MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF LUFKIN, TEXAS HELD ON THE 7TH DAY OF AUGUST, 2007

On the 7th day of August, 2007, 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
Robert Flournoy	City Attorney
Renee Thompson	City Secretary
Larry Brazil	Police Chief
Scott Marcotte	Assistant Police Chief
Pete Prewitt	Fire Chief
David Koonce	Human Resource Director
Doug Wood	Finance Director
Dorothy Wilson	Planning Director
Don Hannabas	Parks & Recreation Director
Jim Wehmeier	Economic Development Director
Belinda Southern	Finance Senior Accountant

being present, when the following business was transacted:

1. The meeting was opened with prayer by Pastor Charles Roberts, Denman Avenue Baptist Church.

2. Mayor Gorden welcomed visitors present and recognized Scouts Royen and Rieley Hassell from Troop 140.

3. **APPROVAL OF MINUTES**

Minutes of the Regular Meeting on July 17, 2007 were approved on a motion by Councilmember Lynn Torres, and seconded by Councilmember Rufus Duncan. A unanimous affirmative vote was recorded.

OLD BUSINESS :

4. **SECOND READING OF AN ORDINANCE AMENDING THE SUBDIVISION ORDINANCE OF THE CITY OF LUFKIN, TEXAS, - APPROVED - BEING ORDINANCE NO. 3693, BY AMENDING SECTION 1.17, 31: ENTITLED "MINOR PLAT" TO ADD LANGUAGE; REPEALING CONFLICTING PROVISIONS; AND PROVIDING AN EFFECTIVE DATE**

Mayor Jack Gorden stated that the next item for consideration was the Second Reading of an Ordinance amending the Subdivision Ordinance of the City of Lufkin, Texas, being Ordinance No. 3693, by amending Section 1.17, 31: entitled "Minor Plat" to add language; repealing conflicting provisions; and providing an effective date.

City Manager Paul Parker stated that the State Legislature had recently passed legislation that would allow Staff to approve minor plats and this was essentially to aid development. City Manager Parker added that Staff recommended approval of the Ordinance.

Mayor Gorden then entertained questions and/or motions on the item.

Councilmember Don Langston moved to approve on Second Reading the Ordinance amending the Subdivision Ordinance of the City of Lufkin, Texas, being Ordinance No. 3693, by amending Section 1.17, 31: entitled "Minor Plat" to add language; repealing conflicting provisions; and providing an effective date. Councilmember Rose Faine Boyd seconded the motion. A unanimous affirmative vote was recorded.

NEW BUSINESS:

5. **CERTIFICATE OF APPRECIATION TO PEGGILU WATKINS FOR HER SERVICE AND CONTRIBUTIONS TO THE LUFKIN PARKS AND RECREATION ADVISORY BOARD AND TO ROD PITTMAN FOR HIS SERVICE AND CONTRIBUTIONS TO THE 4B/ECONOMIC DEVELOPMENT BOARD.**

Mayor Gorden stated that the next item on the agenda was to present a certificate of Peggilu Watkins for her service and contributions to the Lufkin Parks and Recreation Advisory Board. Mayor Gorden continued that Ms. Watkins had served on the board since it was created. Mayor Gorden asked Ms. Watkins to step forward to receive her Certificate and highlighted a number of her accomplishments during her service on the Board. Mayor Gorden again thanked Ms. Watkins for her service. Ms. Watkins stated she would miss being on the board and had enjoyed serving.

6. **RESOLUTION APPROVING THE ISSUANCE OF BONDS BY LUFKIN HEALTH FACILITIES DEVELOPMENT CORPORATION – APPROVED - TO FINANCE THE COST OF HEALTH FACILITIES FOR MEMORIAL HEALTH SYSTEM OF EAST TEXAS WITH RESPECT TO A PUBLIC HEARING**

Mayor Jack Gorden stated that the next item for consideration was a Resolution approving the issuance of bonds by Lufkin Health Facilities Development Corporation to finance the cost of health facilities for Memorial Health System of East Texas with respect to a Public Hearing.

City Manager Paul Parker reiterated that the Resolution would allow Memorial Health Systems to issue forty-five million dollars ($45,000,000) in revenue bonds for financing future improvements, and that the bonds would not obligate the City in any way.

Mayor Gorden then asked Mr. Richard Irens, CFO of Memorial Health Systems, to come forward and address the item.

