MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF LUFKIN, TEXAS HELD ON THE 5th DAY OF NOVEMBER, 2007.

On the 5th day of November, 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
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
Renee Thompson	City Secretary
David Koonce	Human Resource Director
Larry Brazil	Police Chief
Scott Marcotte	Assistant Police Chief
Pete Prewitt	Fire Chief
Doug Wood	Finance Director
Steve Floyd	Solid Waste & Recycling Director
Steve Poskey	Street Department, Superintendent
Lynn Winthrop	Recycling Coordinator
Don Hannabas	Parks & Leisure Services Director
Barbara Thompson	Main Street Director
Jim Wehmeier	Economic Development Director
Sue Randleman	Kurth Memorial Library Director
Gorden Henley	Zoo Director
Dale Allred	Inspection Services Director
Wes Suiter	Angelina County Judge
Brian McClain	Angelina College SBDC
Jeff Canterbury	TAC Americas, Inc.
Karen Robinson	Blue Cross Blue Shield
Mike Davis	Blue Cross Blue Shield
Richard Joseph	Parks & Recreation Advisory Board
Cathy Todd	Parks & Recreation Advisory Board
Tony Moline	Angelina Beautiful Clean

being present, and

Lynn Torres	Councilmember, Ward No. 3
Bob Flournoy	City Attorney

being absent, when the following business was transacted:

1. The meeting was opened with prayer by Reverend Roy Stephens, Jr., Herty Baptist Church.

2. Mayor Jack Gorden welcomed visitors present and recognized LHS students who were present satisfying their government class requirement as well as Duane Hedberg and students from Pineywoods Academy. Mayor Gorden also introduced Sue Randleman, the new Director of the Kurth Memorial Library.

3. **APPROVAL OF MINUTES**

Minutes of the Regular Meeting of October 16, 2007 were approved on a motion by Councilmember R. L. Kuykendall, and seconded by Councilmember Phil Medford. A unanimous affirmative vote was recorded.

OLD BUSINESS:

4. **SECOND READING OF AN ORDINANCE OF THE CITY OF LUFKIN, TEXAS PROHIBITING THE PROLIFERATION OF LITTER, - APPROVED - DEFINED HEREIN AS ALL WASTE MATERIAL WHICH, IF THROWN OR DEPOSITED AS HEREIN PROHIBITED, TENDS TO CREATE A DANGER TO PUBLIC HEALTH, SAFETY, WELFARE, AND DECORUM; PROVIDING FOR A PENALTY; PROVIDING FOR SEVERABILITY; REPEALING ALL INCONSISTENT ORDINANCES; AND PROVIDING FOR AN EFFECTIVE DATE.**

Mayor Jack Gorden stated that the next item for consideration was the Second Reading of an Ordinance of the City of Lufkin, Texas prohibiting the proliferation of litter, defined herein as all waste material which, if thrown or deposited as herein prohibited, tends to create a danger to public health, safety, welfare, and decorum; providing for a penalty; providing for severability; repealing all inconsistent Ordinances; and providing for an effective date.

City Manager Paul Parker stated that this was the Second Reading of the item and that the item had been discussed in detail at previous meetings. City Manager Parker stated that the Ordinance was designed to add more strength and enforcement ability to the Litter Abatement Ordinance in order to keep Lufkin a pleasant and beautiful City.

Mayor Gorden thanked Assistant City Manager Keith Wright for his work on the Ordinance and then entertained comments and / or motions from Council.

Councilmember Don Langston moved to approve the Second Reading of the Ordinance of the City of Lufkin, Texas prohibiting the proliferation of litter, defined herein as all waste material which, if thrown or deposited as herein prohibited, tends to create a danger to public health, safety, welfare, and decorum; providing for a penalty; providing for severability; repealing all inconsistent Ordinances; and providing for an effective date. Councilmember Rose Faine Boyd seconded the motion. A unanimous affirmative vote was recorded.

5. **SECOND READING OF AN ORDINANCE AMENDING CHAPTER 50.25 OF THE CODE OF ORDINANCES OF THE CITY OF LUFKIN – APPROVED – MAKING A CHANGE IN GARBAGE SERVICE RATES AND PROVIDING AN EFFECTIVE DATE.**

Mayor Jack Gorden stated that the next item for consideration was the Second Reading of an Ordinance amending Chapter 50.25 of the Code of Ordinances of the City of Lufkin; making a change in garbage service rates and providing an effective date.

City Manager Parker stated that this was the Second Reading of the Ordinance and that the program was designed to purchase all existing dumpsters and lease them back to the owners which would assist in accomplishing the goal of removing all unsightly dumpsters and allow customers to better meet their dumpster needs, as well as move the liability and maintenance of the dumpsters to the City. City Manager Parker stated that the program would provide better service to commercial dumpster users and improve the aesthetics of the City as well.

Mayor Gorden then entertained a motion on the item.

Councilmember Rose Faine Boyd moved to approve the Second Reading of the Ordinance amending Chapter 50.25 of the Code of Ordinances of the City of Lufkin; making a change in garbage service rates and providing an effective date. Councilmember Don Langston seconded the motion. A unanimous affirmative vote was recorded.

