MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF LUFKIN, TEXAS HELD ON THE 17th DAY OF JUNE, 2008.

On the 17th day of June, 2008, the City Council of the City of Lufkin, Texas convened in a Regular Meeting in the Council Chambers of City Hall with the following members, thereof to wit:

Jack Gorden, Jr.	Mayor
Rose Faine Boyd	Mayor Pro Tem
R. L. Kuykendall	Councilmember, Ward No. 1
Lynn Torres	Councilmember, Ward No. 3
Don Langston	Councilmember, Ward No. 4
Rufus Duncan	Councilmember, Ward No. 5
Phil Medford	Councilmember, Ward No. 6
Paul L. Parker	City Manager
Keith Wright	Assistant City Manager
Bob Flournoy	City Attorney
Renee Thompson	City Secretary
Scott Marcotte	Asst. Police Chief
Doug Wood	Finance Director
Pete Prewitt	Fire Chief
Dorothy Wilson	Planning Director
Barbara Thompson	Main Street Director
Jim Wehmeier	Economic Development Director
Bill Cameron	City Webmaster

being present, when the following business was transacted:

1. The meeting was opened with prayer by Brother Bryan Lipscomb, Providence Baptist Church.

2. Mayor Jack Gorden welcomed visitors present.

3. **APPROVAL OF MINUTES**

Minutes of the Regular Meeting of May 20, 2008, were approved on a motion by Councilmember Rose Faine Boyd, and seconded by Councilmember Lynn Torres. A unanimous affirmative vote was recorded.

NEW BUSINESS:

4. **PUBLIC HEARING AND FIRST READING OF AN ORDINANCE AMENDING THE ZONING ORDINANCE OF THE CITY OF LUFKIN, TEXAS, - APPROVED - BEING ORDINANCE NO. 3368, BY AMENDING ARTICLE II – "DISTRICTS AND DISTRICT BOUNDARIES" TO ADD SECTION 3, ENTITLED – "ANNEXATION HOLDING ZONE"; REPEALING CONFLICTING PROVISIONS; AND PROVIDING AN EFFECTIVE DATE**

Mayor Jack Gorden stated that the next item for consideration was a Public Hearing and the First Reading of an Ordinance amending the Zoning Ordinance of the City of Lufkin, Texas, being Ordinance No. 3368, by amending Article II – "Districts and District Boundaries" to add Section 3, entitled – "Annexation Holding Zone"; repealing conflicting provisions; and providing an effective date.

City Manager Paul Parker stated that the Ordinance was to automatically place properties that were annexed into the City into the "Agricultural" zoning designation. City Manager Parker added that when the "Agricultural" zone was developed it was intended for newly annexed properties but Staff did not include the actual language to automatically place the properties in that zone. City Manager Parker stated that annexed property would automatically be placed in the "Agricultural" zone until the developer chose to make another application to apply for a different usage. City Manager Parker added that when the City did the large annexation in 2006, most people wanted an "Agricultural" Zone for tax purposes. City Manager stated that the Ordinance placed all newly annexed land into an "Agricultural" Zone. City Manager Parker added that Staff recommended that Council approve the Ordinance.

Mayor Gorden opened the Public Hearing at 5:07 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 5:08 p.m.

Councilmember Don Langston moved to approve the First Reading of the Ordinance amending the Zoning Ordinance of the City of Lufkin, Texas, being Ordinance No. 3368, by amending Article II – "Districts and District Boundaries" to add Section 3, entitled – "Annexation Holding Zone"; repealing conflicting provisions; and providing an effective date. Councilmember R. L. Kuykendall seconded the motion. A unanimous affirmative vote was recorded.

