

**MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY
OF LUFKIN, TEXAS HELD ON THE 20TH DAY OF OCTOBER, 2009**

On the 20th day of October, 2009, 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
R. L. Kuykendall	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
Keith Wright	Deputy City Manager
Robert Flournoy	City Attorney
Bruce Green	Asst. City Attorney
Renee Thompson	City Secretary
Rodney Ivy	Human Resource Director
Scott Marcotte	Police Chief
Gerald Williamson	Asst. Police Chief
Doug Wood	Finance Director
Steve Floyd	Public Works Director
Barbara Thompson	Main Street Director
Jim Wehmeier	Economic Development Director
Chuck Walker	Public Utilities Director
Dick Long	Valley View Consulting, L.L.C.
Tino Villasana	Chairman, Lufkin Firemen's Relief & Retirement Fund

being present, when the following business was transacted:

1. The meeting was opened with prayer by Pastor Elton Musick, Grace Baptist Church.
2. Mayor Jack Gorden welcomed visitors present. Mayor Gorden then recognized Maria Kassabaum, Ronnie Herring, Celina Mitchell and Armondo Salas, who were members of the 2009-2010 Leadership Lufkin Class.

3. APPROVAL OF MINUTES

Minutes of the Regular Meeting of October 6, 2009 were approved on a motion by Councilmember Lynn Torres, and seconded by Councilmember R. L. Kuykendall. A unanimous affirmative vote was recorded.

NEW BUSINESS:

4. PRESENTATION BY TINO VILLASANA, CHAIRMAN OF THE BOARD OF THE LUFKIN FIREMEN'S RELIEF AND RETIREMENT FUND

Mayor Jack Gorden stated that the next item for consideration was Presentation by Tino Villasana, Chairman of the Board of the Lufkin Firemen's Relief and Retirement Fund.

City Manager Paul Parker stated that Tino was asked to come before the Council to discuss the recent changes in the contribution rates. City Manager Parker then turned the meeting over to Mr. Villasana.

Chairman of the Board of the Lufkin Firemen's Relief and Retirement Fund Tino Villasana stated that on behalf of the Lufkin Firemen's Relief and Retirement Fund and the body of Lufkin Fire Department, he wanted to formally thank the City Council for their response to

the Fire Department's request for help in funding their pensions. Mr. Villasana added that the Council had a letter of verification in their packets from Retirement Horizons Incorporated, who was the actuary for the Fund. Mr. Villasana explained that the letter was attesting that with additional funding the Fund would be amortized below forty (40) years. Mr. Villasana stated that the Board would continue to work hard to keep the fund amortized and to meet their annual assumption. Mr. Villasana added that it was a collective effort from the Lufkin Firemen's Relief and Retirement Fund's body taking benefit reductions and increasing contributions. Mr. Villasana stated that with their hard work and the decisions made by the Council to support the Fund, they had accomplished the feat. Mr. Villasana added that he wanted to thank the City Council for their support and confidence in the Lufkin Firemen's Relief and Retirement Fund's Board, and that they looked forward to continuing a good working relationship with the Council and the City. Mr. Villasana stated that a copy of the letter and a letter from himself would be sent to the State Pension Board Commissioner and to the State Pension Review Board. Mr. Villasana added that he had been asked to speak on behalf of the Pension Board in December 2009, to let them know about the Pension Board's progress.

Mayor Gorden thanked Mr. Villasana for his report, and stated that the support of the City Council was a reflection of how much the Council thought of the Lufkin Fire Department and the men and women that made it up. Mayor Gorden then thanked Councilmember Rufus Duncan, who was on the Firemen's Pension Board. Mayor Gorden also thanked the two citizen members of the Board, who were Danny Roper and Stanley New. Mayor Gorden added that City Manager Paul Parker also sat on the Pension Board. Mayor Gorden then thanked everyone involved for the progress that had been made for the Lufkin Firemen's Relief and Retirement Fund.

