MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF LUFKIN, TEXAS HELD ON THE 20TH DAY OF JUNE, 2017.

On the 20th day of June, 2017 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:

Bob F. Brown Mayor

Mark Hicks Mayor Pro Tem

Guessippina Bonner Councilmember, Ward No. 1
Robert Shankle Councilmember, Ward No. 2
Lynn Torres Councilmember, Ward No. 3
Sarah Murray Councilmember, Ward No. 6

Keith Wright City Manager

Steve Floyd Assistant City Manager

Bruce Green City Attorney
Kara Atwood City Secretary

Rodney Ivey Human Resource Director

Gerald Williamson Police Chief

David Thomas Assistant Police Chief
Duane Freeman Assistant Fire Chief
Belinda Melancon Finance Director

Dorothy Wilson Planning & Zoning Director
Steve Poskey Street Department Director
Mike Akridge Parks & Recreation Director

Barbara Thompson

Jason Arnold

Kent Havard

Tara Watkins

Main Street Director

Water & Sewer Director

Solid Waste Director

LCVB Director

being present and;

Rocky Thigpen Councilmember, Ward No. 5

Being absent when the following business was transacted.

- 1. The meeting was opened with prayer by Pastor David Briggs of Abundant Life Methodist Church.
- 2. Mayor Bob F. Brown welcomed attending Angelina College students and visitors present.

3. MINUTES OF THE REGULAR CITY COUNCIL MEETING HELD JUNE 6TH 2017 - APPROVED

Councilmember Lynn Torres moved to approve the minutes of the meeting as presented. Councilmember Sarah Murray seconded the motion and a unanimous vote to approve was recorded.

4. PROMOTION CEREMONY FOR THE LUFKIN POLICE DEPARTMENT

Mayor Bob F. Brown ceremoniously promoted Corporal Randy Brooks to the rank of Sergeant and Officer Eddie Ibarra to the rank of Corporal.

NEW BUSINESS

5. PRESENTATION REGARDING THE DESIGNATION OF A FOREIGN TRADE ZONE AND CONSIDER A RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2016-2017 OPERATING BUDGET (BUDGET AMENDMENT NO. 21) APPROPRIATING THE FUNDING – APPROVED

City Manager Wright stated that the Economic Development Staff requested approval of the attached Ernst & Young proposal to aid in the Foreign Trade Zone application and designation. City Manager Wright furthered that the total budget amendment of twenty-one thousand two-hundred dollars (\$21,200) included eighteen thousand dollars (\$18,000) for the contract and a feasibility study along with three thousand twohundred dollars (\$3,200) for the application fee. City Manager Wright stated that at the Lufkin Economic Development Corporation Special Called board meeting on June 12, 2017, a unanimous affirmative vote was recorded for the Ernst & Young contract and the application fee, following review of another proposal and positive recommendations for Ernst & Young. City Manager Wright furthered that it was the desire of the City of Lufkin to have a Foreign Trade Zone (FTZ) to stimulate the local economy, aid and promote international trade to current businesses and market the City of Lufkin to potential companies. City Manager Wright stated that in the Staff's initial analysis, the companies that could benefit from a Foreign Trade Zone were GE/Lufkin Industries, PID, Atkinson Candy Company, WM Dolphin Services, American eChem, Lockheed Martin, Pilgrim's Pride, OHC, Angelina Tank, Best Pump Works, Holmes Smokehouse and Georgia Pacific, which would be confirmed by the feasibility study. City Manager Wright invited Ernst & Young Representative James Grogan to speak.

James Grogan of EY Global Trade of Houston, Texas spoke on behalf of Ernst & Young by summarizing the Foreign Trade Zone program focusing on Lufkin, Texas and the companies within the region, defined Foreign Trade Zones (FTZ), explained the role of grantee, outlined the recommendation of Ernst & Young for the City of Lufkin, defined relevant terms to Foreign Trade Zones and provided examples of Foreign Trade Zones. Ernst & Young Representative Grogan offered to answer questions. There were none.

Councilmember Mark Hicks summarized that companies would not be required to pay import tariffs. Mr. Grogan confirmed. Councilmember Hicks stated that he was able to see the benefits.