5. **PUBLIC HEARING AND FIRST READING OF AN ORDINANCE AMENDING THE ZONING ORDINANCE OF THE CITY OF LUFKIN, TEXAS, - APPROVED - BY ESTABLISHING THE ZONING DESIGNATION FOR LAND WHICH IS TWENTY (20) ACRES LOCATED ON CHESTNUT DRIVE AND INTERSECTING WITH WHEELER ROAD, ANNEXED BY ORDINANCE AND AUTHORIZING THE CITY PLANNER TO MAKE SUCH CHANGES ON THE OFFICIAL ZONING MAP**

Mayor Jack Gorden stated that the next item for consideration was a Public Hearing and First Reading of an Ordinance amending the Zoning Ordinance of the City of Lufkin, Texas, by establishing the zoning designation for land which is twenty (20) acres located on Chestnut Drive and intersecting with Wheeler Road, annexed by Ordinance and authorizing the City Planner to make such changes on the official zoning map.

City Manager Paul Parker stated that the property was the twenty (20) acres that the Council annexed at the last Council Meeting. City Manager Parker added that this was an example where the property owner requested to apply for "Residential Large Single Family Dwelling" Zoning for the purpose of developing the property as residential in character. City Manager Parker stated that Planning and Zoning Commission and Staff recommended that the Council approve the request that the land be designated "Residential Large Single Family Dwelling" and the Future Land Use map designation of "Low Density Residential".

Mayor Gorden opened the Public Hearing at 5:09 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 5:10 p.m.

Councilmember Don Langston moved to approve the First Reading of the Ordinance amending the Zoning Ordinance of the City of Lufkin, Texas, by establishing the zoning designation for land which is twenty (20) acres located on Chestnut Drive and intersecting with Wheeler Road, annexed by Ordinance and authorizing the City Planner to make such changes on the official zoning map. Councilmember Rose Faine Boyd seconded the motion. A unanimous affirmative vote was recorded.

6. **AUTHORIZE THE FIRE DEPARTMENT TO DONATE A 1980 AMERICAN LA FRANCE AERIAL LADDER TRUCK – APPROVED - TO THE HUDSON VOLUNTEER FIRE DEPARTMENT**

Mayor Jack Gorden stated that the next item for consideration was to authorize the Fire Department to donate a 1980 American La France Aerial Ladder Truck to the Hudson Volunteer Fire Department.

City Manager Paul Parker stated that the City of Lufkin had a history of donating retired fire vehicles from the fleet to adjoining volunteer fire departments when those departments could still get usage from the vehicles. City Manager Parker added that there were local agreements where the volunteer fire departments would assist the City of Lufkin Fire Department if needed. City Manager Parker stated that the vehicle in question was the old ladder truck that the Fire Department was using in conjunction with the new ladder truck as a reserve until the new pumper unit arrived. City Manager Parker stated that Fire Chief Pete Prewitt and the Fire Department recommended that Council approve the donation of the 1980 American La France Aerial Ladder Truck to the Hudson Volunteer Fire Department to assist them in their efforts. City Manager Parker added that Staff also recommended that Council approve the donation.

Councilmember Rose Faine Boyd moved to authorize the Fire Department to donate a 1980 American La France Aerial Ladder Truck to the Hudson Volunteer Fire Department. Councilmember Lynn Torres seconded the motion. A unanimous affirmative vote was recorded.

7. **RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2007/2008 OPERATING BUDGET (BUDGET AMENDMENT NO. 29), - APPROVED - PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE GENERAL, HOTEL/MOTEL TAX, SPECIAL RECREATION, ZOO BUILDING, COURT SECURITY/TECHNOLOGY, ANIMAL CONTROL-KURTH GRANT, ECONOMIC DEVELOPMENT, WATER/WASTEWATER, SOLID WASTE AND RECYCLING, AND EQUIPMENT AMORTIZATION AND REPLACEMENT FUNDS; AND PROVIDING AN EFFECTIVE DATE**

Mayor Jack Gorden stated that the next item for consideration was a Resolution authorizing an amendment to the 2007/2008 Operating Budget (Budget Amendment No. 29), providing for the supplemental appropriation of funds in the General, Hotel/Motel Tax, Special Recreation, Zoo Building, Court Security/Technology, Animal Control-Kurth Grant, Economic Development, Water/Wastewater, Solid Waste and Recycling, and Equipment Amortization and Replacement Funds; and providing an effective date.