Mr. Richard Irens, CFO of Memorial Health Systems, stated that Memorial Health Systems was intending to expand the size of the hospital due to the needs of Angelina County and the number of months during the year that the hospital was filled to capacity. Mr. Irens added that if nothing was done, in the future healthcare services to the community would be lessened during the months that the facility was filled to capacity. Mr. Irens continued that Memorial Health Systems intended to issue forty-five million dollars ($45,000,000) in revenue bonds and use the funds to construct a four (4) story facility adjacent to current emergency room and that the first floor would be used for the expansion of the emergency room, the second floor would be used for cardiac care, the third floor would be a twenty-six (26) bed step down unit and the fourth floor would be a twenty-four (24) bed Intensive Care Unit (ICU). Mr. Irens explained that the construction of the proposed building would allow for it to be expanded in the future with up to seven (7) floors and that he felt that the expansion would enable Memorial Health Systems to continue to provide healthcare services in the future. Mr. Irens then requested that Council approve the Resolution to allow Memorial Health Systems to move forward with the project.

Mayor Gorden then entertained a motion from Council on this item.

Council member Rose Faine Boyd moved to approve a Resolution approving the issuance of bonds by Lufkin Health Facilities Development Corporation to finance the cost of health facilities for Memorial Health System of East Texas with respect to a Public Hearing. Councilmember Lynn Torres seconded the motion. A unanimous vote was recorded.

7. **PUBLIC HEARING AND FIRST READING OF AN ORDINANCE AMENDING THE ZONING ORDINANCE AND THE 2001 COMPREHENSIVE PLAN OF THE CITY OF LUFKIN, TEXAS – APPROVED - BY CHANGING THE ZONING AND FUTURE**

LAND USE PLAN DESIGNATION ON APPROXIMATELY 10 ACRES OF LAND DESCRIBED AS TRACT 294 AND 268 OF A. BARELA SURVEY, ABSTRACT 49 AND MORE COMMONLY KNOWN AS 3001 MINNIE LOU STREET. THIS REQUEST WILL ALSO ENCOMPASS AMENDING THE FUTURE LAND USE PLAN OF THE 2001 COMPREHENSIVE PLAN BY CHANGING THE FUTURE LAND USE DESIGNATION FROM "COMMERCIAL" TO "INDUSTRIAL"

Mayor Jack Gorden stated that the next item for consideration was to conduct a Public Hearing the First Reading of an Ordinance amending the Zoning Ordinance and the 2001 Comprehensive Plan of the City of Lufkin, Texas by changing the Zoning and Future Land Use Plan designation on approximately 10 acres of land described as Tract 294 and 268 of A. Barela Survey, Abstract 49 and more commonly known as 3001 Minnie Lou Street. The request would also encompass amending the Future Land Use Plan of the 2001 Comprehensive Plan by changing the Future Land Use designation from "Commercial" to "Industrial".

City Manager Paul Parker stated that as Council was aware, on May 1st 2007, the first rezoning request for the property to "Heavy Industrial" was made to assist in the construction of a biomass power plant at this location and was tabled to allow the applicant, Mr. Danny Vines, to hold town hall meetings as well as meetings with representatives from North Lufkin. City Manager Parker added that as a result of the meetings, Mr. Vines had modified his zoning request from "Heavy Industrial" to "Light Manufacturing" with a Special Use Permit for "Industrial Parking and Water Retention for a Wood-Fired Biomass Power Plant" and a green area. City Manager Parker then directed attention to a map included in the Council Packet that illustrated the applicant's intentions. City Manager stated that Staff recommended approval of the request.

Mayor Gorden then opened the Public Hearing at 5:20 p.m. Mayor Gorden asked those attending the Council Meeting if there was anyone who wanted to speak concerning the amendment and that each citizen would be granted a chance to speak, but to please keep comments brief.

Speaking on the Zone Change was:

Pastor Lonnie Williams, Greater Shiloh Baptist Church
Victor Travis
Vicky Yarbrough Starks
Dr. Dallas Pierre
Calvin Frye
W. R. Ricks
Michael Brewer
Drefus Thompson
Pastor M. E. Lyons, Goodwill Baptist Church
Oscar Kennedy
Danny Vines
Vicky Yarbrough Starks
Dr. Dallas Pierre
Monica Brown
Marcellus Jones

Mayor Gorden then closed the Public Hearing at 5:58 p.m.