5. REPORT FROM THE CITY OF LUFKIN FINANCE COMMITTEE

Mayor Jack Gorden stated that the next item for consideration was the Report from the City of Lufkin Finance Committee. Mayor Gorden stated that Dick Long, who was the City's Financial Advisor from Valley View Consulting, L.L.C., was present at the meeting. Mayor Gorden added that the Quarterly Finance Committee Meeting was held at 3:00 p.m. that afternoon. Mayor Gorden then asked Mr. Long to give a report concerning that meeting.

Financial Advisor from Valley View Consulting, L.L.C., Dick Long stated that included in the Council's packets was a copy of the Quarterly Investment Report. Mr. Long stated that the good news was that the City of Lufkin's Portfolio had done very well in a very trying market. Mr. Long added that the City had stayed in the thirty to forty million dollar (\$30,000,000 - \$40,000,000) range in the total portfolio. Mr. Long explained that it was due to the operating money, bond proceeds, self insurance funds and all of the regular city type funds that were not related at all to the pension. Mr. Long stated that the City had averaged over two percent (2%) for the year. Mr. Long added that historically that amount would be looked at and would be perceived to be not so good. Mr. Long explained that from a peer's standpoint, there were very few cities in the State that had probably performed over one percent (1%). Mr. Long stated that for the City of Lufkin to be above a two percent (2%) average for the year was outstanding. Mr. Long explained that there were quite a few in the state that were earning approximately thirty (30) basis points. Mr. Long stated that most of the reason for the good performance was because of very diligent work by Finance Director Doug Wood and his staff. Mr. Long stated that he would be glad to go into as much detail as the Council preferred regarding the report, but that the City had done very well and that hopefully during the next fiscal year the report and performance would be equally as good.

Mayor Gorden asked for questions or comments from the Council. Mayor Gorden pointed out that Councilmember R. L. Kuykendall and Councilmember Don Langston sat on the Finance Committee, and thanked them for their work. Mayor Gorden also thanked the Finance Staff, Finance Director Doug Wood and City Manager Paul Parker for their work, and for repairing a great report.

6. RENEWAL OF THE AGREEMENT BY AND BETWEEN THE CITY OF LUFKIN, TEXAS, - APPROVED - AND VALLEY VIEW CONSULTING, L.L.C.

Mayor Jack Gorden stated that the next item for consideration was the renewal of the Agreement by and between the City of Lufkin, Texas, and Valley View Consulting, L.L.C.

City Manager Paul Parker stated that it was time to review the agreement with Valley View Consulting, L. L. C. City Manager Parker added that the Council had just heard from Financial Advisor Dick Long, and that the City was very pleased with the performance as the City's Financial Advisor. City Manager Parker stated that Mr. Long's proposed fee was the same as last year which was .08% (.0008) of the investment portfolio's average quarter end book value. City Manager Parker added that Staff again recommended that the City enter into agreement with Valley View Consulting, L.L.C. for professional financial services at .08% of the Investment Portfolio's average quarter end book value.

Mayor Gorden asked for questions or comments from the Council.

Councilmember Lynn Torres moved to approve the renewal of the Agreement by and between the City of Lufkin, Texas, and Valley View Consulting, L.L.C. Councilmember Don Langston seconded the motion. A unanimous affirmative vote was recorded.

7. INVESTMENT POLICY FOR THE CITY OF LUFKIN, TEXAS, - APPROVED - AND THE LUFKIN ECONOMIC DEVELOPMENT CORPORATION, TEXAS

Mayor Jack Gorden stated that the next item for consideration was the Investment Policy for the City of Lufkin, Texas, and the Lufkin Economic Development Corporation, Texas.

