

**MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY
OF LUFKIN, TEXAS HELD ON THE 6th, DAY OF AUGUST, 2013.**

On the 6th day of August, 2013, the City Council of the City of Lufkin, Texas convened in a Regular Meeting in the Council Chambers of City Hall with the following members, thereof to wit:

Bob Brown	Mayor
Lynn Torres	Mayor Pro-Tem
Robert Shankle	Councilmember, Ward No. 2
Don Langston	Councilmember, Ward No. 4
Rufus Duncan	Councilmember, Ward No. 5
Sarah Murray	Councilmember, Ward No. 6
Paul L. Parker	City Manager
Keith Wright	Deputy City Manager
Bruce Green	City Attorney
Kara Atwood	City Secretary
Scott Marcotte	Police Chief
Gerald Williamson	Assistant Police Chief
Ted Lovett	Fire Chief
Rodney Ivy	Human Resources Director
Belinda Southern	Finance Director
Dorothy Wilson	Planning Director
Steve Floyd	Public Works Director
Chuck Walker	Public Utilities Director
Steve Poskey	Street Department Director
Barbara Thompson	Main Street Director
Mike Akridge	Parks & Recreation Director

Being present, and;

Victor Travis	Councilmember, Ward No. 1
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being absent when the following business was transacted.

1. The meeting was opened with prayer by Pastor John Boone, Cornerstone United Pentecostal Church.
2. Mayor Bob Brown welcomed visitors present.
3. **APPROVAL OF MINUTES**

Minutes of the Regular Meeting of July 16, 2013 were approved on a motion by Councilmember Lynn Torres and seconded by Councilmember Sarah Murray. A unanimous affirmative vote was recorded to approve the minutes as presented.

4. **SECOND READING OF AN ORDINANCE AMENDING ORDINANCE NO. 361 REGULATING THE OPERATION OF THE TOW TRUCK BUSINESS IN THE CITY OF LUFKIN, TEXAS, AND PROVIDING FOR AN EFFECTIVE DATE – APPROVED.**

Mayor Bob Brown stated that the next item was to consider on Second Reading an Ordinance amending Ordinance No. 361 regulating the operation of the tow truck business in the City of Lufkin, Texas, and providing for an effective date.

City Manager Paul Parker stated this was the second reading of this item and highlighted the two (2) major changes in the ordinance; one of which allowed tow truck companies to be located in Angelina County as long as the company had a tow yard in the City of Lufkin; and the second, which changed the appeal process from being heard by the City Council to being addressed by City administration. City Manager Parker stated that there were other minor

changes and he would be happy to address any questions or concerns that City Council might have.

Councilmember Rufus Duncan moved to approve the Second Reading of an Ordinance amending Ordinance No. 361 regulating the operation of the tow truck business in the City of Lufkin, Texas, and providing for an effective date. Councilmember Robert Shankle seconded the motion and a unanimous vote to approve was recorded.

NEW BUSINESS:

5. **FIRST PUBLIC HEARING IN CONSIDERATION OF AN ANNEXATION FOR PROPERTY NORTHEAST OF THE CURRENT CITY LIMITS ALONG STATE HIGHWAY 103 EAST, EXTENDING TO TWIN OAKS ROAD ON THE NORTHERN SIDE OF 103 EAST AND LONE STAR ROAD ON THE SOUTHERN SIDE OF 103 EAST.**

Mayor Bob Brown stated the next agenda item was to conduct the first Public Hearing in consideration of an annexation for property northeast of the current City limits along State Highway 103 East, extending to Twin Oaks Road on the northern side of 103 East and Lone Star Road on the southern side of 103 East.

City Manager Paul Parker requested that Planning Director Dorothy Wilson address this item. City Manager Parker furthered this was the first of two (2) public hearings on this agenda. City Manager Parker continued this was allowed by State Law in order to avoid a special called meeting for the second public hearing.