TABLED BUSINESS:

6. **LOCOMOTIVE #110, TO REMAIN AT THE ELLEN TROUT ZOO, - APPROVED – ADMINISTRATIVE AND EDUCATION BUILDING BE REORIENTED AND A PROTECTIVE COVER BE CONSTRUCTED OVER LOCOMOTIVE.**

Mayor Jack Gorden stated that the next item for consideration was the donation of Locomotive #110, currently displayed at the Ellen Trout Zoo, to the Galveston Railroad Museum or other entity.

City Manager Paul Parker stated that after two (2) previous Council meetings, it became obvious to Staff that both the Mayor and City Council desired to keep Locomotive No. 110 in Lufkin, if at all possible. City Manager Parker stated that Staff had been working with the Building Committee, which included Council Members Lynn Torres, Don Langston and Mayor Gorden, in order to move and reorient the new building so that the engine would neither affect construction nor obstruct the view from the proposed building. City Manager Parker furthered that a wall structure would be constructed to enhance the view from the building and that local donation avenues were being proposed for the renovations of the Locomotive, as well as to construct a protective cover over the engine. City Manager Parker stated that Staff recommended these measures instead of the donation of the Locomotive to the Galveston Railroad Museum or other entity.

Mayor Gorden commended Council Members Langston and Torres for their efforts with the issue and stated that it was a good idea to keep the engine in Lufkin at the present location. Mayor Gorden then entertained a motion on the item.

Councilmember Phil Medford moved to approve that Locomotive No. 110 remain at its present location at Ellen Trout Zoo; the Administrative and Educational Building be reoriented to minimize the view of the Locomotive; a wall structure be designed as a backdrop for an animal exhibit which would further the enhance the aesthetic view from the Building; and that the Locomotive be renovated and a protective cover be constructed to protect it. Councilmember R.L. Kuykendall seconded the motion. A unanimous affirmative vote was recorded.

NEW BUSINESS:

7. **RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2007/2008 OPERATING BUDGET (BUDGET AMENDMENT NO. 8) - APPROVED - PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE SOLID WASTE/RECYCLING FUND; AND PROVIDING AN EFFECTIVE DATE.**

Mayor Jack Gorden stated that the next item on the agenda was consideration of a Resolution authorizing an amendment to the 2007/2008 Operating Budget (Budget Amendment No. 8) providing for the supplemental appropriation of funds in the Solid Waste/Recycling Fund; and providing an effective date.

City Manager Paul Parker stated this was the Budget Amendment to fund the Commercial Dumpster Program approved earlier in the meeting. City Manager Parker continued that the City anticipated the cost of purchasing all existing dumpsters at two hundred fifty thousand dollars ($250,000) and additional eighty-eight thousand dollars ($88,000) to replace deteriorated dumpsters and that Staff recommended approval.

Councilmember Don Langston moved to approve a Resolution authorizing an amendment to the 2007/2008 Operating Budget (Budget Amendment No. 8) providing for the supplemental appropriation of funds in the Solid Waste/Recycling Fund; and providing an effective date. Councilmember Rose Faine Boyd seconded the motion. A unanimous vote was recorded.

8. **ANGELINA COLLEGE SMALL BUSINESS DEVELOPMENT COUNCIL REPORT PRESENTED BY BRIAN MCCLAIN.**

Mayor Jack Gorden stated that the next item on the agenda was the presentation of a report from the Angelina College Small Business Development Council by Mr. Brian McClain.

Mayor Gorden stated that this was an annual report given by Mr. McClain and welcomed Mr. McClain to the meeting.

Mr. McClain stated that he had prepared a PowerPoint presentation to present to Council. Mr. McClain stated that one item that the Small Business Development Council (SBDC) had to address this year was the lack of new clients and that due to this the SBDC had to rethink procedures. Mr. McClain stated that since the year 2000, the focus had been on economic development, but there had been a decline in new clients from 2002 to 2006. Mr. McClain continued that the problem had begun to be solved in year 2007 by reevaluating what type of clients the SBDC was helping. Mr. McClain stated that the message of the SBDC was not reaching the clients and polled past clients to determine what products were most helpful to them. Mr. McClain stated the solution to the problem was marketing driven. Mr. McClain highlighted changes in the marketing plan that solved the problem of delivering the message to the correct type of client. Mr. McClain then showed Council the television commercial created to assist in marketing the SBDC's message that was shown on major networks such as CNN and FOX News. Mr. McClain furthered that there was also newspaper and print advertising that followed the television promotion and that the SBDC was continuing both of these avenues. Mr. McClain stated that these measures greatly increased clients. Mr. McClain continued that in 2007 the SBDC achieved $9.5 million dollars in capital, helped to create sixteen (16) new business starts, create one hundred eighty-two (182) jobs and retain one hundred thirty-seven (137) existing jobs. Mr. McClain then recognized some of the clients helped in 2007 including Mr. Don Partin who opened a Fuddrucker's Restaurant in Nacogdoches, Mr. Mark Airington who opened an Ice Express location in Lufkin, and Mr. Willie White who opened a business park in Livingston. Mr. McClain concluded his presentation by asking for comments or questions from the Council.

Councilmember Don Langston stated that the SBDC was doing a great job. Mayor Gorden expressed his appreciation for the SBDC and to Mr. McClain for his presentation.