City Manager Paul Parker stated that as Staff was going through the budgets, revenue was identified that had been enhanced during the year, such as sales tax, property tax, etc. City Manager Parker added that Staff also identified additional expenditures that had occurred. City Manager Parker stated that in most cases the expenditures were originally budgeted and then Staff did not anticipate spending all of the line items in their budgets. City Manager Parker explained that midyear Staff did a sweep of the funds to either return them to the General Fund or to reallocate the funds in the budget process. City Manager Parker added that the Resolution amending the Operating Budget was basically a housekeeping procedure. City Manager Parker added that he would answer any questions that Council had concerning the Resolution.

Councilmember Don Langston stated that the amendments appeared to be very positive as far as returning funds to the General Funds and various other funds and that Staff was to be commended on their use of those funds.

Councilmember R. L. Kuykendall moved to approve a Resolution authorizing an amendment to the 2007/2008 Operating Budget (Budget Amendment No. 29), providing for the supplemental appropriation of funds in the General, Hotel/Motel Tax, Special Recreation, Zoo Building, Court Security/Technology, Animal Control-Kurth Grant, Economic Development, Water/Wastewater, Solid Waste and Recycling, and Equipment Amortization and Replacement Funds; and providing an effective date. Councilmember Rose Faine Boyd seconded the motion. A unanimous affirmative vote was recorded.

8. **RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2007/2008 OPERATING BUDGET (BUDGET AMENDMENT NO. 30), - APPROVED - PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE GENERAL FUND; AND PROVIDING AN EFFECTIVE DATE AND AUTHORIZING THE ACCEPTANCE OF A GRANT FROM THE LAW ENFORCEMENT TERRORISM PROTECTION PROGRAM IN THE AMOUNT OF $32,276.01 AND THE PURCHASE OF FORTY-ONE (41) PORTABLE RADIOS WITH ACCESSORIES AND TWELVE (12) BODY MICROPHONES FOR THE IN-CAR DIGITAL VIDEO RECORDING SYSTEM IN THE PATROL CARS.**

Mayor Jack Gorden stated that the next item for consideration was a Resolution authorizing an amendment to the 2007/2008 Operating Budget (Budget Amendment No. 30), providing for the supplemental appropriation of funds in the General Fund; and providing an effective date and authorizing the acceptance of a grant from the Law Enforcement Terrorism Protection Program in the amount of $32,276.01 and the purchase of forty-one (41) portable radios with accessories and twelve (12) body microphones for the in-car digital video recording system in the patrol cars.

City Manager Paul Parker stated the City of Lufkin had received the grant from the Deep East Texas Council of Governments in the amount of thirty-two thousand two hundred seventy-six dollars and one cent ($32,276.01). City Manager Parker explained that the grant would allow the Police Department to purchase forty-one (41) portable radios with accessories from Continental Wireless and twelve (12) body microphones for the in-car digital video recording systems in the patrol cars from Portable Computer Systems. City Manager Parker stated that the funding would be one hundred percent (100%) reimbursed from the Law Enforcement Terrorism Protection Program and would require no matching funds from the City of Lufkin. City Manager Parker added that Staff recommended that Council authorize acceptance of the grant and the purchase of the radios and microphones for the in-car digital video recording systems as outlined in the memo.

Mayor Gorden stated that Communications Supervisor Keith Bickley was present at the meeting and noted that Mr. Bickley had been instrumental in the Police Department receiving the grant and Mayor Gorden thanked Mr. Bickley for his efforts.