Director Wilson explained the City's authority to annex property through the Texas Local Government Code, which allowed the City to utilize the short annexation process, which was what the City was using with this annexation. Director Wilson gave the history of the annexation of this property, which began in 2010. Director Wilson stated that the annexation was postponed due to concerns from both Abitibi and residents; however, both were notified that the annexation would move forward in the future. Director Wilson continued that the City proceeded with the annexation process in 2012; however, the process was once again postponed in February 2013, due to the determination that an Industrial District could be formed. Director Wilson furthered that City Council approved a Resolution in May 2013 which directed the Planning Department to determine the service plan and the area to be annexed. Director Wilson stated that the Planning Department then presented the service plan and the development agreements for those land owners who have timber, wildlife or agricultural exemptions. Director Wilson explained that these development agreements would postpone annexation by ten (10) years or longer if extended. Director Wilson stated there were a number of residents who agreed to the development agreements and some who requested voluntary annexation. Director Wilson stated that property notifications and publication of the public hearings were then completed.

Mayor Brown opened the Public Hearing at 5:09 p.m. and asked that anyone who wished to speak please step forward. Mrs. Patsy Meadows, resident of 526 FM 842, spoke in opposition of the annexation and stated she already had adequate services and did not see the need for her property to be annexed. Mrs. Meadows requested that Council consider her request to not be annexed. Mr. Glendyl Griffin, resident of 707 FM 842, spoke in opposition of the annexation. Mr. Griffin stated that the lines could be drawn to exclude those residents who did not want to be annexed. Mr. James Gardner, owner of ACE Painting Contractors, located at 356 Lone Star Road, also spoke in opposition of the annexation. Mr. Gardner stated that it would negatively impact his business due to having to comply with City regulations regarding his paint spray booth. Mr. Gardner stated his company contributed to the community and the tax base and that his concern was that he would not be able to continue operating his business if his property was annexed. City Manager Parker informed Mr. Gardner that there would be ample time prior to the annexation being completed to answer his questions and address his concerns. City Manager Parker furthered that City Staff would work with Mr. Gardner about his concerns with the paint spray booth. City Attorney Bruce Green stated that the use of paint spray booths was not regulated by the City of Lufkin; but by the Texas Commission on Environmental Quality, the National Fire Code and other state regulations. City Attorney Green continued that Staff would investigate the issues of the

paint spray booth. Mayor Brown closed the Public Hearing at 5:23 p.m. and asked for comments or questions from Council.

Councilmember Don Langston stated that after listening to those speak during the Public Hearing; he had numerous questions regarding the annexation. Councilmember Langston stated that he was aware that the original intent of the annexation was to control the industrial area and to control the future plan of the construction of Interstate 69. Councilmember Langston stated that he had not looked at the lines of the annexation with the knowledge of how it would affect residents. Councilmember Langston stated this concerned him and would like to have more understanding of the need to incorporate some of the properties in the annexation area. Councilmember Langston stated that he would have trouble supporting the annexation as presented. Councilmember Langston stated that if annexation rules could be changed, he would encourage it. City Attorney Bruce Green stated that annexation rules could not be changed due to them being determined by State statute; however, the properties and shape of the annexation area could be altered by City Council. Councilmember Langston questioned whether City Council had the authority to suspend taxation of the annexation area for a specified time. City Attorney Green stated that the City did not have the authority abate or suspend taxation of annexed properties.

Councilmember Rufus Duncan stated that he had concerns regarding the annexation and if there was a way to reduce the area annexed, he would be in favor of the reduction. Mayor Brown clarified the number of actual property owners. Director Wilson stated there were a total of fifty-one (51) property owners.

6. **SECOND PUBLIC HEARING IN CONSIDERATION OF AN ANNEXATION FOR PROPERTY NORTHEAST OF THE CURRENT CITY LIMITS ALONG STATE HIGHWAY 103 EAST, EXTENDING TO TWIN OAKS ROAD ON THE NORTHERN SIDE OF 103 EAST AND LONE STAR ROAD ON THE SOUTHERN SIDE OF 103 EAST.**

Mayor Bob Brown stated the next agenda item was to conduct the first Public Hearing in consideration of an annexation for property northeast of the current City limits along State Highway 103 East, extending to Twin Oaks Road on the northern side of 103 East and Lone Star Road on the southern side of 103 East.

City Manager Paul Parker stated this was the second required Public Hearing for the proposed annexation.