City Manager Paul Parker stated that part of Dick Long's responsibilities each year was to annually look at the City of Lufkin's and the 4B Economic Development Corporation's Investment and Financial Policies. City Manager Parker explained that the Council had in their packets the highlighted changes in the Investment Policy. City Manager Parker added that there were no real substance change, but the changes were mainly language clarifications and terminology changes. City Manager Parker stated that the essence of the Policy remained the same as last year. City Manager Parker added that the Policy the Council sets out had been a very good policy and had led to good returns in a year that most returns were not nearly as good. City Manager Parker recommended that the Council approve the Investment Policy for the City of Lufkin and the Lufkin 4B Economic Development Corporation and the revisions that were mainly cosmetic.

Mayor Gorden stated that there were no substantive changes, and that most of the changes were just housekeeping. Mayor Gorden asked for questions or comments from the Council.

Councilmember Don Langston moved to approve Investment Policy for the City of Lufkin, Texas, and the Lufkin Economic Development Corporation, Texas. Councilmember Lynn Torres seconded the motion. A unanimous affirmative vote was recorded.

8. PURCHASE OF VARIOUS VEHICLES AND/OR EQUIPMENT - APPROVED - IDENTIFIED ON THE CITY OF LUFKIN AMORTIZATION SCHEDULE FOR REPLACEMENT DURING THE FISCAL YEAR 2009/2010

Mayor Jack Gorden stated that the next item for consideration was the purchase of various vehicles and/or equipment identified on the City of Lufkin Amortization Schedule for replacement during the fiscal year 2009/2010.

City Manager Paul Parker stated that the City Council established an Amortization Replacement Fund for the City of Lufkin in 2006/2007, which was one (1) of the best investments that the City had made to replace the City's fleet and put the people in all departments in the proper equipment. City Manager Parker added that each year Staff looked at equipment to be replaced, which was reviewed and then passed on to the Council during the budget process. City Manager Parker stated that the Fleet Department, under the Direction of Steve Floyd, would then look at each piece of equipment and determine if it needed replacing. City Manager Parker added that if the equipment needed replacing, Mr. Floyd would determine the time of year it would take place. City Manager Parker stated that it was the last year in which much of the older fleet would be removed. City Manager Parker stated that the recommendation before the Council was for several vehicles, and then went over the list. City Manager Parker added that the total amount for the purchase would be four hundred ninety-eight thousand nine hundred eighty-seven dollars (\$498,987). City Manager Parker explained that the remainder of the purchases that weren't included in the list would be purchased at a later time out of the Amortization Fund. City Manager Parker stated that the City Council packet was lengthy because of the amount of detail given on the

proposed vehicles and equipment. City Manager Parker stated that Staff recommended that the City Council approve the purchase of equipment from the Amortization Equipment Replacement Fund in the amount of four hundred ninety-eight thousand nine hundred eighty-seven dollars (\$498,987).

Mayor Gorden asked for questions or comments from the Council.

Councilmember R. L. Kuykendall moved to approve the purchase of various vehicles and/or equipment identified on the City of Lufkin Amortization Schedule for replacement during the fiscal year 2009/2010. Councilmember R. L. Kuykendall seconded the motion. A unanimous affirmative vote was recorded.

9. AWARD OF BID FOR THE GROUND STORAGE TANK #1 REHABILITATION TO H & R ENTERPRISES, LLC - APPROVED - IN THE AMOUNT OF ONE HUNDRED EIGHTEEN THOUSAND FIVE HUNDRED SEVENTY-SEVEN DOLLARS AND THIRTY-EIGHT CENTS (\$118,577.38)

Mayor Jack Gorden stated that the next item for consideration was the award of bid for the Ground Storage Tank #1 rehabilitation to H & R Enterprises, LLC in the amount of one hundred eighteen thousand five hundred seventy-seven dollars and thirty-eight cents (\$118,577.38).

