote was recorded.

11. AWARD OF BID TO TIMBERLINE CONSTRUCTORS, INC. FOR RENOVATION OF THE PINES THEATER IN THE AMOUNT OF ONE MILLION ONE HUNDRED TWENTY-EIGHT THOUSAND NINE HUNDRED SEVENTY-THREE DOLLARS (\$1,128,973) AND TO PRECISION PAINTING FOR PAINTING AND COATING IN THE AMOUNT OF THIRTY-SEVEN THOUSAND NINE HUNDRED EIGHTY-SEVEN DOLLARS (\$37,987) AND A RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2011/2012 OPERATING BUDGET (BUDGET AMENDMENT NO. 10), - APPROVED - PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE GENERAL CONSTRUCTION FUND; AND PROVIDING AN EFFECTIVE DATE

Mayor Jack Gorden stated that the next item for consideration was the award of bid to Timberline Constructors, Inc. for renovation of the Pines Theater in the amount of one million one hundred twenty-eight thousand nine hundred seventy-three dollars (\$1,128,973) and to Precision Painting for painting and coating in the amount of thirty-seven thousand nine hundred eighty-seven dollars (\$37,987) and a Resolution authorizing an amendment to the 2011/2012 Operating Budget (Budget Amendment No. 10), providing for the supplemental appropriation of funds in the General Construction Fund; and providing an effective date.

City Manager Paul Parker stated that in July 2007 the City of Lufkin purchased the Pines Theater. City Manager Parker added that at that time the Pines Theater was in a state of total disrepair and the roof was leaking and the interior was standing in water. City Manager Parker stated that at that time the City Council made the determination that they wanted to save and restore the theater for a multi-use function. City Manager Parker added that the concept was further defined by a Building Committee consisting of citizens that were appointed and helped to model the interior design of the building being proposed to the City Council. City Manager Parker stated that the multi-use structure would include everything from plays to musicals and events, movies to dance recitals and speaking engagements and even venues for weddings. City Manager Parker added that City Staff and the Building Committee had worked with Mark Strong of Scott & Strong Architects for the past several years to get the design of the building to meet all of the multi-faceted needs. City Manager Parker stated that the City also looked at going out to bid with the City being the prime contractor in an effort to minimize costs. City Manager Parker added that the bid packet was divided into fifty-four (54) bid items such as heating, air conditioning, plumbing, building and all of the different trade disciplines. City Manager Parker stated that the City of Lufkin received fifteen (15) bids that ranged from bidding on the entire structure to only bidding on certain elements of the fifty-four (54) items. City Manager Parker added that Timberline Constructors, Inc. was the low bid on every item with the exception of painting. City Manager Parker explained that Precision Painting was the low bidder in that category. City Manager Parker then recommended that the City Council award the bid to Timberline Constructors, Inc. in the amount of one million one hundred twenty-eight thousand nine hundred seventy-three dollars (\$1,128,973) for the bulk of the renovations of the Pines Theater and award a contract to Precision Painting in the amount of thirty-seven thousand nine hundred eighty-seven dollars (\$37,987) for the painting element of the project, for a total cost of one million one hundred sixty-six thousand nine hundred sixty dollars (\$1,166,960) and approve Budget Amendment No. 10.

Mayor Gorden asked for questions or comments from the Council. There was discussion among the Mayor, Council, and City Manager regarding the renovation of the Pines Theater.

Councilmember Lynn Torres moved to approve the award of bid to Timberline Constructors, Inc. for renovation of the Pines Theater in the amount of one million one hundred twenty-eight thousand nine hundred seventy-three dollars (\$1,128,973) and to Precision Painting for painting and coating in the amount of thirty-seven thousand nine hundred eighty-seven dollars (\$37,987) and a Resolution authorizing an amendment to the 2011/2012 Operating Budget (Budget Amendment No. 10), providing for the supplemental appropriation of funds in the General Construction Fund; and providing an effective date. Councilmember Victor Travis seconded the motion. The following vote was recorded:

Aye: Mayor Jack Gorden, Council Members Rufus Duncan, Lynn Torres, Don Langston, Victor Travis and Robert Shankle

Nay: Councilmember Sarah Murray

The motion to approve carried with six (6) affirmative votes.