Mayor Bob F. Brown thanked Ernst & Young Representative Grogan for the presentation.

Councilmember Hicks moved to approve the Resolution as presented. Councilmember Torres seconded the motion and a unanimous vote to approve was recorded.

6. PUBLIC HEARING AND CONSIDERATION OF ECONOMIC DEVELOPMENT AGREEMENTS BETWEEN THE CITY OF LUFKIN AND THE DEEP EAST TEXAS COUNCIL OF GOVERNMENTS (DETCOG) AND THE LUFKIN ECONOMIC DEVELOPMENT CORPORATION AND THE DEEP EAST TEXAS COUNCIL OF GOVERNMENTS (DETCOG) - APPROVED

City Manager Wright stated that Interim Economic Development Director Nancy Windham was in Washington representing the City of Lufkin and as a result he would present Item No. 6. City Manager Wright furthered that Lonnie Hunt, the Executive Director of the Deep East Texas Council of Governments (DETCOG) had submitted an application seeking Economic Development Incentives for DETCOG's relocation to the City of Lufkin located within the Kurth Revitalization Zone on Kurth Drive, Ward No. 1 and the Lufkin EDC Board and Economic Development Staff recommended approval of the incentives for the DETCOG relocation. City Manager Wright stated that the City would offer a low interest loan of two hundred thousand dollars (\$200,000) in order to aid in the relocation and new construction of the DETCOG facility. City Manager Wright stated that the loan installments would be amortized over a fifteen (15) year

period with an interest rate of three percent (3%). City Manager Wright furthered that installments on the loan repayment would begin on January 1st, of 2020. City Manager Wright furthered that an Economic Incentive Grant of one hundred thousand dollars (\$100,000) would be paid to the Owner/Grantee upon completed documentation of the following Performance Requirements for Incentive No. 1:

- (1) Documentation of ownership in the Kurth Revitalization Zone of the property upon which the facility would be built on or before January 31, 2018; and
- (2) Documentation of facility construction plans in accordance with all applicable City Codes and Ordinances on or before March 31, 2018; and
- (3) Documentation of the submission of the construction plans to the City on or before April 30, 2018; and
- (4) Documentation reasonably acceptable to the City verifying the actual construction cost of the facility on or before April 30, 2018; and
- (5) Documentation that all significant contracts for the improvements on the property or construction of the facility shall separately identify labor and materials for the facility; and
- (6) At the request of a Councilmember and with the approval of City Attorney Bruce Green; and reflecting the terms and conditions of the Federal Grant contract being utilized for a portion of the facility, the following would be added as "(6)":

Documentation that the Owner/Grantee has made positive efforts to utilize Small Businesses and Minority Owned Firms as construction subcontractors whenever possible and the Owner/Grantee shall take the following steps to further this goal:

- a) Owner/Grantee will make information on construction sub-contractor opportunities available and arrange times frames for purchases and contracts to encourage and facilitate participation by Small Business and Minority Owned Firms.
- b) Owner/Grantee shall use the services and assistance as appropriate from such organizations as Small Business Administration and the Department of Commerce Minority Business Development Agency and the solicitation and utilization of Small Businesses and Minority Owned Firms.

City Manager Wright stated that number six (6) was the only addition/change. City Manager Wright furthered that an economic incentive grant of one hundred thousand dollars (\$100,000) would be paid to the Owner/Grantee upon completion of the following Performance Requirements for Incentive No. 2:

- (1) Documentation that Owner/Grantee has pulled a construction permit from the City on or before May 31, 2018; and
- (2) Documentation that at least fifty percent (50%) of construction subcontractors/employees are from Angelina County on or before April 30, 2018; and
- (3) Documentation that at least seventy percent (70%) of construction materials and new equipment have been, or are contracted to be, purchased from within Angelina County; and
- (4) Submit compliance documentation as required below in Article IV, General Provisions 4.02.

City Manager Wright stated that an economic incentive of one hundred thousand dollars (100,000) would be paid to the Owner/Grantee upon completion of the following Performance Requirements for Incentive No. 3:

- (1) Documentation of receipt of a permanent Certificate of Occupancy form the City for the facility on or before January 31, 2020; and
- (2) Documentation that the office space in the facility is occupied on or before January 31, 2020; and
- (3) Submit compliance documentation as required per the agreement.