Councilmember Rufus Duncan moved to approve a Resolution authorizing an amendment to the 2007/2008 Operating Budget (Budget Amendment No. 30), providing for the supplemental appropriation of funds in the General Fund; and providing an effective date and authorizing the acceptance of a grant from the Law Enforcement Terrorism Protection Program in the amount of $32,276.01 and the purchase of forty-one (41) portable radios with accessories and twelve (12) body microphones for the in-car digital video recording system in the patrol cars. Councilmember Rose Faine Boyd seconded the motion. A unanimous affirmative vote was recorded.

9. **APPROVAL OF A PROPOSED HURRICANE CREEK WWTP FEASIBILITY STUDY – APPROVED - BY FREESE AND NICHOLS IN THE AMOUNT OF $39,187**

Mayor Jack Gorden stated that the next item for consideration was the approval of a proposed Hurricane Creek WWTP Feasibility Study by Freese and Nichols in the amount of $39,187.

City Manager Paul Parker stated that Texas Commission on Environmental Quality (TCEQ) had noted concerns regarding the foam in the sewer discharge, during some of their recent inspections. City Manager Parker added that TCEQ wanted the City to determine what the foam that was in the discharge consisted of and what was causing it. City Manager Parker then turned the discussion over to Assistant City Manager Keith Wright to further explain the situation. City Manager Parker stated that the proposed study was to look at three (3) or four (4) different options to understand some of the problems. City Manager Parker added that the study would address specific needs that had been a concern to TCEQ including the replacement of the existing mixing systems and boilers in two (2) of the digesters and the consideration of options for conversion of the sludge treatment system from Class B solids to Class A. City Manager Parker stated that his understanding was Class A was the solids that could be placed on land use as fertilizer. City Manager Parker stated that Staff had received requests for proposals and had recommended Freese and Nichols to perform the feasibility study in the amount of thirty-nine thousand one hundred eighty-seven dollars ($39,187).

Assistant City Manager Keith Wright stated that there had been several issues at the Water/Wastewater Treatment Plant. Assistant City Manager Wright added that the number one (1) issue was the foam problem. Assistant City Manager Wright stated that the City had several inspections where the foam problem was documented by TCEQ. Assistant City Manager Wright stated that Staff had other people look at the foam problem and they had not been able to determine the cause. Assistant City Manager Wright added that Freese and Nichols had a specialist in wastewater treatment technology so the City was having them look at the current problem. Assistant City Manager Wright stated every time the City gets a permit TCEQ goes up on the regulations on digesters and mixing system for the sludge. Assistant City Manager Wright added that the City currently "land applies" sludge but Staff felt that in the near future the City would be regulated out of that capability. Assistant City

Manager Wright stated that to go to a Class A sludge would be very important for the City of Lufkin in the future. Assistant City Manager Wright added that the City needed to consider accomplishing that with the least expense possible, so Staff was considering options of how to implement that plan. Assistant City Manager Wright stated that Staff had also budgeted for a chlorine contact basin replacement and was looking at different technologies that were able to be cheaper, more efficient and that would save some regulation requirements later.

Mayor Gorden stated that the City of Lufkin had a long history with Freese and Nichols.

Councilmember Don Langston moved to approve a proposed Hurricane Creek WWTP Feasibility Study by Freese and Nichols in the amount of $39,187. Councilmember Rufus Duncan seconded the motion. A unanimous affirmative vote was recorded.

10. **AWARD OF BID TO COX CONTRACTORS, INC., - APPROVED - FOR THE HURRICANE CREEK WWTP EQUALIZATION LAGOON #1 EAST WALL REPAIR IN THE AMOUNT OF $67,450**

Mayor Jack Gorden stated that the next item for consideration was the award of a bid to Cox Contractors, Inc., for the Hurricane Creek WWTP Equalization Lagoon #1 east wall repair in the amount of $67,450.