City Manager Paul Parker stated that the City was continuing renovation of the water towers and water storage tanks. City Manager Parker added that the proposed rehabilitation was the second one (1) at the Treatment Plant. City Manager Parker stated that sixteen (16) bids were received on the project. City Manager Parker added that the bids were a variety of amounts and from a variety of locations. City Manager Parker stated that the project was budgeted in the amount of one hundred forty-eight thousand five hundred dollars (\$148,500), but the low bid from H & R Enterprises, L.L.C, was in the amount of one hundred eighteen thousand five hundred seventy-seven dollars and thirty-eight cents (\$118,577.38). City Manager Parker stated that Jimmy Owens, with Goodwin Lasiter, Inc. was asked to check references, because H & R Enterprises, L.L.C. had never done work for the City of Lufkin. City Manager Parker added that all of their references checked out to be very good. City Manager Parker stated that Staff recommended the award of contract to H & R Enterprises, L.L.C. in the amount of one hundred eighteen thousand five hundred seventy-seven dollars and thirty-eight cents (\$118,577.38) for the rehabilitation of Ground Storage Tank #1 at the Water Treatment Plant.

Mayor Gorden asked for questions or comments from the Council.

Councilmember R. L. Kuykendall moved to approve the award of bid for the Ground Storage Tank #1 rehabilitation to H & R Enterprises, LLC in the amount of one hundred eighteen thousand five hundred seventy-seven dollars and thirty-eight cents (\$118,577.38). Councilmember Rufus Duncan seconded the motion. A unanimous affirmative vote was recorded.

10. RESOLUTION OF THE CITY OF LUFKIN, TEXAS, - APPROVED - TO PURSUE ALL ENERGY EFFICIENCY AND CONVERSATION BLOCK GRANT (EECBG) FUNDING MADE AVAILABLE THROUGH THE AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) AND BEING ALLOCATED BY THE STATE ENERGY CONSERVATION OFFICE TO BE USED TO ASSIST IN REACHING THE CITY'S GOALS OF ENERGY EFFICIENCY AND THAT THE CITY OF LUFKIN, TEXAS WOULD CONTINUE ITS COMMITMENT TOWARD ENERGY EFFICIENCY FOR THE CITIZENS OF LUFKIN AND ALL OF TEXAS

Mayor Jack Gorden stated that the next item for consideration was the Resolution of the City of Lufkin, Texas, to pursue all Energy Efficiency and Conversation Block Grant (EECBG) funding made available through the American Recovery and Reinvestment Act (ARRA) and being allocated by the State Energy Conservation Office to be used to assist in reaching the City's goals of energy efficiency and that the City of Lufkin, Texas would continue its commitment toward energy efficiency for the citizens of Lufkin and all of Texas.

City Manager Paul Parker stated that the State Comptroller's Office had money allocated through the Stimulus Package for energy conservation and savings. City Manager Parker

explained that notification was given that the City of Lufkin would be awarded seventy-five thousand dollars (\$75,000), and a Resolution was required to authorize the City to proceed with the funding request. City Manager Parker added that also a project would have to be designed around the funds, and the fact that there could be additional money in the future if other cities did not submit projects or qualify for projects. City Manager Parker stated that Staff was requesting that the City Council adopt the Resolution authorizing the City to apply for the seventy-five thousand dollars (\$75,000) and to allow Staff to work toward a project to be brought back to the Council that would qualify with the terms. City Manager Parker stated that Staff was currently considering the Water and Sewer large motor pumps at the Water and Sewer Plant to see which one (1) was most in need of replacement, and also which would be the most energy efficient. City Manager Parker stated that Staff recommended that the City Council approve the Resolution allowing Staff to apply for the funds.

Mayor Gorden asked for questions or comments from the Council.

Councilmember Don Langston asked if a match was required for the grant. City Manager Parker stated that there was no match. City Manager Parker noted that the City was hearing from approximately five (5) consultants a day who wanted to do the work.

Mayor Gorden stated that it appeared that there would be many cities who would not apply for the funds. Mayor Gorden added that he would like to see Staff come up with several plans, in case there was more money available at a later date. City Manager Parker stated that Staff would come up with several plans with other options. Mayor Gorden suggested that one of the plans could be to replace all street lights.