9. APPROVAL OF A RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2007/2008 OPERATING BUDGET (BUDGET AMENDMENT NO. 4) – APPROVED - PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE GENERAL, HOTEL/MOTEL TAX, ECONOMIC DEVELOPMENT, WATER/SEWER, AND EQUIPMENT REPLACEMENT AND AMORTIZATION FUNDS; AND PROVIDING AN EFFECTIVE DATE.

Mayor Jack Gorden stated that the next item for consideration was approval of a Resolution authorizing an amendment to the 2007/2008 Operating Budget (Budget Amendment No. 4) providing for the supplemental appropriation of funds in the General, Hotel/Motel Tax, Economic Development, Water/Sewer, and Equipment Replacement and Amortization Funds; and providing an effective date.

City Manager Paul Parker highlighted the items to be carried over into the current budget, including projects in the Street Department, grant projects from the Police Department and other miscellaneous requests from different departments. City Manager Parker stated he would answer any questions that Council might have in regard to this budget amendment.

Councilmember Don Langston moved to approve a Resolution authorizing an amendment to the 2007/2008 Operating Budget (Budget Amendment No. 4) providing for the supplemental appropriation of funds in the General, Hotel/Motel Tax, Economic Development, Water/Sewer, and Equipment Replacement and Amortization Funds; and providing an effective date. Councilmember R.L. Kuykendall seconded the motion. A unanimous vote was recorded.

10. APPROVAL OF AN ENERGY AUDIT CONTRACT FROM TAC AMERICAS, INC. AND A RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2007/2008 OPERATING BUDGET (BUDGET AMENDMENT NO. 7), - APPROVED - PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE GENERAL AND SOLID WASTE/RECYCLING FUNDS; AND PROVIDING AN EFFECTIVE DATE.

Mayor Jack Gorden stated that the next item for consideration was approval of an energy audit contract from TAC Americas, Inc. and a Resolution authorizing an amendment to the 2007/2008 Operating Budget (Budget Amendment No. 7), providing for the supplemental appropriation of funds in the General and Solid Waste/Recycling Funds; and providing an effective date.

Mayor Gorden recognized Mr. Jeff Canterbury with TAC Americas, Inc. and asked for comments from City Manager Parker.

City Manager Parker stated that as Council recalled, in March 2007, the City Council approved the implementation of a detailed energy audit with TAC Americas, Inc. TAC Americas, Inc. recently completed the detailed audit and met with the Building Committee to explain their findings. City Manager Parker stated that the total cost of all recommendations was eight hundred twenty-three thousand seven hundred thirty-one dollars ($823,731), but that the savings achieved in a seven (7) year period would more than pay for the initial investment. City Manager Parker stated that instead of financing the cost of the measures through outside sources, the City would internally finance the cost through the Solid Waste Fund and save additional funds by doing so. City Manager Parker continued that the City had been experiencing problems in cooling the IT room where the computer systems were located and that an additional forty-eight thousand seven hundred seventy-eight dollars ($48,778) was being requested to install additional air conditioning units to alleviate the problem. City Manager Parker then turned the meeting over to Mr. Jeff Canterbury.

Mr. Canterbury stated that TAC had been working with the City for over four (4) years, and as Mr. Parker had stated, TAC had recently completed a detailed energy audit for the City. Mr. Canterbury stated that a project had been created that would reduce utility bills and create energy savings for the City. Mr. Canterbury highlighted the scope of work of the project including lighting improvements and mechanical system improvements in a number of City facilities, including City Hall. Mr. Canterbury also stated that an energy management system would be installed to control the systems and usage. Mr. Canterbury furthered that the City currently spends approximately four hundred thirty-one thousand twenty-one dollars ($431,021) per year on utilities and with the implementation of these items could save an anticipated one hundred seventeen thousand eight hundred six dollars ($117,806) per year, allowing for the program to pay for itself within eight (8) years. Mr. Canterbury also stated that the plan would provide for savings to be continued over an extended period of time. Mr. Canterbury also ensured that should the savings not materialize, TAC Americas, Inc. would pay the City for the shortfall; therefore the project would be risk free. Mr. Canterbury then explained how TAC Americas, Inc. ensured that the savings would be continued by detailing the Performance Assurance Support Services (PASS) which would provide training, assistance, ongoing site and support visits and briefings to ensure the guaranteed savings. Mr. Canterbury then reiterated the benefits of the program including saving the City of Lufkin over one hundred thousand dollars ($100,000) in energy costs, allowing the City to spend money on building improvements versus utility bills, reduction in the maintenance budget, providing consistent comfort in City buildings, as well as make an environmental impact toward "going green". Mr. Canterbury then concluded his presentation by offering to answer any questions.