Mayor Brown opened the Public Hearing at 5:30 p.m. and asked that anyone who wished to speak please step forward. Mr. James Gardner spoke again in opposition to the annexation. Mrs. Patsy Meadows voiced her opposition again to the annexation. Mrs. Meadows asked when the ordinance would be presented to see if she would be able to qualify for a development agreement. City Manager Parker stated that the two readings of the annexation ordinance would be held on September 3rd and 17th, 2013, should the City Council desire to move forward with the annexation. City Manager Parker stated this would allow ample time to see if she would be considered for a development agreement. Mr. Glendyl Griffin also spoke again in opposition of the annexation. There being no one further who wished to speak, Mayor Brown closed the Public Hearing at 5:37 p.m.

7. **PUBLIC HEARING AND FIRST READING OF AN ORDINANCE AMENDING ZONING ORDINANCE NO. 3368 OF THE CITY OF LUFKIN, TEXAS, AMENDING ARTICLE XIX "SCHEDULE OF PERMITTED USES" TO INCLUDE DISTILLATION OF LIQUORS, SPIRITS, ETC. – CRAFT; PROVIDING DEFINITIONS AND PROVIDING AN EFFECTIVE DATE – APPROVED.**

Mayor Bob Brown stated the next order of business was to conduct a Public Hearing and consider on First Reading an Ordinance amending Zoning Ordinance No. 3368 of the City of Lufkin, Texas, amending Article XIX "Schedule of Permitted Uses" to include distillation of liquors, spirits, etc. – craft; providing definitions and providing an effective date.

City Manager Paul Parker stated that there had been recent interest in opening a "craft distillery" since the change in the State Law that now allowed this size of distillery. City

Manager Parker continued that the present ordinance only allowed distilleries in the “Heavy Manufacturing” and in “Light Manufacturing” with the issuance of a Special Use Permit. City Manager Parker stated this was for a larger bottling facility. City Manager Parker furthered that this request was for the allowance of “craft distillery” in the downtown area. City Manager Parker stated the area was the Central Business district, but a distillery would only be allowed with the issuance of a Special Use Permit. City Manager Parker continued that craft distilleries were a new size of distillery recently authorized by a new State law which takes effect September 1, 2013. City Manager Parker furthered that the distinction of Craft was categorized as having a maximum production of seven thousand five hundred (7,500) gallons a year. City Manager Parker stated this new State law would authorize some distilleries to sell distilled spirits to the ultimate consumer for consumption on the licensed premises; up to three thousand (3,000) gallons annually and for consumption off the premises up to three thousand five hundred (3,500) gallons annually. City Manager Parker stated that the Planning & Zoning Commission recommended approval and reiterated that this request was not for a particular location; however, the request for the change was made by an individual who planned to open a craft distillery in this location. City Manager Parker stated that this ordinance would also remove the need for a Special Use Permit for this use in a “Light Manufacturing” district.

Mayor Brown opened the Public Hearing at 5:42 p.m. and requested that anyone who wished to speak on the matter to please step forward. Mr. Bruce Love spoke in favor of the ordinance and clarified that the sale of liquor to the ultimate consumer would not be allowed as long as Angelina County was dry for the sale of liquor. Mr. Love stated that his business would provide an additional tourist attraction downtown. Pastor Kendrick Morris spoke in opposition of the ordinance and expressed concern over the location as well as the sale and sampling of liquor on the premises. Pastor Morris stated he would have strong objections to liquor being sold at the location. Mayor Brown then closed the Public Hearing at 5:46 p.m. Councilmember Robert Shankle asked Mr. Love if there was not another location that he could locate the distillery. Mr. Love stated his family already owned property downtown and considerable repair had already been completed at the location. Mr. Love stated it was a great opportunity for tourism and taxation for the City of Lufkin. Councilmember Don Langston clarified whether the ordinance would still allow a distillery in a “Light Manufacturing” zone. Director Wilson stated that a distillery would be allowed by right in both “Heavy Manufacturing” and “Light Manufacturing” without a Special Use Permit; but a Special Use Permit would be required for distilleries in “Commercial” and “Central Business”.