City Manager Paul Parker stated the Council had recently approved a contract for the repair of the west wall of the Lagoon System at Hurricane Creek Water/Wastewater Treatment Plant (WWTP). City Manager Parker added that once the lagoon had been drained and the repair had begun, it was discovered that there were also problems with the east wall. City Manager Parker stated that Cox Contractors, Inc. had provided the City with an estimate for a possible change order to the original contract. City Manager Parker explained that the state law requirement was that change orders could not exceed twenty-five percent (25%) of the original contract. City Manager Parker stated that because Cox Contractors, Inc. estimate exceeded the original contract the City had to go back out for bids. City Manager Parker stated that Cox Contractors, Inc. was the low bidder on the rebid in the amount of sixty-seven thousand four hundred fifty dollars ($67,450). City Manager Parker added that funding was available in the 2007/2008 Budget to complete the necessary repairs for the Wastewater Equalization Lagoon. City Manager Parker stated that Staff recommended that Council approve the contract with Cox Contractors, Inc.

City Councilmember Don Langston asked if the current budget of three hundred eighty-three thousand two hundred fifty-five dollars and ninety cents ($383,255.90) would be exceeded. City Manager Parker stated that to date the budget would not be exceeded.

City Councilmember Rufus Duncan asked how many bids the City had on the original contract. Councilmember Duncan stated that he noticed that in both items ten (10) and eleven (11) there was only one bid. Assistant City Manager Keith Wright stated that the original contract had three (3) bids. Assistant City Manager Wright added that the original bid was slightly over seventy thousand dollars ($70,000). Assistant City Manager Wright explained that the City was receiving a better price and Staff felt like it was a good bid. Councilmember Duncan asked if it was unusual to only receive one (1) bid. City Manager Parker stated that other bidders were possibly discouraged because Cox Contractors, Inc. was already on site and because the other contractors would have to figure in mobilization costs in their bid. City Manager Parker added that occasionally the City had only one (1) bid on items but Staff tried to solicit additional bids. City Manager Parker stated that the City generally had multiple bids.

Councilmember Rufus Duncan moved to award the bid to Cox Contractors, Inc., for the Hurricane Creek WWTP Equalization Lagoon #1 east wall repair in the amount of $67,450. Councilmember R. L. Kuykendall seconded the motion. A unanimous affirmative vote was recorded.

11. **AWARD OF BID TO AUTOMATIC PUMP AND EQUIPMENT COMPANY - APPROVED - FOR THE PROCUREMENT OF STORM WATER PUMP NO. 2 FOR THE HURRICANE CREEK WASTEWATER TREATMENT PLANT IN THE AMOUNT OF $51,400**

Mayor Jack Gorden stated that the next item for consideration was the award of a bid to Automatic Pump and Equipment Company for the procurement of Storm Water Pump No. 2 for the Hurricane Creek Wastewater Treatment Plant in the amount of $51,400.

City Manager Paul Parker stated that the bids were for Storm Water Pump No. 2 for the Hurricane Creek Wastewater Treatment Plant. City Manager Parker added that the pump would replace a vertical turbine pump that was installed in 1985. City Manager Parker explained that the proposed pump would increase the capacity of the Storm Water Lift Station. City Manager Parker stated that this was a more specialized piece of equipment and that possibly led to there being only one (1) bid. City Manager Parker stated that the project was included in the 2007/2008 Budget and was originally budgeted in the amount of fifty-five thousand dollars ($55,000). City Manager Parker stated that the bid from Automatic Pump and Equipment Company was in the amount of fifty-one thousand four hundred dollars ($51,400) and that Staff recommended that Council approve the bid. Assistant City Manager Keith Wright stated that the City had already purchased one (1) of the same type of pumps. Assistant City Manager Wright added that the City previously had some vertical turbine pumps that were a continuous problem. Assistant City Manager Wright explained that Staff purchased one of these pumps to ensure that the pump would perform as was needed and the pump worked great and Staff loved it. Assistant City Manager Wright stated that Staff wanted another pump exactly like it and that was what led to the one (1) bid. Assistant City Manager Wright explained that Staff had originally received a bid that was rejected because it was higher in cost that the first pump. Assistant City Manager Wright added that Automatic Pump and Equipment Company rebid and the City received a better bid.