Councilmember Rose Faine Boyd questioned Mr. Canterbury as to what other cities had used TAC Americas, Inc. to complete a similar project. Mr. Canterbury responded that projects had been completed in the Cities of Dallas, Austin, Carrollton, Texarkana, and Elgin. Council member Don Langston expressed concerns about the payback time of seven (7) or eight (8) years and that he thought the program was "new science" and could not give one hundred percent (100%) certainty that the program was worth the cost. Councilmember Langston also questioned the improvements requested for the IT department. Mr. Steve Hudson, with TAC Americas, Inc. addressed the question by detailing the plan to efficiently cool the IT department with minimal cost by using the existing cooling system of the Police Department and the installation of two (2) new fan coil units. Councilmember Langston questioned the size of the area that was to be cooled. Mr. Hudson replied that it was a relatively small space but runs about one hundred ten (110) watts per foot. Mayor Gorden questioned whether the chilled water system from the Police Department would run all the time. Mr. Hudson answered that it would, but the system would run continuously regardless, due to the Police Department being occupied twenty-four (24) hours per day. Council member Langston stated that the cost estimated was about the same as to purchase a twenty-four (24) ton air conditioning unit and his concern was the expense of a large sum of money on a small space. Mr. Hudson replied that the piping costs for the project would be quite large. Mayor Gorden questioned whether at one time the City Hall chillers were being turned off after hours. City Manager Parker answered that at one time the chillers were turned off, but now had to run continuously due to the fact that the individual air conditioning units in the IT department could not adequately cool the area resulting in computer problems. Councilmember R.L. Kuykendall asked whether projects in other cities had been completed. Mr. Canterbury stated that some projects had been completed and others were in construction stages. Councilmember Kuykendall questioned if the cities with completed projects were satisfied with the results. Mr. Canterbury stated that the City of Carrollton had just received their first savings report and actual savings were more than estimated and the City of Carrolton was very pleased with the project. Mayor Gorden asked if a tracking system was

available that would show savings. Mr. Canterbury responded that an online service would be available and the information could be accessed at any time. Mayor Gorden asked whether utility rate increases were included in the study. Mr. Canterbury stated that rate increases would actually mean more savings for the City, but that all studies were conducted at current utility rates. Mayor Gorden then questioned whether the idea of doing away with the chilled water system had been investigated. Councilmember Langston stated that the problem was not with the chilled water system, but with the controls. Mr. Hudson stated that the project intended to enhance controls and usage of the system to benefit the City. Assistant City Manager Keith Wright stated that to ensure the long term maintenance of the system, building maintenance had been placed under City Engineer Chuck Walker, who would be overseeing the system and that electrical staff would be trained in the system as well. Councilmember Rufus Duncan stated that twenty-three thousand dollars ($23,000) had been paid for the audit, and numerous recommendations had been received and asked why the project was not bid out and were there any competitors in the business. Mr. Canterbury stated that yes there were competitors, but under Local Government Code 302, which covered performance contracting, the City requested "requests for qualifications" or RFQ's from interested parties, and that another company, Siemens had submitted for the audit and the construction of the project. Assistant City Manager Wright stated the process was similar to the design build concept. Councilmember Duncan stated that he still was not comfortable with the process and the construction not being bid out. Discussion ensued among Council members in regard to the bid and selection process. Council member Rufus Duncan stated he was not comfortable with the bid and selection process. Mr. Canterbury stated that parts of the project were bid out competitively.
Councilmember Langston stated that he would like to see more details on the IT department chiller system, due to the cost being so high. Assistant City Manager Wright stated that the IT department cooling project could wait and not be included at this time if Council so chose and more information could be provided before approving. City Manager Parker stated that should the City decide to bid this construction, the City would be responsible for paying the cost of the audit in the amount of twenty-eight thousand five hundred dollars ($28,500) to TAC as well as design costs that would be incurred. Mr. Canterbury stated that usual projects required a fifteen (15) year payback period, but the City of Lufkin project was one of the best he had seen in his career with TAC and that he was very excited about the project. Mr. Canterbury furthered that the project was not only about the initial construction aspect but about sustainable savings achieved through the years. Councilmember Langston questioned whether TAC would provide monitoring services to determine the amount of savings and how often would the City receive reports. Mr. Canterbury answered that monthly reporting and annual reconciliation would be done over the entire length of the contract and once the contract expired, the City could renew the contract for monitoring at a cost of seven thousand five-hundred dollars ($7,500) per year. Assistant City Manager Wright stated that the hope was the City would not have to continue to use the monitoring service (PASS) after the first year. Mr. Canterbury stated that the City had the option to renew if it so wished. Mayor Gorden stated that he felt the City needed to move forward with this project. Council member Langston stated that energy savings was definitely something the City needed to focus on; however, from a business standpoint he did not agree with the process and without sufficient information as to the costs associated with the project, he was still uncomfortable with the project. Assistant City Manager Wright stated that previously Council had instructed Staff to research energy use by the City and Staff found that other cities utilized these programs and that the programs were a good way to realize energy savings. Assistant City Manager Wright also stated that he understood the concerns of Council in regard to the program. Councilmember Phil Medford said that there was definitely a need for energy savings in the City and "going green" and also that TAC Americas, Inc. came highly recommended, but he also understood the concerns of Councilmember Duncan in regard to not being aware of what exactly the City was paying for.

Councilmember Phil Medford moved to approve the award of an energy audit contract from TAC Americas, Inc. and a Resolution authorizing an amendment to the 2007/2008 Operating Budget (Budget Amendment No. 7), providing for the supplemental appropriation of funds in the General and Solid Waste/Recycling Funds; and providing an effective date without funding the additional funds for the improvements to the IT server room in the amount of forty-eight thousand seven hundred seventy-eight dollars ($48,778). Councilmember Rose Faine Boyd seconded the motion. The following vote was recorded:

Aye: Mayor Jack Gorden, Council Members R.L. Kuykendall, Phil Medford, and Rose Faine Boyd

Nay: Council Members Don Langston and Rufus Duncan

The motion carried with four (4) affirmative votes.