12. Mayor Jack Gorden recessed the Regular Session at 6:20 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 7:22 p.m.

13. INCENTIVE REQUEST – APPROVED - FOR PROJECT RETRO

Mayor Jack Gorden stated that the next item for consideration was the incentive request for Project Retro.

Councilmember Rufus Duncan asked to be recused from discussion and voting on the item based on his financial interest in the project.

Councilmember Lynn Torres moved to approve the incentive request for Project Retro as was discussed in the Executive Session. Councilmember Robert Shankle seconded the motion. The following vote was recorded:

Aye: Mayor Jack Gorden, Council Members Lynn Torres, Don Langston, Victor Travis and Robert Shankle

City Councilmember Don Langston pointed out that he did not verbally vote on the motion.

Councilmember Langston added that he was doing the construction on the project and was informed by the City Attorney that this did not constitute a financial interest under the City Charter or the State Law, but that he felt better by not voting. Councilmember Langston added that by not voting his vote would be counted as an affirmative vote, but that he wanted to acknowledge his reason for not voting.

Nay: Councilmember Sarah Murray

The motion to approve carried with five (5) affirmative votes.

14. “LIMITED CONSENT” DOCUMENT AND HAVE CITY OF LUFKIN MAYOR JACK GORDEN TO SIGN ON ITS BEHALF - APPROVED

Mayor Jack Gorden stated that the next item for consideration was the “Limited Consent” document and City of Lufkin Mayor Jack Gorden to sign on its behalf.

City Manager Parker stated that several years back a private entity donated the Federal Building to the Angelina County Economic Development Partnership. City Manager Parker explained that part of the proceeds of the building were restricted. City Manager Parker added that part of the restrictions were that the facility could not be used on several different actions by the City and some policies. City Manager Parker stated that Project Retro would require that those restrictions be removed. City Manager Parker added that the private entity agreed to temporarily remove the restrictions or give limited consent for the project to go forth. City Manager Parker stated that in the original gift it was stipulated that any change would require the vote of two (2) out of the three (3) of the City, County and the Lufkin/Angelina County Chamber of Commerce to go forth. City Manager Parker added that Staff was requesting that the City Council approve to temporarily remove through “Limited Consent” the restrictions placed on the original donation of the Federal Building.

Councilmember Rufus Duncan asked to be recused from discussion and voting on the item based on his ownership interest in the entity that would temporarily benefit from the action.

Councilmember Lynn Torres moved to approve the “Limited Consent” document and to approve City of Lufkin Mayor Jack Gorden to sign on its behalf. Councilmember Robert Shankle seconded the motion. The following vote was recorded:

Aye: Mayor Jack Gorden, Council Members Lynn Torres, Don Langston, Victor Travis and Robert Shankle

Nay: Councilmember Sarah Murray

The motion to approve carried with five (5) affirmative votes.

15. AWARD OF BID TO BANCORPSOUTH IN THE AMOUNT OF ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000) FOR LOAN ASSISTANCE IN REGARDS TO THE PREVIOUSLY APPROVED PROJECT RETRO AND A RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2011/2012) OPERATING BUDGET (BUDGET AMENDMENT NO. 11), - APPROVED - PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE ECONOMIC DEVELOPMENT PROJECTS AND GRANTS AND ECONOMIC DEVELOPMENT FUNDS; AND PROVIDING AN EFFECTIVE DATE

Mayor Jack Gorden stated that the next item for consideration was the award of bid to BancorpSouth in the amount of one million five hundred thousand dollars (\$1,500,000) for loan assistance in regards to the previously approved Project Retro and a Resolution authorizing an amendment to the 2011/2012) Operating Budget (Budget Amendment No. 11), providing for the supplemental appropriation of funds in the Economic Development Projects and Grants and Economic Development Funds; and providing an effective date.