Councilmember Don Langston stated that he wished to thank those who spoke and also stated that the Council had an obligation to decide whether the land in question could be used for the proposed use. Councilmember Langston added that he was glad that extra measures were taken to explain the process to the residents, but that the job of the Council was not to permit or deny the construction of the Bio-mass plant, but only to determine whether or not to approve the request of rezoning on the land in question and that he felt it was a good idea. Councilmember Langston again thanked the citizens who commented, especially those who expressed that this was not just an issue for North Lufkin, but for the City of Lufkin as a whole.

Councilmember R.L. Kuykendall stated that much had been said on the issue, but Council's issue was only the rezoning of the ten (10) acres.

Councilmember Phil Medford stated that he agreed with Councilmember Langston's comments and commended those Council Members who stopped the issue until more information was available to relieve the concerns of citizens, and also commended Mr. Danny Vines for his efforts and for taking his time to inform citizens. Councilmember Medford reiterated that the issue of whether or not the power plant could be built was not up to the Council, but only the issue of whether or not the ten (10) acres of land should be rezoned and that was the only decision for Council to make.

Councilmember Rufus Duncan stated that he felt that the plant would help economic development in North Lufkin, and that he encouraged Council to do what they could to revitalize and encourage development in the North Lufkin area.

Mayor Gorden expressed his thanks to Councilmember Rose Faine Boyd for her efforts with the issue and entertained a motion from Council on the request..

Councilmember Don Langston moved to approve on First Reading the Ordinance amending the Zoning Ordinance and the 2001 Comprehensive Plan of the City of Lufkin, Texas by changing the zoning and future land use plan designation on approximately 10 acres of land described as Tract 294 and 268 of A. Barela Survey, Abstract 49 and more commonly known as 3001 Minnie Lou Street. This request would also encompass amending the Future Land Use Plan of the 2001 Comprehensive Plan by changing the Future Land Use designation from "Commercial" to "Industrial". Councilmember Phil Medford seconded the motion

The following vote was recorded:

Aye: Council Members Rufus Duncan, Don Langston, Phil Medford, Lynn Torres and Mayor Gorden.

Nay: Council Members R. L. Kuykendall and Rose Faine Boyd

The motion carried with five (5) affirmative votes.

8. <u>REQUEST FROM THE FULLER SPRINGS VOLUNTEER FIRE DEPARTMENT – APPROVED - TO ALLOW THE FIRE DISTRICT TO INCLUDE THE ETJ TO THE LUFKIN CITY LIMITS BOUNDARY</u>

Mayor Gorden stated that the next item for consideration was the request from the Fuller Springs Volunteer Fire Department to allow the fire district to include the ETJ to the Lufkin city limits boundary.

City Manager Paul Parker stated that last year the Fuller Springs Fire Department requested that the City of Lufkin allow a portion of the ETJ to be included in the Fuller Springs Fire Departments proposed Emergency Services District. City Manager Parker added that this would allow the Department to assess taxes which would help to pay for improvements to the Fire Department. City Manager Parker furthered by stating that the major concern of the Council was that if areas in the Emergency Services District were annexed in the future, those residents would have to pay both City of Lufkin and Fire District taxes and that the issue has been previously tabled several times. City Manager Parker stated that after several attempts an agreement was reached through the City Attorney Bob Flournoy that would protect the City from this in the future. City Manager Parker explained that the request was granted at a previous Council meeting, but that the six (6) month limitation in the State Law for the issue to be placed on the ballot, had expired, and therefore the Fuller Springs Fire Department was once again requesting approval from Council.

City Attorney Bob Flournoy stated that in the agreement, the City allowed the creation of the District in the City of Lufkin's ETJ, contingent upon the District not creating any debt. City Attorney Flournoy expressed that even though the opportunity for them to create debt and assess taxes would exist, but the City of Lufkin would not have any obligation if the area was annexed.

Mayor Gorden stated that he felt there were too many questions about the issue to approve it.

Mr. Bobby Cranford, Assistant Chief with the Fuller Springs Volunteer Fire Department stated that the agreement with the City would alleviate any concerns on debt being incurred. Mr. Cranford added that according to State Law, if the City of Lufkin annexed portions of the Emergency Services District the taxes for the Emergency Services District would no longer be assessed on annexed areas. Mr. Cranford explained that the creation of this District was vital to the success and growth of the Fuller Springs Fire Department.

Councilmember Langston questioned whether or not the extension of the ETJ due to annexation would affect the taxing unit.