11. ACCEPTANCE OF THE EMERGENCY MEDICAL SERVICES CONTRACT WITH ANGELINA COUNTY – APPROVED.

Mayor Jack Gorden stated that the next item for consideration was approval of the Emergency Medical Services Contract with Angelina County and that County Judge Wes Suiter was attendance.

City Manager Parker stated that in 1993, the City and Angelina County entered into an agreement for the City to provide emergency services to Angelina County with non-emergency transport services being handled by other ambulance services. City Manager Parker stated this was a good service to the residents of the City. City Manager Parker stated that in the initial contract, which expired in 1999, an increase was provided for based on the Consumer Price Index, but that the City had never billed the County for the increase. City Manager Parker stated that should the City have billed the increase, it would have been in the amount of two hundred forty-five thousand two hundred eighty-eight dollars and fifty cents ($245,288.50). City Manager Parker furthered that earlier in the year, he and Judge Wes Suiter had discussed the contract and the increase and determined that the City and County continue the relationship and that the recommendation from he and Judge Suiter was to continue the contract with an increase for year 2008 to two hundred thousand dollars ($200,000) and in year 2009 to two hundred twenty-five thousand dollars ($225,000) and then increase each year following based on seventy five percent (75%) of the Consumer Price Index at Houston, Texas. City Manager Parker stated that this contract increase mirrored the contract the City has with the County in regard to the Landfill. Judge Wes Suiter stated that he did not know why the increase had not been addressed, but that the County was pleased with the contract. Councilmember Rose Faine Boyd questioned whether a new contract had been developed. City Manager Parker stated that the new contract would be in place with both Council and County Commissioner Court approval. Councilmember Langston expressed his appreciation to Judge Suiter for his work on the issue.

Councilmember Rufus Duncan moved to approve the acceptance of the Emergency Medical Services Contract with Angelina County. Councilmember R.L. Kuykendall seconded the motion. A unanimous vote was recorded.

12. PUBLIC HEARING AND APPROVAL OF A RESOLUTION RELATING TO APPROVAL OF TAXATION OF GOODS-IN-TRANSIT – APPROVED - THAT ARE OTHERWISE EXEMPTED FROM TAXATION BY PROPERTY TAX CODE SECTION 11.253.

Mayor Jack Gorden stated that the next item for consideration was to conduct a Public Hearing and consider approval of a Resolution relating to approval of taxation of goods-in-transit that are otherwise exempted from taxation by Property Tax Code Section 11.253.

City Manager Parker stated that the State Legislature passed House Bill 621 which stated that all cities will be subject to exempting all goods-in-transit unless the City passed a Resolution to continue taxing goods-in-transit as presently done. City Manager Parker directed Councils attention to the letter included in their packet from Angelina County Chief Appraiser Keith Kraemer that stated that the value impact of this could not be determined due to having no information on past values. City Manager Parker stated that most cities contacted in regard to this were going to pass a resolution to continue taxing goods-in-transit and that Angelina County had adopted the resolution last week. City Manager Parker clarified that the Ordinance was not creating new taxes, but would continue the present tax. Mayor Gorden asked how the City would reverse this decision. City Manager Parker replied that the City could pass a resolution to exempt taxing goods-in-transit. Mayor Gorden stated that the only argument for not passing this Resolution would be attracting new warehouse facilities.

Mayor Gorden opened the Public Hearing at 6:20 p.m. and asked those wishing to speak on the item to please step forward.

There being no one wishing to speak on the item, Mayor Gorden closed the Public Hearing at 6:21 p.m. and requested comments or motions from the Council.

Councilmember Phil Medford asked if anyone knew the detailed information that led to passage of House Bill 621. No one had any information.

Councilmember Don Langston moved to approve a Resolution relating to the approval of taxation of goods-in-transit that are otherwise exempted from taxation by Property Tax Code Section 11.253. Councilmember Rufus Duncan seconded the motion. A unanimous affirmative vote was recorded.

13. **<u>MODIFICATIONS TO THE CITY OF LUFKIN EMPLOYEES HEALTH INSURANCE – APPROVED.</u>**

Mayor Jack Gorden stated that the next item for consideration was modifications to the City of Lufkin Employees Health Insurance.

City Manager Paul Parker stated that health costs and premiums for health insurance continued to increase and the total expected cost for the employee health insurance for the upcoming year was estimated to be three million two hundred thousand seven dollars ($3,207,000). City Manager Parker furthered that last year Council increased the amount contributed per employee and retiree by approximately two hundred thousand dollars ($200,000) and in order to fund the health insurance plan in the upcoming year, the City would need an additional amount of approximately two hundred thousand dollars ($200,000). City Manager Parker stated that the recommendation of the Health Insurance Committee was for the City to go to a tiered health insurance plan with two (2) tiers. City Manager Parker then detailed the high and low plan and explained that the low plan would be offered at the same cost as the employee was currently paying, but with a reduction of some benefits and the high plan would cost the employee more, but the current benefits would stay in place with one exception in regard to specialty or injectable drugs. City Manager Parker then gave a detailed explanation of the plans and pricing including information on co-pays and prescription coverage. City Manager Parker then explained the price increases for the employees and retirees for both plans. City Manager Parker stated that the increase was just the beginning of changes in the health insurance plans due to rising costs and premiums and that health insurance benefits and costs would have to be looked at in the coming years and that Staff recommended approval of this two (2) tiered plan. Mayor Gorden stated the employees were the "City of Lufkin", but unfortunately increases were unavoidable and hoped that these changes still offered our employees a good benefits plan and asked that Karen Robinson of Blue Cross Blue Shield address the benefits of the City's health insurance plan. Ms. Robinson stated that the City did indeed have a lucrative health insurance plan for employees, but the plan was cost conservative as well. Ms. Robinson furthered that unfortunately the City had incurred heavy usage of the plan and significant claims in the past year that led to the increase to employees.