Mayor Brown reopened the Public Hearing at 5:50 p.m. and Reverend Collins spoke in opposition of the ordinance. Reverend Collins asked if the tourist would be able to sample the product. Mr. Love stated that legally patrons could sample the product; however, that policy had not been established. Reverend Collins expressed concern that those sampling would be a danger to the public. City Manager Parker stated that this ordinance was not for a specific location, and requests for Special Use Permits would be addressed as presented. There being no one further who wished to speak, Mayor Brown closed the Public Hearing at 5:53 p.m.

Councilmember Don Langston stated he had reservations; however, he moved to approve the First Reading of an Ordinance amending Zoning Ordinance No. 3368 of the City of Lufkin, Texas, amending Article XIX “Schedule of Permitted Uses” to include distillation of liquors, spirits, etc. – craft; providing definitions and providing an effective date. Councilmember Lynn Torres seconded the motion. The motion was approved with a four (4) to two (2) vote; with Mayor Bob Brown, Councilmember Don Langston, Councilmember Lynn Torres and Councilmember Rufus Duncan voting to approve and Councilmember Robert Shankle and Councilmember Sarah Murray voting to deny.

8. **PUBLIC HEARING AND FIRST READING OF AN ORDINANCE AMENDING THE ZONING ORDINANCE OF THE CITY OF LUFKIN, TEXAS BY CHANGING THE ZONING DESIGNATION TO A “COMMERCIAL” ZONING DISTRICT FOR PROPERTIES COMMONLY KNOWN AS 1308 AND 1318 EAST LUFKIN AVENUE AND A FUTURE LAND USE MAP CHANGE TO “RETAIL” – APPROVED.**

Mayor Bob Brown stated the next item was to conduct a Public Hearing and consider on First Reading an Ordinance amending the Zoning Ordinance of the City of Lufkin, Texas by changing the zoning designation to a "Commercial" zoning district for properties commonly known as 1308 and 1318 East Lufkin Avenue and a Future Land Use Map change to "Retail".

City Manager Paul Parker stated this was a request by owners David Hicks and A Fountainwood, LLC for a change of zoning from "Residential Small Single Family Dwelling" to "Commercial" on property located at 1308 and 1318 Lufkin Avenue. City Manager Parker stated the request was made in order to increase the property's value for resale. City Manager Parker stated the properties to the north of the subject area were zoned "Heavy Manufacturing" while the properties to the south and east were "Residential Small Single Family Dwelling". City Manager Parker furthered that Lufkin Farm Supply and the Railroad were also located near the subject properties. City Manager Parker continued that the City of Lufkin Fire Station No. 3 was nearby and the area had become a mixed use of residential and commercial. City Manager Parker stated that the Planning & Zoning Commission and Staff approve the request for the change of zoning and the change the future land use change to "Retail".

Mayor Brown opened the Public Hearing at 5:57 p.m. There being no one who wished to speak; Mayor Brown closed the Public Hearing and asked for comments or a motion from City Council.

Councilmember Robert Shankle moved to approve the First Reading of an Ordinance amending the Zoning Ordinance of the City of Lufkin, Texas by changing the zoning designation to a "Commercial" zoning district for properties commonly known as 1308 and 1318 East Lufkin Avenue and a Future Land Use Map change to "Retail". Councilmember Rufus Duncan seconded the motion and a unanimous vote to approve was recorded.

9. **PUBLIC HEARING AND FIRST READING OF AN ORDINANCE AMENDING THE ZONING ORDINANCE OF THE CITY OF LUFKIN, TEXAS, BY CHANGING THE DESIGNATION FROM "RESTRICTED PROFESSIONAL OFFICE" DISTRICT TO A "LOCAL BUSINESS" ZONING DISTRICT FOR TWO (2) LOTS, TOTALING 9.26 ACRES AND COMMONLY KNOWN AS 1702 AND 1822 SOUTH JOHN REDDITT DRIVE – APPROVED.**

Mayor Bob Brown stated the next item was to conduct a Public Hearing and consider on First Reading an Ordinance amending the Zoning Ordinance of the City of Lufkin, Texas, by changing the designation from "Restricted Professional Office" district to a "Local Business" zoning district for two (2) lots, totaling 9.26 acres and commonly known as 1702 and 1822 South John Redditt Drive.