City Attorney Flournoy stated that once the area was annexed, the taxing would go away, and that annexation would increase the extension of the ETJ, but would not cause any issues.

Councilmember Langston stated that the Council's decision was really whether or not to allow the citizens affected to make the decision on the tax, and that the citizen's vote on the issue would determine whether or not the tax was instituted.

Mr. Bobby Cranford stated that there were currently over two hundred (200) Emergency Services Districts in the State of Texas, located in the ETJ's of nearby cities, and that no one else has experienced this issue. Mr. Bobby Cranford added that the only reason for the second request was due to the Fire Department not meeting the six (6) month guideline per State law.

Councilmember R.L. Kuykendall stated that he had heard both the positive and negative sides of the issue, and felt like he did not know enough about the issue to make a decision.

Councilmember Rose Faine Boyd questioned whether or not any debt incurred would be assumed by the City should the area be annexed in the future.

City Attorney Bob Flournoy stated that the Council's approval was contingent upon the agreement that the Fire Department would not create any debt. City Attorney Flournoy added that the Fire Department would have the authority to tax, should the citizens vote to be taxed. City Attorney Flournoy explained that should the area be annexed in the future, the tax would be removed.

Mayor Gorden stated that there were too many issues, including the risk that debt could be created, even with the agreement.

Mayor Gorden then entertained a motion from Council.

Councilmember Don Langston moved to approve the request from the Fuller Springs Volunteer Fire Department to allow the fire district to include the ETJ to the Lufkin city limits boundary. Councilmember Phil Medford seconded the motion.

The following vote was recorded:

Aye: Council Members Rufus Duncan, Don Langston, Phil Medford, and Lynn Torres.

Nay: Mayor Jack Gorden, Council Members R. L. Kuykendall and Rose Faine Boyd

The motion carried with (4) four affirmative votes.

9. PUBLIC HEARING CONCERNING THE BUDGET - APPROVED - FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2007, AND ENDING SEPTEMBER 30, 2008.

Mayor Jack Gorden stated that the next item for consideration was to conduct a Public Hearing concerning the Budget for the Fiscal Year beginning October 1, 2007, and ending September 30, 2008.

City Manager Paul Parker stated that several meetings had been held and this was the formal presentation and hearing for the budget as required by the City Charter and that Staff was recommending the budget as proposed. City Manager Parker stated that the budget maintained the current property tax rate of 0.5554 per one hundred dollar ($100) valuation, and that unless the citizen's property value was adjusted or substantial improvements had been made, that citizens would not pay any additional property taxes. City Manager Parker continued that another major point of the proposed budget included a three percent (3%) cost of living adjustment for all employees, with the exception of the Fire Department. City Manager Parker explained that due to the fact that the Fire Department Civil Service salaried positions fell well below other cities similar in size to the City of Lufkin, a proposed salary increase averaging 13.81% would be initiated October 1, 2007. City Manager Parker stated that the increase would assist in maintaining existing trained personnel as well as helping to attract qualified applicants. City Manager Parker stated that there was also a three percent (3%) increase, approximately one hundred twenty thousand dollars ($120,000) in contributions to the Fireman's Relief and Retirement Fund, which would increase the City's contribution to that fund to seventeen percent (17%). City Manager Parker furthered that there would be no increase in Solid Waste rates, but there was an increase in Water and Wastewater rates, due to the increase in electrical, chemical fuel and other costs. City Manager Parker explained that the Council had delayed the increase in the last fiscal year until a full rate study of usage and need could be conducted. City Manager Parker stated that Freese & Nichols had been engaged to complete the study and that as a result of the study an increase was implemented with an average of 8.14%, and that the rate varied on the type of user and was based on the proposed rate structure. City Manager Parker directed Council's attention to the 2007 Appraisal Roll distributed prior to the Council Meeting. City Manager Parker stated the Certified Market Value was in the amount of one billion eight hundred fifty-six million, forty-two thousand one hundred fifty-one dollars ($1,856,042,151). City Manager Parker added that the Net Taxable (before freeze) was one billion, seven hundred four million, six hundred ninety-two thousand, eight hundred ninety-five dollars ($1,704,692,895), and the Freeze Adjusted Taxable was one billion, five hundred twenty-five million, five hundred thirty-seven thousand, one hundred twenty-one dollars ($1,525,537,121). City Manager Parker explained that this basically meant that this years tax rate was 0.5554 per one hundred dollars of valuation and was well below the rollback amount. City Manager Parker also highlighted other estimates and values on the document.