Mayor Gorden then requested comments from Council. Councilmember Don Langston stated that this had been a difficult decision due to everyone experiencing problems with rising costs from health insurance, but that the proposed plan was extremely competitive with other industries insurance plans. Ms. Robinson stated that a fully funded plan had been proposed as well as a self funded plan, and the fully funded plan was significantly higher than the self funded plan and that hopefully claims would reduce and result in savings for the City. City Manager Parker stated that no matter what plan the employees chose, the savings would be the same for the City and the Committee preferred to give the employees a choice in which plan they wished to participate in. City Manager Parker stated that rates had not been raised since 1984 and that Staff recommended approval of the modifications. Mayor Gorden expressed his appreciation to Mr. Mike Davis and Ms. Karen Robinson of Blue Cross Blue Shield for their attendance and to the Health Insurance Committee for their work on the plan.

Councilmember Rose Faine Boyd moved to approve the modifications to the City of Lufkin Employees Health Insurance. Councilmember Rufus Duncan seconded the motion. A unanimous vote was recorded.

14. **<u>CLOSURE OF THE ALLEY AT FRANK AND BYNUM AND SALE OF SAID PROPERTY – APPROVED – TO MALLETT COMMERCIAL DEVELOPMENT / WALGREENS.</u>**

Mayor Jack Gorden stated that the next item on the agenda was to consider closure of the alley at Frank and Bynum and the sale of the property at said location to Mallett Commercial Development/Walgreens.

City Manager Paul Parker stated the property was recently rezoned and the property was to be a utilized for construction of a proposed Walgreens and the property was divided by an alley. City Manager Parker stated that the alley had been appraised by William J. Lyons at an amount of thirty-two thousand nine hundred dollars ($32,900) and that the developer would be responsible for the relocation of the utilities located in the alley. City Manager Parker stated that Staff recommended the closure of the alley and the sale of the property to the developer.

Councilmember Don Langston moved to approve the closure of the alley at Frank and Bynum and approve the sale of said property to Mallett Commercial Development/Walgreens. Councilmember R.L. Kuykendall seconded the motion. A unanimous vote was recorded.

15. **<u>APPROVAL OF A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LUFKIN, TEXAS APPROVING THE APPLICATION OF THE HOUSING FINANCE CORPORATIONS ACT TO PROPERTY WITHIN THE CITY; - APPROVED - AUTHORIZING AND APPROVING OTHER MATTERS RELATING TO BONDS TO BE ISSUED BY THE EAST TEXAS HOUSING FINANCE CORPORATION; AND REPEALING PRIOR RESOLUTIONS OR ORDERS IN CONFLICT HEREWITH.</u>**

Mayor Jack Gorden stated that the next item for consideration was the approval of a Resolution of the City Council of the City of Lufkin, Texas approving the application of the Housing Finance Corporations Act to property within the City; authorizing and approving other matters relating to bonds to be issued by the East Texas Housing Finance Corporation; and repealing prior Resolutions or Orders in conflict herewith.

Mayor Gorden stated that as in the past, this program would allow residents to apply for low interest loans and down payment assistance and asked for comments and / or motions from Council.

Councilmember Rose Faine Boyd moved to approve a Resolution of the City Council of the City of Lufkin, Texas approving the application of the Housing Finance Corporations Act to property within the City; authorizing and approving other matters relating to bonds to be issued by the East Texas Housing Finance Corporation; and repealing prior Resolutions or Orders in conflict herewith. Councilmember Rufus Duncan seconded the motion. A unanimous vote was recorded.

16. **<u>ACCEPTANCE OF ASBESTOS WATERLINE REPLACEMENT PROJECT NO. 15 COMPLETION – APPROVED.</u>**

Mayor Jack Gorden stated that the next item for consideration was the acceptance of the Asbestos Waterline Replacement Project 15 completion.

City Manager Parker stated that this was the final acceptance of Project No. 15 which included replacement of water lines along FM 2108, Airport Road, and Old Diboll Highway, and the formal acceptance was required by the Texas Water Development Board and that Staff recommended approval of the item.

Councilmember Don Langston moved to approve the acceptance of Asbestos Waterline Replacement Project 15 completion. Councilmember Phil Medford seconded the motion. A unanimous vote was recorded.