Councilmember Lynn Torres moved to approve the Resolution of the City of Lufkin, Texas, to pursue all Energy Efficiency and Conversation Block Grant (EECBG) funding made available through the American Recovery and Reinvestment Act (ARRA) and being allocated by the State Energy Conservation Office to be used to assist in reaching the City's goals of energy efficiency and that the City of Lufkin, Texas would continue its commitment toward energy efficiency for the citizens of Lufkin and all of Texas. Councilmember R. L. Kuykendall seconded the motion. A unanimous affirmative vote was recorded.

11. CONFIRMATION OF BRUCE GREEN – APPROVED - AS CITY ATTORNEY

Mayor Jack Gorden stated that the next item for consideration was the confirmation of Bruce Green as City Attorney.

City Manager Paul Parker stated that the City of Lufkin City Charter stated that “*the City Manager, with the approval of the Council, shall appoint an attorney or attorneys licensed to practice law in the State of Texas to serve as legal advisor to the City and to all officers and departments of the City*”. City Manager Parker stated that from previous meetings and also by working with City Attorney Bob Flournoy it had been determined that the City of Lufkin had arrived at the point where the City of Lufkin needed a full time, in house City Attorney. City Manager Parker added that City Attorney Bob Flournoy had over forty (40) years service with the City and had fortunately trained Bruce Green for the last two (2) years. City Manager Parker explained that the transition would be similar to the transition that took place when former Police Chief Larry Brazil retired and current Police Chief Scott Marcotte took his place. City Manager Parker stated that the City was fortunate to have someone to bring up from its own ranks that had the ability to do an outstanding job. City Manager Parker added that he felt that Mr. Green displayed that type of leadership qualities and would be the type of individual that would help the City have a full time presence, and that he felt the City would benefit from having a City Attorney around daily. City Manager Parker explained Mr. Green would definitely have a full work load. City Manager Parker stated that it was his pleasure to recommend to the Council for their consideration the confirmation of Bruce Green, for the position of City Attorney for the City of Lufkin, effective January 4, 2010.

Mayor Gorden stated that the subject had been covered in detail at the last Council meeting and that the City was appreciative of the years of service from City Attorney Bob Flournoy, but that a whole new chapter was being opened for the City of Lufkin. Mayor Gorden then asked for questions or comments from the Council. There was some discussion among Staff and Council concerning the item.

Councilmember Don Langston moved to approve the confirmation of Bruce Green as City Attorney. Councilmember R. L. Kuykendall seconded the motion. A unanimous affirmative vote was recorded.

12. FIRST READING OF AN ORDINANCE OF THE CITY OF LUFKIN CLOSING, ABANDONING, AND VACATING A PORTION OF STREET RIGHT-OF-WAY ON DANIEL MCCALL DRIVE AND WHITEHOUSE DRIVE – APPROVED - IN THE CITY OF LUFKIN, TEXAS.

Mayor Jack Gorden stated that the next item for consideration was the First Reading of an Ordinance of the City of Lufkin closing, abandoning, and vacating a portion of street right-of-way on Daniel McCall Drive and Whitehouse Drive in the City of Lufkin, Texas.