Councilmember Rose Faine Boyd moved to award the bid to Automatic Pump and Equipment Company for the procurement of Storm Water Pump No. 2 for the Hurricane Creek Wastewater Treatment Plant in the amount of $51,400. Councilmember Lynn Torres seconded the motion. A unanimous affirmative vote was recorded.

12. **AUTHORIZE A TEMPORARY INCREASE IN THE ADVANCE AUTHORIZATION BY THREE HUNDRED THOUSAND DOLLARS ($300,000) – APPROVED - FOR THE HAZARD MITIGATION GRANT**

Mayor Jack Gorden stated that the next item for consideration was to authorize a temporary increase in the advance authorization by three hundred thousand dollars ($300,000) for the Hazard Mitigation Grant.

City Manager Paul Parker stated that this was the second time that Staff had requested an advance from the grant. City Manager Parker added that the City was closing on property much quicker than was anticipated. City Manager Parker reminded Council that this was a program where citizens who had recurring flooding could sell their homes to the City. City Manager Parker stated that part of the dilemma was that the residents had to locate another place to live and be out before the City could purchase the property. City Manager Parker stated that was what actually guided the time table for the purchases. City Manager Parker added that this was a simple request to allow Staff to affront additional funds. City Manager Parker stated that the City had filed for reimbursement and that Assistant City Manager Keith Wright had checked on the progress of the reimbursement and that the City should have the funds within thirty (30) days. City Manager Parker explained that the City needed additional funds as there was another property that was ready to close as soon as the Council authorized the advance.

Assistant City Manager Keith Wright stated that he had a conversation with Gary Traylor, with Traylor and Associates, and that Mr. Traylor stated that there was some type of issue on the submittal but that the City should be reimbursed in thirty (30) days.

Mayor Jack Gorden asked how many properties were available to be purchased and how many property owners had accepted the offers of the City. City Manager Parker stated that the City would eventually purchase ten (10) or eleven (11) properties out of thirteen (13) properties in question.

Assistant City Manager Wright stated that the issue was the City was requesting the funds and that the difficult part was getting reimbursed for the force account issues. Assistant City Manager Wright explained that Staff told Traylor and Associates that those items would be submitted at a later time. Assistant City Manager Wright stated that the City just needed to be reimbursed for the purchase of the property so that the citizens could relocate.

Councilmember Don Langston moved to authorize a temporary increase in the advance authorization by three hundred thousand dollars ($300,000) for the Hazard Mitigation Grant. Councilmember R. L. Kuykendall seconded the motion. A unanimous affirmative vote was recorded.

13. ADOPT THE PROPOSED COVENANTS, CODES AND RESTRICTIONS – APPROVED - FOR THE LUFKIN INDUSTRIAL RAIL PARK

Mayor Jack Gorden stated that the next item for consideration was to adopt the proposed Covenants, Codes and Restrictions for the Lufkin Industrial Rail Park.

City Manager Paul Parker stated that a committee was previously formed to determine controls and restrictions for use of the new Industrial Park. City Manager Parker added that the committee included Jeff Chance, Zelesky Law Firm, Councilmember Don Langston, Building and Sites Committee Chairman David Perkins and Jim Wehmeier, Director of Economic Development. City Manager Parker stated that after several meetings and revisions the committee proposed the covenants, codes and restrictions to the 4B Board for their consideration. City Manager Parker added that the 4B Board reviewed the covenants, codes and restrictions and recommended that Council approve them. City Manager Parker stated that Staff would be happy to answer any questions that the Council had concerning the covenants, codes and restrictions and that the Staff and 4B Board recommended that Council adopt the proposed Covenants, Codes and Restrictions as presented.