City Manager Parker stated that the item was also related to Project Retro. City Manager Parker added that part of the request would require a loan from the 4B Economic Development Corporation. City Manager Parker stated that the loan would be for a ten (10) year period with the initial rate at 3.5% fixed for three (3) years; then adjustable every thirty-six (36) months to the WSJ Prime plus .25%; but with a cap of a 1% maximum adjustment each thirty-six (36) months and an overall cap at the conclusion of 6.5%. City Manager Parker reiterated that the maximum rate was capped at 6.5%. City Manager Parker stated that Staff recommended that the City Council authorize the 4B Economic Development Corporation to enter into a loan with BancorpSouth in the amount of one million five hundred thousand dollars (\$1,500,000) based on the rates just discussed.

Councilmember Rufus Duncan asked to be recused from discussion and voting on the item based on his financial interest in the entity that would be partially responsible for paying back the loan.

Councilmember Lynn Torres moved to approve the award of bid to BancorpSouth in the amount of one million five hundred thousand dollars (\$1,500,000) for loan assistance in regards to the previously approved Project Retro and a Resolution authorizing an amendment to the 2011/2012) Operating Budget (Budget Amendment No. 11), providing for the supplemental appropriation of funds in the Economic Development Projects and Grants and Economic Development Funds; and providing an effective date. Councilmember Victor Travis seconded the motion. The following vote was recorded:

Aye: Mayor Jack Gorden, Council Members Lynn Torres, Don Langston, Victor Travis and Robert Shankle

Nay: Councilmember Sarah Murray

The motion to approve carried with five (5) affirmative votes.

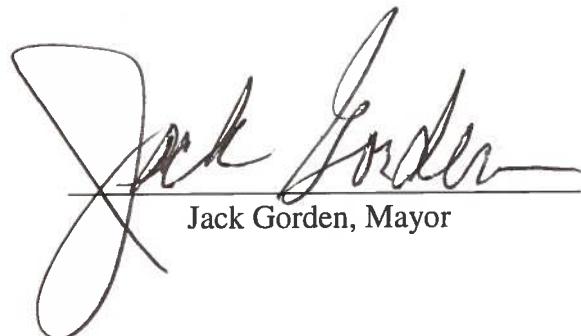
16. DISCUSSION OF ITEMS OF COMMUNITY INTEREST, INCLUDING EXPRESSIONS OF THANKS, CONGRATULATIONS OR CONDOLENCE; INFORMATION REGARDING HOLIDAY SCHEDULES; HONORARY RECOGNITIONS OF CITY OFFICIALS, EMPLOYEES OR OTHER CITIZENS; REMINDERS ABOUT UPCOMING EVENTS SPONSORED BY THE CITY OR OTHER ENTITY THAT IS SCHEDULED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

Mayor Gorden stated that the next item for consideration was the discussion of items of community interest, including expressions of thanks, congratulations or condolence; information regarding holiday schedules; honorary recognitions of City officials, employees

or other citizens; reminders about upcoming events sponsored by the City or other entity that is scheduled to be attended by City officials or employees; and announcements involving imminent threats to the public health and safety of the City.

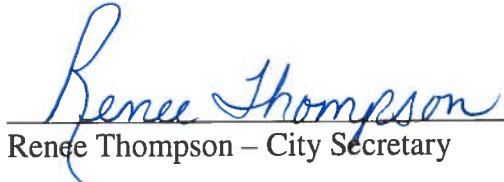
City Manager Parker stated that the City of Lufkin would be observing the Christmas and New Year holidays on Friday, December 23 and Monday, December 26, 2011 and Monday, January 2, 2012. City Manager Parker added that there would be a Firemen's Pension Board Meeting on Wednesday, December 28, 2011 at 2:00 p.m. City Manager Parker told Councilmember Rufus Duncan to let Diana Russell know if he would be able to attend because there might not be enough people there to have a quorum. City Manager Parker then wished everyone a very Merry Christmas.

17. There being no further business for consideration, the meeting adjourned at 7:30 p.m.



Jack Gorden

Jack Gorden, Mayor



Renee Thompson

Renee Thompson – City Secretary