Mayor Gorden then opened the Public Hearing at 6:35 p.m. Mayor Gorden asked those attending the Council Meeting if there was anyone who wished to speak concerning the budget.

Speaking on the Budget for Fiscal Year beginning October 1, 2007 and ending September 30, 2008 were:

Dr. Dallas Pierre
Michael Sanford, President of the Lufkin Firefighters Association.

Councilmember Don Langston stated that the City had been carrying an excessive fund balance, and hoped that a Capital Improvement Program would be implemented to improve the City.

Council member Lynn Torres stated that she wished to highlight the funds set aside in the amount of twenty thousand dollars ($20,000) for the campaign for alcohol awareness, which honored the commitment that Council made to the community during the previous alcohol election.

Mayor Gorden then closed the Public Hearing at 6:44 p.m. and entertained a motion from Council.

Councilmember R.L. Kuykendall moved to approve the Public Hearing concerning the Budget for the Fiscal Year beginning October 1, 2007, and ending September 30, 2008. Councilmember Lynn Torres seconded the motion. A unanimous vote was recorded.

10. DISCUSSION OF A TAX RATE AND ESTABLISHING AUGUST 21, 2007, AUGUST 28, 2007 AND SEPTEMBER 4, 2007 AS COUNCIL MEETING DATES -APPROVED-TO: HOLD PUBLIC HEARINGS; ESTABLISH WATER AND WASTEWATER RATES; ESTABLISH A TAX RATE; AND APPROVAL OF FISCAL YEAR 2007/2008 ANNUAL FISCAL BUDGET

Mayor Jack Gorden stated that the next item for consideration was the discussion of a Tax Rate and to consider establishing August 21, 2007, August 28, 2007 and September 4, 2007 as Council Meeting dates to: hold Public Hearings; establish Water and Wastewater Rates; establish a Tax Rate; and approval of Fiscal Year 2007/2008 Annual Fiscal Budget.

City Manager Parker stated that this item was to comply with legal guidelines in adopting the budget for the upcoming fiscal year and that August 28, 2007 would be a special called meeting to be held at noon.

Councilmember R.L. Kuykendall moved to approve establishing August 21, 2007, August 28, 2007 and September 4, 2007 as Council Meeting dates to: hold Public Hearings; establish Water and Wastewater Rates; establish a Tax Rate; and approval of Fiscal Year 2007/2008 Annual Fiscal Budget. Councilmember Phil Medford seconded the motion. A unanimous vote was recorded.

11. <u>FIRST READING OF AN ORDINANCE OF THE CITY OF LUFKIN, TEXAS, AMENDING ORDINANCE NO. 427 AND AMENDING THE CODE OF ORDINANCES OF THE CITY OF LUFKIN – APPROVED - BY AMENDING TITLE VII ("TRAFFIC CODE") TO MAKE THE ORDINANCE CONSISTENT WITH TITLE VII OF THE TEXAS TRANSPORTATION CODE THAT WAS RECENTLY AMENDED, PROVIDING A SEVERABILITY CLAUSE AND PROVIDING AN EFFECTIVE DATE</u>

Mayor Jack Gorden stated that the next item for consideration was the First Reading of an Ordinance of the City of Lufkin, Texas, amending Ordinance No. 427 and amending the Code of Ordinances of the City of Lufkin by amending Title VII ("Traffic Code") to make the Ordinance consistent with Title VII of the Texas Transportation Code that was recently amended, providing a severability clause and providing an effective date.

City Manager Parker stated that as Council was aware, the City had previously adopted an Ordinance in regard to traffic signal enforcement, or red light cameras, prior to the State Legislature convening this year. City Manager Parker furthered that since the Legislature had convened, the maximum fee had been lowered by the State to seventy-five dollars ($75.00) and that the fees had to be broken down by usage and the operators could not charge a flat fee. City Manager Parker added that in lieu of this, the proposed Ordinance would reduce the maximum fee as well as lower the fee paid to Traffipax, the operator of the system. City Manager Parker reminded Council that the City would eventually have a total of eleven (11) red light cameras in place, five (5) of those to be on line in the near future. City Manager Parker explained that signage would be placed at the City limits, as well as near the traffic signals, alerting motorists that red light cameras were in use. City Manager Parker added that the intent of the program was not to issue citations for running red lights, but to increase safety of drivers. City Manager Parker explained that for the first thirty (30) days of enforcement, warnings would be issued to help make the public aware of the cameras.