Mayor Gorden thanked the committee for their services. Councilmember Don Langston stated that they had been thoroughly studied and commended Jeff Chance for his work on the project.

Councilmember Phil Medford moved to adopt the proposed Covenants, Codes and Restrictions for the Lufkin Industrial Rail Park. Councilmember Lynn Torres seconded the motion. A unanimous affirmative vote was recorded.

14. AUTHORIZE THE PURCHASE OF 9.034 ACRES OF LAND – APPROVED - ADJACENT TO THE LUFKIN INDUSTRIAL RAIL PARK

Mayor Jack Gorden stated that the next item for consideration was to authorize the purchase of 9.034 acres of land adjacent to the Lufkin Industrial Rail Park.

City Manager Paul Parker stated Staff had been working to acquire the 9.034 acres of land adjacent to the Lufkin Industrial Park ever since it had been purchased. City Manager Parker added that the land would provide additional access to the Industrial Park and more property for development. City Manager Parker stated that Staff recommended that Council approve the purchase of 9.034 acres in the amount of eighty-one thousand three hundred dollars ($81,300). City Manager Parker added that the purchase would be funded through the 4B Economic Development Department's annual budget.

Councilmember Rufus Duncan moved to authorize the purchase of 9.034 acres of land adjacent to the Lufkin Industrial Rail Park. Councilmember Rose Faine Boyd seconded the motion. A unanimous affirmative vote was recorded.

15. CITY MANAGER'S REPORT

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

City Manager Paul Parker stated that he would not go through the Financial Report in great detail because the City Council had a workshop on June 24, 2008 where the Council would have the opportunity to study the report in detail. City Manager Parker stated that the General Fund was in very good condition. City Manager Parker added that Sales Tax had been relatively flat for the past two (2) months but the City was still above budget in the Sales Tax for the year. City Manager Parker stated that the City was running slightly below in the Water/Wastewater Fund and that was due to the Con-Agra Plant being shut down. City Manager Parker added that a recent announcement by Economic Development Director Jim Wehmeier that the plant would be restarted soon and the City should see an increase in the revenues. City Manager Parker added that also Pilgrim's Pride had recently made improvements that had cut down on their wastewater discharge which would make a slight difference in the revenue projections. City Manager Parker stated that the remainder of the revenue was on target therefore he would not go into detail concerning that part of the report unless the Council had specific questions.

City Manager Parker stated that he would briefly go over some of the major projects in the Project's Report. City Manager Parker asked Assistant City Manager Keith Wright to assist in updating the Council on the Whitehouse Project and the Highway 59 Project. Assistant City Manager Wright stated that the Highway 59 Project that had been contracted to Zachary Construction was going well. Assistant City Manager Wright added that the Whitehouse Bridge was now open and that the two bridges beside it were presently being constructed. Assistant City Manager Wright stated that the Tulane Bridge was projected to be closed by late July or possibly August and that the City would spend one (1) Christmas season with that bridge closed. Assistant City Manager Wright stated that asphalt had been put down in both directions from the creek on the Whitehouse Extension Project. Assistant City Manager Wright added that most of the curb had been installed and that Staff would be putting down base material soon. Assistant City Manager Wright stated that Staff was working on the bridge at Hurricane Creek and had one (1) of the abutments poured and were working on the second abutment that week. Assistant City Manager Wright stated that all of the box culverts were completed and Staff was projecting that the project would be completed before Thanksgiving. City Manager Parker stated that the City had opened the portion down to Daniel McCall. Assistant City Manager Wright commented that there was some training issues for the drivers. City Manager Parker stated that before the construction had started many of the patrons would leave by the exit near the hotel and could turn left. City Manager Parker explained that the exit was now right turn only. City Manager Parker stated that when the bridge was completed, and there were four (4) lanes of traffic and a traffic light at Daniel McCall, a left turn would be prohibited because people would be concentrating on the light, and not expecting turning movements which could cause a dangerous situation. City Manager Parker reminded the Council that Arcadis had recently done a traffic study for the area. City Manager Parker added that everyone were creatures of habit and people had always turned there. City Manager Parker explained that even though there was signage, people were disregarding it and turning left. City Manager Parker stated that the project was coming along nicely and that Staff was pleased at how quickly the project was being completed considering the original contract. Assistant City Manager Wright added that the project also looked great from a financial standpoint.