17. **ACCEPTANCE OF A GRANT IN THE AMOUNT OF $9,500 FROM THE INTERNET CRIMES AGAINST CHILDREN TASK FORCE PROGRAM – APPROVED - TO PURCHASE FORENSIC HARDWARE, SOFTWARE AND TRAINING TO ASSIST IN CONDUCTING FORENSIC ANALYSIS OF SEIZED COMPUTER HARDWARE AND DIGITAL MEDIA AND A RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2007/2008 OPERATING BUDGET (BUDGET AMENDMENT NO. 5), - 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 acceptance of a grant in the amount of nine thousand five hundred dollars ($9,500) from the Internet Crimes Against Children Task Force Program to purchase forensic hardware, software and training to assist in conducting forensic analysis of seized computer hardware and digital media and a Resolution authorizing an amendment to the 2007/2008 Operating Budget (Budget Amendment No. 5), providing for the supplemental appropriation of funds in the General Fund; and providing an effective date.

City Manager Parker stated this Grant was for the Police Department to purchase needed equipment to aid in investigations of crimes against children. Mayor Gorden expressed his appreciation to those who assisted with obtaining this grant. City Manager Parker stated that these investigations were tough to complete and this grant would help the department with those investigations.

Councilmember Rose Faine Boyd moved to approve the acceptance of a grant in the amount of nine thousand five hundred dollars ($9,500) from the Internet Crimes Against Children Task Force Program to purchase forensic hardware, software and training to assist in conducting forensic analysis of seized computer hardware and digital media and a Resolution authorizing an amendment to the 2007/2008 Operating Budget (Budget Amendment No. 5), providing for the supplemental appropriation of funds in the General Fund; and providing an effective date. Councilmember R. L. Kuykendall seconded the motion. A unanimous vote was recorded.

18. **APPROVAL OF A RESOLUTION ALLOWING CITY MANAGER PAUL PARKER TO CONVEY THE EASEMENT AT THE APPRAISED VALUE TO TXDOT – APPROVED – AND A RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2007/2008 OPERATING BUDGET (BUDGET AMENDMENT NO. 6), - APPROVED - PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE WATER/WASTEWATER RENEWAL AND REPLACEMENT FUND; AND PROVIDING AN EFFECTIVE DATE.**

Mayor Jack Gorden stated that the next item on the agenda was to consider a Resolution allowing City Manager Paul Parker to convey the easement at the appraised value to TX DOT and a Resolution authorizing an amendment to the 2007/2008 Operating Budget (Budget Amendment No. 6), providing for the supplemental appropriation of funds in the Water/Wastewater Renewal and Replacement Fund; and providing an effective date.

City Manager Parker stated that this was the conveyance of the easement that the City currently owned between Applebee's Restaurant and Regions Bank on South Medford Drive and that TXDOT was purchasing the easements for the expansion of Highway 59. City Manager Parker stated that the easement was located on private property so TXDOT was purchasing the easement from the City, as well as paying for the relocation of the utilities. City Manager Parker stated that these funds in the amount of three hundred fifty-four thousand three hundred thirty-nine dollars ($354,339) that the City would receive from TXDOT would be placed in the Water/Wastewater Renewal Fund to assist in paying for additional easements to relocate City utilities that were adjacent to the project and that Staff recommended approval. Assistant City Manager Keith Wright stated that Staff would be coming back to Council in the future with a reconciliation of all properties and the purchase amount and the budget for the easement purchases would be finalized then.

Councilmember Rufus Duncan moved to approve a Resolution allowing City Manager Paul Parker to convey the easement at the appraised value to TX DOT and a Resolution authorizing an amendment to the 2007/2008 Operating Budget (Budget Amendment No. 6), providing for the supplemental appropriation of funds in the Water/Wastewater Renewal and Replacement Fund; and providing an effective date. Councilmember Don Langston seconded the motion. A unanimous vote was recorded.

19. <u>BID FOR THE PURCHASE OF PLAYGROUND EQUIPMENT – APPROVED - FOR KIWANIS PARK THROUGH BUYBOARD.</u>

Mayor Jack Gorden stated that the next item for consideration was the award of a bid for the purchase of playground equipment for Kiwanis Park through BuyBoard.

City Manager Parker stated that each year the Council had authorized the purchase of new playground equipment for one (1) of the City parks and this year the Parks Department and the Parks Advisory Board recommended the purchase of equipment for Kiwanis Park, which would consist of two (2) separate play units; one (1) to be used by children between the ages of five (5) and twelve (12); and the other for children between the ages of two (2) and five (5). City Manager Parker furthered that the units included swings, benches for parents and retaining bumpers for sawdust in the fall zone area and that the purchase price through the Buy Board was in the amount of fifty-four thousand four hundred forty-four dollars and three cents ($54,444.03). City Manager Parker also explained that the manufacturer of the equipment had provided grant funds that would reduce the cost to thirty-six thousand five hundred ninety-six dollars and fifty-eight cents ($36,596.58). City Manager Parker recognized Mr. Richard Joseph and Ms. Cathy Todd of the Parks Advisory Board and thanked them for their assistance with the project.

Councilmember Don Langston moved to approve the award of a bid for the purchase of playground equipment for Kiwanis Park in the amount of thirty-six thousand five hundred ninety-six dollars and fifty-eight cents ($36,596.58). Councilmember Rose Faine Boyd seconded the motion. A unanimous vote was recorded.

20. <u>BID FOR THE PURCHASE OF ONE (1) 2007 CASE 586G OFF-ROAD 13,000# FORKLIFT – APPROVED - TO THE TEXAS LOCAL GOVERNMENT PURCHASING COOPERATIVE (HGAC).</u>

Mayor Jack Gorden stated that the next item on the agenda was to consider the award of bid for the purchase of one (1) 2007 Case 586G Off-road 13,000# Forklift to the Texas Local Government Purchasing Cooperative (HGAC).