Mayor Gordon agreed that red light running was a problem and hoped that this would improve safety and then entertained a motion from Council.

Councilmember Rose Faine Boyd moved to approve the First Reading of the Ordinance of the City of Lufkin, Texas, amending Ordinance No. 427 and amending the Code of Ordinances of the City of Lufkin by amending Title VII ("Traffic Code") to make the Ordinance consistent with Title VII of the Texas Transportation Code that was recently amended, providing a severability clause and providing an effective date. Councilmember R.L. Kuykendall seconded the motion. A unanimous vote was recorded.

12. <u>AWARD OF CONTRACT TO DUPLICHAIN CONTRACTORS IN THE AMOUNT OF $1,855,191.50 FOR UTILITY RELOCATION /CONSTRUCTION OF HIGHWAY 59 SOUTH UTILITIES AND A RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2006/2007 OPERATING BUDGET –APPROVED- (BUDGET AMENDMENT NO. 31), PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE WATER WASTEWATER RENEWAL AND REPLACEMENT FUND; AND PROVIDING AN EFFECTIVE DATE</u>

Mayor Jack Gorden stated that the next item for consideration was the approval of award of contract to Duplichain Contractors in the amount of $1,855,191.50 for the utility relocation/construction of Highway 59 South Utilities and a Resolution authorizing an amendment to the 2006/2007 Operating Budget (Budget Amendment No. 31), 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 TxDOT was nearing the beginning date of the Highway 59 reconstruction, and that the City was responsible for the relocation of all City utilities located in the right-of-way on Highway 59. City Manager Parker explained that the reason that the amount had increased from the original amount was due to the purchase of easements to alleviate future relocation expenses as well as an increase in construction costs. City Manager Parker explained the breakdown of costs for the project and stated that Staff recommended that Council approve the award of contract to Duplichain Contractors as well as approve Budget Amendment No. 31 for the Highway 59 South Utility Relocation Project.

Assistant City Manager Keith Wright stated the City should received additional funds back from TxDOT in the approximate amount of fifty thousand dollars ($50,000) for the purchase of easements.

Councilmember Don Langston asked for an explanation of the two (2) additional alternates in the contract.

Assistant City Manager Wright stated that they were due to the existing utilities in the right-of-way, and the hope was that the funds would not be utilized and recommended that the alternates be included.

Councilmember Lynn Torres expressed surprise on the amount of several of the bids.

Councilmember Don Langston questioned whether or not there was a contingency built into the bid.

Assistant City Manager Wright explained that there was no contingency, but the hope was to use the two (2) additional alternates for the contingency.

Mayor Gorden then entertained motions from Council.

Councilmember Don Langston moved to approve the award of contract to Duplichain Contractors in the amount of $1,855,191.50 for the utility relocation/construction of Highway 59 South Utilities and a Resolution authorizing an amendment to the 2006/2007 operating budget (Budget Amendment No. 31), providing for the supplemental appropriation of funds in the Water Wastewater Renewal and Replacement Fund; and providing an effective date. Councilmember Lynn Torres seconded the motion. A unanimous vote was recorded.

13. **RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2006/2007 OPERATING BUDGET (BUDGET AMENDMENT NO. 32), - APPROVED - PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE GENERAL AND GENERAL CONSTRUCTION FUND; AND PROVIDING AN EFFECTIVE DATE**

Mayor Jack Gorden stated that the next item was to consider approval of a Resolution authorizing an amendment to the 2006/2007 Operating Budget (Budget Amendment No. 32), providing for the supplemental appropriation of funds in the General and General Construction Fund; and providing an effective date.

City Manager Parker stated that as previously discussed in the Budget Retreat, the Council wished to expedite the improvements at the intersection of Ellis Street, Gaslight Medical Parkway, and Frank Avenue and that this Resolution allocated the funding for this. City Manager Parker further explained that the majority of the work would be completed by City forces, and that an outside contractor would be employed for only the concrete work portion of the project. City Manager Parker added that Staff recommend approval of the Resolution to move forward with the project.

Councilmember Rose Faine Boyd moved to approve a Resolution authorizing an amendment to the 2006/2007 Operating Budget (Budget Amendment No. 32), providing for the supplemental appropriation of funds in the General and General Construction Fund; and providing an effective date. Councilmember Don Langston seconded the motion. A unanimous vote was recorded.