City Manager Wright furthered that in addition to the already names items, the Lufkin EDC would provide DETCOG economic assistance in the form of a grant of the land in

the Kurth Revitalization Zone on Kurth Drive, Ward No. 1 and a total of fifty-nine (59) employees would be relocated to Lufkin along with retaining the two (2) employees that currently resided in Lufkin. City Manager Wright stated that both of the agreements were approved unanimously during the Lufkin Economic Development Corporation 4/B meeting held June 12th. City Manager Wright concluded that Staff recommended City Council consider approval of Economic Development agreements between the City of Lufkin and the Deep East Texas Council of Governments (DETCOG).

Mayor Brown opened the Public Hearing at 5:18 p.m.

Joe Douglas spoke on behalf of the Angelina County Chamber of Commerce in support of DETCOG relocating to Lufkin and the Impact Lufkin Program. Joe Douglas summarized the concerns expressed to Impact Lufkin regarding employment, the Enterprise Zone and the Kurth Revitalization Zone.

Mayor Brown thanked Joe Douglas. There being no one further who wished to speak, Mayor Brown closed the Public Hearing at 5:21 p.m.

Councilmember Guessippina Bonner welcomed the addition of DETCOG to the neighborhood as a representative of Ward No. 1. Councilmember Bonner stated that Ward No. 1 was in need of a positive presence in North Lufkin and along Kurth Drive. Councilmember Bonner furthered that the choosing of Ward No 1 as the location of the DETCOG facility demonstrated foresight into future endeavors and foreshadowed a hopeful growth for Ward No. 1 and Ward No. 2. Councilmember Bonner welcomed DETCOG and the future businesses that the relocation of DETCOG could viably bring to the area.

Councilmember Bonner moved to approve the contract with the addition of number six (6) as presented. Councilmember Robert Shankle seconded the motion and a unanimous vote to approve was recorded.

7. <u>ACQUISITION OF LAND AT 1405 KURTH DRIVE FOR FUTURE ECONOMIC DEVELOPMENT IN THE KURTH REVITALIZATION ZONE - APPROVED</u>

City Manager Wright stated that the item was in conjunction with Item No. 6, being the approval of the purchase of the land that a portion of would be granted to DETCOG for future Economic Development. City Manager Wright furthered that the property was located at 1405 Kurth Drive with a total purchase price of \$235,000. City Manager Wright concluded with the request that City Council approve the acquisition of the land at 1405 Kurth Drive for future Economic Development in the Kurth Revitalization Zone

Councilmember Shankle moved to approve the acquisition of land as presented. Councilmember Sarah Murray seconded the motion and a unanimous vote to approve was recorded.

8. FIRST PUBLIC HEARING IN CONSIDERATION OF ANNEXATION FOR PROPERTY LOCATED WEST OF NORTH JOHN REDDITT DRIVE

City Manager Wright requested that Planning and Zoning Director Dorothy Wilson present a calendar of the proceedings regarding how Public Hearings must be held in order to be in compliance with the law. City Manager Wright reviewed the map provided by Planning and Zoning Director Wilson displaying the allowable timeline. City Manager Wright stated that during the April 18, 2017 meeting, City Council approved a Resolution for Staff to proceed with the annexation for property located 275' west of North John Redditt Drive. City Manager Wright furthered that the annexation was initiated by the property owner, Angelina Neches River Authority. City Manager Wright stated that the City was required to hold two (2) Public Hearings concerning the proposed annexation. City Manager Wright recapped the twenty (20) to forty (40) day procedure. City Manager Wright concluded that Staff recommended

City Council conduct the First Public Hearing in order to allow for the annexation of the 18.43 acres of land located west of North John Redditt Drive.

Mayor Brown opened the Public Hearing at 5:28 p.m. There being no one who wished to speak, Mayor Brown closed the Public Hearing and requested comment from City Council.