City Manager Parker stated this forklift would be purchased for the Recycling Center and the forklift being replaced was previously auctioned for two thousand six hundred thirty-one dollars ($2,631). City Manager Parker furthered that the budgeted price for the unit in the Amortization Fund was forty-five thousand dollars ($45,000), and the total price for the forklift purchase was in the amount of forty-five thousand three hundred seventy-four dollars and fifty-six cents ($45,374.56) and that Staff recommended approval of this purchase.

Councilmember Rufus Duncan moved to approve the bid for the purchase of one (1) 2007 Case 586G Off-road 13,000# Forklift to the Texas Local Government Purchasing Cooperative (HGAC) in the amount of forty-five thousand three hundred seventy-four dollars and fifty-six cents ($45,374.56). Councilmember R. L. Kuykendall seconded the motion. A unanimous vote was recorded.

21. <u>BID FOR THE PURCHASE OF ASPHALT HOT MIX AND LIMESTONE – APPROVED - TO EAST TEXAS ASPHALT COMPANY.</u>

Mayor Jack Gorden stated that the next item on the agenda was to consider the award of bid for the purchase of Asphalt Hot Mix and Limestone to East Texas Asphalt Company. Mayor Gorden recognized Gene Carrier with East Texas Asphalt Company.

City Manager Parker stated that this was the annual bid for the purchase of asphalt and limestone and that pricing for items was detailed in the Council packet. City Manager Parker also noted that the bid was lower than last year and that East Texas Asphalt actually charged a lower price for materials than the bid from last year and commended East Texas Asphalt for doing so. Mr. Gene Carrier stated that when oil contracts were negotiated, prices dropped and East Texas Asphalt passed those savings on to the City. Mr. Carrier also stated that included in the bid were prices for recycling asphalt materials and this would also lower the price.

Councilmember R.L. Kuykendall moved to approve the bid for the purchase of Asphalt Hot Mix and Limestone to East Texas Asphalt Company. Councilmember Rose Faine Boyd seconded the motion. A unanimous vote was recorded.

22. **BID FOR THE PURCHASE OF SIX (6) MODEL YEAR 2008 ½ TON FORD F150 PICKUP TRUCKS – APPROVED - TO THE TEXAS LOCAL GOVERNMENT PURCHASING COOPERATIVE (HGAC).**

Mayor Jack Gorden stated that the next item for consideration was a bid for the purchase of six (6) Model Year 2008 ½ Ton Ford F150 Pickup Trucks to the Texas Local Government Purchasing Cooperative (HGAC).

City Manager Parker stated that the City was moving toward standardizing the fleet of pick ups and this was the purchase of six (6) pickups in the amount of thirteen thousand five hundred twenty-five dollars ($13,525) each for a total of eighty-one thousand seven hundred fifty dollars ($81,750), which included the HGAC administrative fee of six hundred dollars ($600). City Manager Parker stated that one (1) pickup would be used by Inspection Services, one (1) for Solid Waste, one (1) for Utility Collections and three (3) for the Parks and Recreation Department and six (6) existing pickups would be removed from the fleet and disposed of through the auction process. Assistant City Manager Keith Wright added that the vehicles for the Parks Department had been delayed an additional year and these units were in need of replacement.

Councilmember Rufus Duncan moved to approve the bid for the purchase of six (6) Model Year 2008 ½ Ton Ford F150 Pickup Trucks to the Texas Local Government Purchasing Cooperative (HGAC). Councilmember Don Langston seconded the motion. A unanimous vote was recorded.

23. **APPOINTMENT OF COUNCILMEMBER DON LANGSTON TO THE ANGELINA COUNTY APPRAISAL DISTRICT BOARD OF DIRECTORS - APPROVED.**

Mayor Jack Gorden stated that the next item on the agenda was to consider the appointment of Councilmember Don Langston to the Angelina County Appraisal District Board of Directors.

Mayor Gorden then entertained a motion on the item.

Councilmember Rose Faine Boyd moved to approve the appointment of Councilmember Don Langston to the Angelina County Appraisal District Board of Directors. Councilmember Phil Medford seconded the motion. A unanimous vote was recorded.

24. Mayor Jack Gorden recessed the Regular Session at 6:55 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 8:10 p.m.

25. **CALENDAR NOTATIONS FROM MAYOR, COUNCIL MEMBERS, AND CITY MANAGER**

City Manager Paul Parker reminded the Council that anyone wishing to attend the First Friday Luncheon should notify City Secretary Renee Thompson. City Manager Parker added that the First Friday Luncheon for November had been moved to Friday, November 9, 2007 and the guest speaker was Jack Sweeney speaking about Temple Inland. City Manager

Parker also reminded the Mayor and Council about the upcoming Economic Development Summit that would be held at the Lufkin Pitser Garrison Civic Center on Thursday, November 15, 2007. City Manager Parker stated that the City had four (4) tickets to the event and that Economic Development Director Jim Wehmeier also had four (4) tickets if any of the Council wished to attend.

26. There being no further business for consideration, the meeting adjourned at 8:13 p.m.

Renee Thompson

Renee Thompson – City Secretary

Jack Gorden

Jack Gorden, Mayor