14. **<u>RESOLUTION FOR THE CITY OF LUFKIN, TEXAS ELECTING TO BE EXEMPT FOR THE PLAN YEAR –APPROVED- BEGINNING OCTOBER 1, 2007 THROUGH SEPTEMBER 30, 2008 FROM THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996</u>**

Mayor Jack Gorden stated that the next item was to consider a Resolution for the City of Lufkin, Texas electing to be exempt for the plan year beginning October 1, 2007 through September 30, 2008 from the Health Insurance Portability and Accountability Act of 1996.

City Manager Parker stated that this was something that the City did annually to help meet the health insurance needs of the employees and that Staff recommended approval.

Councilmember Rufus Duncan moved to approve the Resolution for the City of Lufkin, Texas electing to be exempt for the plan year beginning October 1, 2007 through September 30, 2008 from the Health Insurance Portability and Accountability Act of 1996. Councilmember Don Langston seconded the motion. A unanimous vote was recorded.

15. **<u>AWARD OF A BID FOR THE PURCHASE OF A 2007 JOHN DEERE 200 LC EXCAVATOR - APPROVED - FOR THE STREET DEPARTMENT</u>**

Mayor Jack Gorden stated that the next item was to consider an award of bid for the purchase of a 2007 John Deere 200 LC Excavator for the Street Department.

City Manager Parker stated that the recent bond sales included money for the purchase of this equipment in the amount of two hundred five thousand dollars ($205,000), and that the actual purchase price was approximately fifty thousand dollars ($50,000) less than budgeted. City Manager Parker explained the amount not used would remain in the fund to cover any unexpected overages from any of the other projects and that Staff recommended approval of the purchase.

Mayor Gorden questioned whether the purchase was for replacing existing equipment.

City Manager Parker replied that it was a replacement purchase.

Assistant City Manager Wright stated that this would allow the Street department to have an additional excavator to use when needed and that the old equipment was received from the Water and Sewer Department by transfer.

Mayor Gorden then entertained a motion from Council.

Councilmember Lynn Torres moved to approve the award of bid for the purchase of a 2007 John Deere 200 LC Excavator for the Street Department. Councilmember Rose Faine Boyd seconded the motion. A unanimous vote was recorded.

16. **<u>FORMAL ACCEPTANCE OF ASBESTOS CEMENT WATERLINE REPLACEMENT PROJECT NO. 5 – APPROVED - AS COMPLETED BY THE CITY OF LUFKIN</u>**

Mayor Jack Gorden stated that the next item was to consider formal acceptance of Asbestos Cement Waterline Replacement Project No. 5 as completed by the City of Lufkin.

City Manager Paul Parker stated that the project was in the area of Hill Street and Lotus Lane and that declared this project completed.

Mayor Gorden then entertained a motion from Council.

Councilmember Don Langston moved to approve formal acceptance of Asbestos Cement Waterline Replacement Project No. 5 as completed by the City of Lufkin. Councilmember Phil Medford seconded the motion. A unanimous vote was recorded.

17. Mayor Jack Gorden recessed the Regular Session at 7:03 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 7:45 p.m.

18. APPROVAL OF INCENTIVES AND AUTHORIZING THE ECONOMIC DEVELOPMENT DIRECTOR TO EXECUTE ALL NECESSARY DOCUMENTATION AND PAYMENT IN REGARD TO PROJECT MACHINE - APPROVED

Mayor Jack Gorden stated that the next item for consideration was to consider approval of incentives and authorizing the Economic Development Director to execute all necessary documentation and payment in regard to Project Machine.

Councilmember Rufus Duncan moved to approve incentives and authorize the Economic Development Director to execute all necessary documentation and payment in regard to Project Machine. Councilmember Rose Faine Boyd seconded the motion. A unanimous vote was recorded.

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

City Manager Paul Parker reminded the Council that on Tuesday, August 14, 2007, there would be a Legislative Dinner at 6:30 p.m. at the Ellen Trout Zoo. City Manager Parker added that reservations and registration had been made for the upcoming TML State Convention in Dallas. City Manager Parker stated that the Undoing Racism Task Force would meet on Monday, August 20, 2007, at Lufkin City Hall – Room 202 at 6:00 p.m.

20. There being no further business for consideration, the meeting adjourned at 7:53 p.m.

Jack Gorden

Jack Gorden, Mayor

Renee Thompson

Renee Thompson – City Secretary