Assistant City Manager Wright stated that the Lotus Lane Project was another story altogether. Assistant City Manager Wright explained that the City was about to have all of the asphalt down and were milling the last section. Assistant City Manager Wright added that there should be asphalt all of the way down Lotus Lane by the end of the next week. Assistant City Manager Wright stated that the City was working on the curb and gutter and were not far from completion but had run into some issues with the sub grade. Assistant City Manager Wright added that the City had to spend some extra money for those repairs in order to have a good foundation to build the road on. Assistant City Manager Wright stated that the Lotus Lane Project should be complete very soon.

Mayor Gorden stated that it was great news about the Whitehouse extension.

Councilmember Don Langston stated that the contractor on the Highway 59 Project was doing a great job. Councilmember Langston added that the contractor's speed, prosecution of work, working multiple locations, and the barricading and the flow of traffic was all to be commended. City Manager Parker added that the contractor was working nights to complete much of the bridge work so as not to burden the traffic any more than was necessary. City Manager Parker agreed that it was the best that the City could have hoped for. Assistant City Manager Wright added that the contractor for the Whitehouse Project had also done a great job and was working well with Zachary Construction and the City and that Staff was pleased with both contractors.

City Manager Parker stated that another project that he wanted to highlight was the Crown Colony Waterline Replacement Projects. Assistant City Manager Wright stated that there were only two (2) pieces of pipe to lay on Augusta and Wilma. Assistant City Manager Wright added that there was a section on Champions that still needed to be tied in and tested and that the City should conclude the project in the next month or two (2) and be out of Crown Colony.

16. Mayor Jack Gorden recessed the Regular Session at 5:40 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.

17. AUTHORIZE AN INCENTIVE PACKAGE – APPROVED - FOR PROJECT STRETCH

Mayor Jack Gorden stated that the next item for consideration was to authorize an incentive package for Project Stretch.

City Manager Paul Parker stated that the incentive package for Project Stretch was discussed during Executive Session and that Staff was requesting that the Council authorize the incentive as indicated during the Executive Session.

Councilmember Rose Faine Boyd moved to authorize an incentive package for Project Stretch. Councilmember Phil Medford seconded the motion. A unanimous affirmative vote was recorded.

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

Mayor Gorden stated that the next item for consideration was the Calendar Notations and that all of the Council had their calendars to review. Mayor Gorden reminded the Council that Tuesday, June 24, 2008 would be the Annual Budget Workshop at Kurth Memorial Library with breakfast beginning at 8:00 a.m. and the workshop starting at 8:30 a.m. Mayor Gorden also reminded the Council that Thursday, June 19, 2008, was the Industry Appreciation Dinner being held at the Red Barn. Mayor Gorden reminded the Council Members that served on the Firemen's Pension Board that there would be a meeting on Friday, June 20, 2008, at 9:00 a.m. at City Hall. Mayor Gorden stated that the Green Infrastructure Meeting would be held Wednesday, June 25, 2008, at Crown Colony at 8:30 a.m. Mayor Gorden concluded with the DETCOG Board Meeting that would be held on Thursday, June 26, 2008, in Nacogdoches. Mayor Gorden then announced that Paul Parker was the incoming President of the Texas City Manager's Association and would take over his duties on Sunday, June 29, 2008.

19. There being no further business for consideration, the meeting adjourned at 7:26 p.m.

Jack Gorden

Jack Gorden, Mayor

Renee Thompson

Renee Thompson – City Secretary