9. PUBLIC HEARING AND SECOND READING IN CONSIDERATION OF ANNEXATION FOR PROPERTY LOCATED WEST OF NORTH JOHN REDDITT DRIVE

City Manager Wright stated that the Public Hearing was the same as the previous Item. Mayor Brown opened the Public Hearing at 5:29 p.m. There being no one who wished to speak, Mayor Brown closed the Public Hearing and requested comment from City Council. There was none.

10. <u>FIRST PUBLIC HEARING IN CONSIDERATION OF ANNEXATION FOR PROPERTY LOCATED NORTH AND ADJACENT TO LOTUS LANE</u>

During the April 18, 2017 meeting City Council approved a Resolution for Staff to proceed with the annexation process for property located adjacent to Lotus Lane and south and west of Homer Alto Road. City Manager Wright furthered that the annexation was requested by a property owner who wished to develop Phase 2 of the Creekside Hills development. City Manager Wright stated that few new housing developments had been developed in the City of Lufkin in the recent years. City Manager Wright furthered that the City was excited to welcome the increase in the City's tax base that the housing development would bring. City Manager Wright highlighted the tract of land on the map. City Manager Wright concluded that Staff recommended City Council conduct the First Public Hearing in order to allow for the annexation of 166.1 acres located adjacent to Lotus Lane and south and west of Homer Alto Road.

Mayor Brown opened the Public Hearing at 5:31 p.m.

Kenneth Timmons, Angelina County Commissioner of Angelina County Precinct No. 2 inquired if county roads were involved in the annexation. Planning & Zoning Director Wilson stated that a portion was involved; however the issue was previously resolved with the Texas Department of Transportation.

Leonard Allen and Terry Griffin stepped forward and spoke in opposition of the Creekside Development. There being no one else who wished to speak Mayor Brown closed the Public Hearing and requested comment from City Council. There was none.

11. SECOND PUBLIC HEARING IN CONSIDERATION OF ANNEXATION FOR PROPERTY LOCATED NORTH AND ADJACENT TO LOTUS LANE

City Manager Wright stated that holding a second Public Hearing was the requirement in order to be compliant with the legally specified timeline. Mayor Brown requested Public comment. There was none. There being no one else who wished to speak, Mayor Brown closed the Public Hearing and requested comments from the City Council. There were none.

12. RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2016-2017 OPERATING BUDGET (BUDGET AMENDMENT NO. 19) PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE GENERAL FUND, HOTEL/MOTEL TAX, SPECIAL RECREATION, PINES THEATER SPECIAL EVENT, COURT SECURITY/TECHNOLOGY, ANIMAL SERVICES – KURTH GRANT, ANIMAL SERVICES – ANIMAL ATTIC, ECONOMIC DEVELOPMENT, LUFKIN CONVENTION & VISITORS BUREAU, GENERAL OBLIGATION DEBT SERVICE, WATER/WASTEWATER, SOLID WASTE & RECYCLING AND EQUIPMENT ACQUISITION AND

<u>REPLACEMENT FUNDS; AND PROVIDING AN EFFECTIVE DATE –</u> APPROVED

City Manager Wright stated that each year during the budget review process Staff evaluated the revenues and expenditures for each department to determine the needed revenues and estimated expenditures for the remainder of the fiscal year. City Manager Wright furthered that the process was commonly known as the Mid-Year Budget Amendment. City Manager Wright furthered that the process allowed for a reestimation of the revenue and expenditures. City Manager Wright concluded that Staff recommended City Council approve a Resolution authorizing Budget Amendment No. 19, which modified the 2016-2017 Annual Budget to provide the appropriate funding for each department for the remainder of the fiscal year.

Councilmember Torres moved to approve the Resolution as presented. Councilmember Bonner seconded the motion and a unanimous vote to approve was recorded.