City Manager Paul Parker stated that the applicant, Michael G. Parker, for owner, John Phillip Friesen, requested a change of zoning from "Restricted Professional Office District" to a zoning classification of "Local Business", for two (2) parcels described as 0005 Bonton J.A., Tract 9 and 10 and more commonly known as 1702 and 1822 South John Redditt Drive. City Manager Parker continued that the purpose of the request was to increase the future development opportunities and marketability for this property. City Manager Parker furthered that this request was originally heard at the December 10, 2012 Planning & Zoning Commission meeting, but was tabled to allow time for the owner to address concerns of surrounding property owners. City Manager Parker stated that the current request included combining Lots 9 and 10 and providing a twenty-five foot (25') wide vegetation easement along the south, west and north property lines, where other homes and businesses border the property. City Manager Parker continued that this easement would prevent any development closer than twenty-five (25') feet from the property lines and would ensure a vegetation buffer between future development and the surrounding property. City Manager Parker furthered that the development would be required to meet all requirements of the requested "Local Business" zoning district and any future development would have to comply with all current City of Lufkin Zoning ordinances, including screening, landscape, parking and setbacks.

City Manager Parker continued that the subject property was located immediately south of

Merrick Roche Dentistry and the Urgent Doc office at the intersection of South John Redditt Drive and Hanks Street. City Manager Parker furthered that the Lufkin Comprehensive Plan Future Land Use Map recommended “Office” for this property and for properties to the north and east and the lots to the south and west are recommended as “Low Density Residential”. City Manager Parker furthered that the proposed zone change to “Local Business” is recommended for approval based on site location relative to the Loop and the uses of other parcels surrounding the site. City Manager Parker continued that the Planning & Zoning Commission recommended approval of the request for the zone change to “Local Business” for this property with a three (3) to one (1) vote.

Mayor Brown opened the Public Hearing at 6:01 p.m. and requested that anyone who wished to speak on the item to please step forward. Mr. Billy Lumpkin, resident of 2018 Allendale, spoke in opposition of the ordinance. Mr. Lumpkin’s concerns included increased noise, light pollution and drainage issues. Mr. Shane Norman, resident of Hanks Street, opposed the ordinance and expressed concern regarding increased flooding and drainage problems. Mr. Michael Parker, spoke in favor of the request on behalf of the owner, Mr. John Phillip Frisen. Mr. Parker stated that the change in zoning to “Local Business” would not cause any more negative impact than the current zoning of “Restricted Professional Office”. Mr. Parker also stated the change would not affect the drainage any differently. There being no one further who wished to speak; Mayor Brown closed the Public Hearing at 6:16 p.m. and requested comments or questions from City Council.

Councilmember Rufus Duncan stated that when this issue first arose, he had hoped there would be a compromise; however, that had not happened. Councilmember Duncan stated that the zone change to “Local Business” was fair based on past precedent.

Councilmember Don Langston stated that there certainly were services allowed in a “Local Business” zone that were lacking on that side of town. Councilmember Langston stated zone changes were difficult in the past, and this controlled change was the best scenario. Councilmember Langston furthered that the buffer offered by the land owner was a reasonable compromise.

Councilmember Don Langston moved to approve an Ordinance amending the Zoning Ordinance of the City of Lufkin, Texas, by changing the designation from “Restricted Professional Office” district to a “Local Business” zoning district for two (2) lots, totaling 9.26 acres and commonly known as 1702 and 1822 South John Redditt Drive. Councilmember Rufus Duncan seconded the motion and a unanimous vote to approve was recorded.

10. **FIRST READING OF AN ORDINANCE OF THE CITY COUNCIL OF LUFKIN, TEXAS; DESIGNATING AND ESTABLISHING AN INDUSTRIAL DISTRICT TO BE KNOWN AS LUFKIN INDUSTRIAL DISTRICT NO. 1; AUTHORIZING THE EXECUTION OF AGREEMENT WITH SAID DISTRICT BETWEEN THE CITY AND THE OWNER OF THE LAND; PROVIDING THAT ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH SHALL BE REPEALED; PROVIDING A SAVINGS CLAUSE; AND PROVIDING AN EFFECTIVE DATE – APPROVED.**

Mayor Bob Brown stated the next item for consideration was the First Reading of an Ordinance of the City Council of Lufkin, Texas; designating and establishing an Industrial District to be known as Lufkin Industrial District No. 1; authorizing the execution of agreement with said District between the City and the owner of the land; providing that all Ordinances or parts of Ordinances in conflict herewith shall be repealed; providing a savings clause; and providing an effective date.