City Manager Paul Parker stated that several years earlier whenever the City of Lufkin purchased the right-of-way during the realignment of Whitehouse and Daniel McCall, there was some excess property in the corner that been purchased from Doctor Thames. City Manager Parker added that whenever the purchase took place there was an area left that was the old Daniel McCall and that area was left vacant. City Manager Parker stated that the property owners located next to the area was Dude Development, Ltd., who several years ago asked the City to enter into an agreement with them to market the area along with their property. City Manager Parker added that the original agreement stated that Dude Development, Ltd. would purchase the property from the City for no less than eleven dollars and thirty-nine cents (\$11.39) per square foot. City Manager Parker stated that Staff thought the entire 0.368 acre tract was owned by the City of Lufkin. City Manager Parker explained that a portion of that tract was still owned by Texas Department of Transportation (TxDOT), and the City Council had recently agreed to purchase that portion of the property. City Manager Parker stated that because of the way the right-of-way dedication was made and to get a clear title for the property, the City would abandon the right-of-way and then one half (½) of the right-of-way that was adjacent to Dude Development's property would revert back to Dude Development. City Manager Parker explained that because the intent of the City was to sell the 0.368 acres, Dude Development would agree to execute a deed to the City. City Manager Parker stated that this would allow a future buyer to purchase the entire tract. City Manager Parker added that a buyer, who had an option on the entire property, wanted to close with the City and Dude Development at the same time. City Manager Parker stated that the transaction would allow the intent of the Council to sell the entire 0.368 acre tract to be honored, and also allow a clear title to be issued to the perspective buyer. City Manager Parker stated that Staff recommended that the Council approve the Ordinance abandoning the portion of right-of-way near Daniel McCall and Whitehouse Drive.

There was much discussion among the Mayor, Council, City Attorney and Staff concerning the item.

Councilmember Lynn Torres moved to approve the First Reading of the Ordinance of the City of Lufkin closing, abandoning, and vacating a portion of street right-of-way on Daniel McCall Drive and Whitehouse Drive in the City of Lufkin, Texas. Councilmember Robert Shankle seconded the motion. Councilmember Phil Medford asked to be recused from voting. The following vote was recorded:

Aye: Mayor Jack Gorden, Council Members R.L. Kuykendall, Lynn Torres, Robert Shankle

Nay: Council Members Don Langston, Rufus Duncan

The motion carried with four (4) affirmative votes and two (2) negative votes.

12. CITY MANAGER'S REPORT

Mayor Jack Gorden stated that the next item for consideration was a report from City Manager Paul Parker.

City Manager Paul Parker stated that there was no Financial Status Report, due to the new fiscal year beginning. City Manager Parker explained that the end of the year Financial Status Report would be given in the City Manager's Report in November. City Manager Parker stated that the

Council had the Project Status Report included in their packets, and that he would answer any questions the Council had regarding that report.

Councilmember Don Langston stated that he was very impressed that the Council received the reports each month. Councilmember Langston added that he was appreciative to the City Manager and Staff for their hard work on the reports, and that they saved a lot of time for the Council to understand what was going on in the City of Lufkin on a meeting to meeting basis.

13. Mayor Jack Gorden recessed the Regular Session at 5:50 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 6:14 p.m.

14. **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.

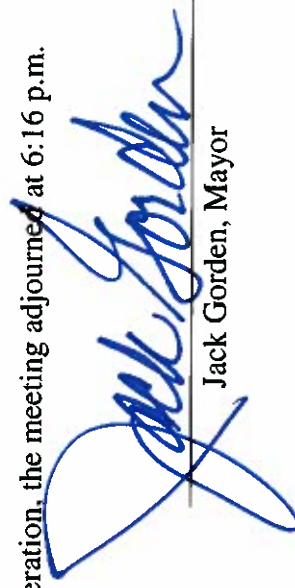
City Manager Paul Parker reminded the City Council about the upcoming "Lighting of the Pines Theater" that would take place coinciding with the First Street Arts Center "Art Lights up the Pines" event on Saturday, October 24, 2009. City Manager Parker then reminded the Council Members that were attending the Annual Texas Municipal League Conference that the City would be hosting a dinner on Wednesday, October 21, 2009, at 5:30 p.m.

Mayor Gorden reminded the Council of the "Inaugural Business Hall of Fame" that would take place on Thursday, October 29, 2009, at 10:00 a.m. at the Kurth Memorial Library, and urged them to attend.

Councilmember Robert Shankle stated that Aspen Power would have their permit signed in a couple of days. Councilmember Shankle added that this would help bring more money into the economy and that it would be a great day for Lufkin

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


Renee Thompson – City Secretary


Jack Gorden, Mayor