13. RESOLUTION OF THE CITY OF LUFKIN, TEXAS AUTHORIZING THE ACCEPTANCE OF A DEEP EAST TEXAS COUNCIL OF GOVERNMENTS (DETCOG) EMERGENCY PREPAREDNESS FUND GRANT IN THE AMOUNT OF \$20,795.52 FOR THE LUFKIN POLICE DEPARTMENT AND A RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2016-2017 OPERATING BUDGET (BUDGET AMENDMENT NO. 20) APPROPRIATING THE FUNDING – APPROVED

City Manager Wright stated that the Lufkin Police Department had recently been awarded a grant in the amount of \$20,795.52 from the Deep East Texas Council of Governments (DETCOG) Emergency Preparedness Fund. City Manager Wright furthered that the funds would be used to purchase radios and related equipment vital to emergency situations. City Manager Wright concluded that Staff recommended City Council approve a Resolution authorizing acceptance of a grant in the amount of \$20,795.52 from the Deep East Texas Council of Governments (DETCOG) Emergency Preparedness Fund and a Resolution authorizing Budget Amendment No. 20 appropriating the funding.

Councilmember Shankle moved to approve the Resolution as presented. Councilmember Hicks seconded the motion and a unanimous vote to approve was recorded.

14. DONATION FROM MRS. ZEATA ROWE IN THE AMOUNT OF \$400 FOR THE LUFKIN ANIMAL CONTROL AND A RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2016-2017 OPERATING BUDGET (BUDGET AMENDMENT NO. 22) APPROPRIATING THE FUNDING – APPROVED

City Manager Wright stated that Staff would like to recognize Mrs. Rowe as a long-time supporter of the City of Lufkin Animal Shelter. City Manager Wright furthered that Mrs. Rowe would like the \$400 donation to go towards advertisement for animal adoptions and to sponsor the adoption of a dog. City Manager Wright concluded that Staff requested City Council graciously accept the donation and approve a Resolution authorizing Budget Amendment No. 22 appropriating the funding as well as commend Mrs. Rowe for her continual support of the Animal Shelter.

Councilmember Bonner moved to approve the Resolution as presented. Councilmember Murray seconded the motion and a unanimous vote to approve was recorded.

15. AWARD OF BID TO B&B CONTRACTORS IN THE AMOUNT OF \$71,962 FOR COMPLETION OF IMPROVEMENTS TO LEACH STREET — APPROVED

City Manager Wright stated that in September 2016, City Council approved numerous projects to be completed with residual bond funding, one of which was the completion of improvements to Leach Street. City Manager Wright furthered that the project

consisted of overlaying Leach Street from Sayers Street to Martin Luther King, Jr. Boulevard, along with the installation of sidewalks and curb gutter. City Manager Wright stated that a total of \$275,000 was budgeted for the project. City Manager Wright furthered that bids were opened for sidewalk and curb and a gutter portion of the project on June 15th, with the apparent low bidder being B&B Contractors for the completion of the improvements to Leach Street. City Manager Wright concluded that Staff recommended City Council award a bid in the amount of \$71,962 to B&B Contractors for the completion of improvements to Leach Street.

Councilmember Bonner requested clarification on the street improvements and the amount of funding. City Manager Wright stated that the amount specified covered sidewalks and curb gutters only.

Councilmember Bonner moved to approve the Award of Bid as presented. Councilmember Murray seconded the motion and a unanimous vote to approve was recorded.

16. APPOINTMENTS TO THE CITY OF LUFKIN BOARDS

(a) City Manager Wright stated that Jule Fenley no longer wished to serve on the Civil Service Commission Board. City Manager Wright furthered that Todd Kassaw of Ward No. 4 was the singular applicant on file.

Councilmember Hicks moved to approve Todd Kassaw's appointment to the Civil Service Board. Councilmember Torres seconded the motion and a unanimous vote to approve was recorded.

(b) City Manager Wright stated that four (4) positions were open on the Construction Board of Adjustments and Appeals. City Manager Wright furthered that Mike Hineman, Howard Griffin, Sr. and Sloan Maddux expressed interest in reappointment. City Manager Wright furthered that Mr. Stolz no longer lived in the area and did not wish to serve. City Manager Wright stated that C. Daniel "Danny" Hayes was the applicant on file.

Councilmember Hicks moved to reappoint Mike Hineman, Howard Griffin, Sr., and Sloan Maddux and appoint C. Daniel Hayes to the Construction Board of Adjustments and Appeals. Councilmember Bonner seconded the motion and a unanimous vote to approve was recorded.

(c) City Manager Wright stated that the current members of the 4/B Economic Development Board expressed interest in reappointment. City Manager Wright furthered that there must be three (3) City Council members serving on the board. City Manager Wright stated that the other applications on file included: Joe Douglas, III and and Joseph Ceasar.

Councilmember Hicks moved to reappoint Mayor Bob Brown, Phil Medford, Jeff Todd and Andra Self to the 4/B Economic Development Board. Councilmember Torres seconded the motion and a unanimous vote to approve was recorded.

(d) City Manager Wright stated that four (4) Councilmembers currently served on the DETCOG Board of Directors, with Councilmember Torres serving as the DETCOG President. City Manager Wright furthered that the only applicants on file were the current serving members of Mayor Brown, Councilmember Torres, Councilmember Shankle and Councilmember Bonner.

Councilmember Murray moved to reappoint Mayor Brown, Councilmember Torres, Councilmember Shankle and Councilmember Bonner to the DETCOG Board of Directors. Councilmember Shankle seconded the motion and a unanimous vote to approve was recorded.

(e) City Manager Wright stated that there were five (5) openings on the Lufkin Convention and Visitors Bureau Board (LCVB). City Manager Wright furthered that

one member resigned, one member had not attended the meetings, one member was ineligible to serve and one member did not seek reappointment. City Manager Wright furthered that there were six (6) seeking the five (5) open positions. City Manager Wright stated that Philip Harbuck expressed interest in reappointment. City Manager Wright listed the applicants as: LaShonda Runnels, Chad Roberts, Burt Hairgrove, Macy Evans and Victor Patel.

Councilmember Shankle moved to reappoint Philip Harbuck; appoint LaShonda Runnels, Chad Roberts, Victor Patel and Burt Hairgrove to the Lufkin Convention and Visitor's Bureau Board (LCVB). Councilmember Hicks seconded the motion and a unanimous vote to approve was recorded.

(f) City Manager Wright stated that Mickey Hadnot and Jason Soules both expressed interest in continuing to serve on the Parks and Recreation Advisory Board. City Manager Wright furthered that there were no other applications on file.

Councilmember Torres moved to reappoint Mickey Hadnot and Jason Soules to the Parks and Recreation Advisory Board. Councilmember Shankle seconded the motion and a unanimous vote to approve was recorded.

(g) City Manager Wright stated that there were three (3) openings on the Planning & Zoning Commission. City Manager Wright furthered that the current serving members; Jeff Portwood, Ronnie Robinson and Jeff Taylor expressed interest to continue serving. City Manager Wright stated that the applications on file included the three currently serving members and also Benita Bennett and Joseph Ceasar.

Councilmember Bonner moved to reappoint Jeff Portwood and Ronnie Robinson and also appoint Joseph Ceasar to the Planning & Zoning Commission. Councilmember Shankle seconded the motion and a unanimous vote to approve was recorded.

(e) City Manager Wright stated that there were four (4) openings on the Zoning Board of Adjustments & Appeals. City Manager Wright furthered that Rudy Flores, Kristy Brice (alternate) and Wilkins Lopez expressed interest in being reappointed. City Manager Wright furthered that Hilary Walker no longer wished to serve.

Councilmember Bonner moved to appoint Rudy Flores, Wilkins Lopez and Kristy Brice to the Zoning Board of Adjustments & Appeals with Kristy Brice serving on the board as a full board member rather than the alternate. Councilmember Torres seconded the motion and a unanimous vote to approve was recorded.

17. <u>CITY MANAGER REPORT</u>

City Manager Wright reviewed Franchise Taxes, Fines and Forfeitures, Revenues and Expenditures, Water and Sewer and Solid Waste and Recycling. City Manager Wright offered to answer questions. There were none.

18. <u>ITEMS OF COMMUNITY INTEREST FROM MAYOR, CITY</u> COUNCILMEMBERS AND STAFF

City Manager Wright detailed various upcoming City sponsored and community events. Councilmember Bonner thanked the City Staff and Management for their efforts in the Juneteenth Celebration. City Manager Wright agreed in the praise of City Staff. Councilmember Shankle extended the praise to the Lufkin Police Department.

19. There being no more business to address the meeting was adjourned at 5:59 p.m.

Bob F. Brown, Mayor

ATTEST:

Kara Atwood, City Secretary