City Manager Paul Parker stated this item was in conjunction with the Public Hearings that were held earlier regarding the annexation. City Manager Parker stated this was an agreement with Verdant Industries and explained the provisions of the agreement. City Manager Parker stated the agreement was for ten (10) years, and would make payments in lieu of taxation to the City. City Manager Parker stated that in turn the City would provide municipal services that included fire protection and water and sewer service. City Manager Parker stated the property owners were in agreement and if approved by City Council, the

agreement would become effective when the balance of the property proposed for annexation was actually annexed.

Councilmember Don Langston moved to approve the First Reading of an Ordinance of the City Council of Lufkin, Texas; designating and establishing an Industrial District to be known as Lufkin Industrial District No. 1; authorizing the execution of agreement with said District between the City and the owner of the land; providing that all Ordinances or parts of Ordinances in conflict herewith shall be repealed; providing a savings clause; and providing an effective date. Councilmember Lynn Torres seconded the motion and a unanimous vote to approve was recorded.

11. FIRST READING OF AN ORDINANCE OF THE CITY OF LUFKIN, TEXAS ESTABLISHING AN ACTIVE AND CONTINUING RECORDS MANAGEMENT PROGRAM; DESIGNATING A RECORDS MANAGEMENT OFFICER AND ADOPTING LOCAL RETENTION SCHEDULES IN ACCORDANCE WITH TITLE 6; SUBTITLE C, LOCAL GOVERNMENT CODE; REPEALING ALL CONFLICTING ORDINANCES AND PROVIDING AN EFFECTIVE DATE – APPROVED.

Mayor Bob Brown stated the next item was to consider on First Reading an Ordinance of the City of Lufkin, Texas establishing an active and continuing Records Management program; designating a Records Management Officer and adopting local retention schedules in accordance with Title 6; Subtitle C, Local Government Code; repealing all conflicting ordinances and providing an effective date.

City Manager Paul Parker stated this ordinance would bring the City into compliance with State Law regarding records management, adopt the retention schedules provided by the state and designated the City Secretary as the Records Management Officer for the City of Lufkin.

Councilmember Don Langston moved to approve the first reading of an Ordinance of the City of Lufkin, Texas establishing an active and continuing Records Management program; designating a Records Management Officer and adopting local retention schedules in accordance with Title 6; Subtitle C, Local Government Code; repealing all conflicting ordinances and providing an effective date. Councilmember Robert Shankle seconded the motion and a unanimous vote to approve was recorded.

12. RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2012/2013 OPERATING BUDGET (BUDGET AMENDMENT NO. 18), PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE TEXAS CAPITAL GRANT FUND AND THE ECONOMIC DEVELOPMENT FUND; AND PROVIDING AN EFFECTIVE DATE – APPROVED.

Mayor Bob Brown stated the next item was to consider a Resolution authorizing an amendment to the 2012/2013 Operating Budget (Budget Amendment No. 18), providing for the supplemental appropriation of funds in the Texas Capital Grant Fund and the Economic Development Fund; and providing an effective date.

City Manager Paul Parker stated that as City Council was aware, Aspen Power, through the City of Lufkin, was awarded a Texas Capital Fund Grant in the amount of seven hundred fifty thousand dollars (\$750,000) for the construction of an entrance road and surrounding fencing. City Manager Parker stated that only three hundred fourteen thousand five hundred twenty-nine dollars and fourteen cents (\$314,529.14) was used to complete the project. City Manager Parker stated that on July 16, 2013, the City received a letter from the Texas Department of Agriculture requesting repayment of the grant funds due to the job creation requirements not being fulfilled. City Manager Parker stated that City Attorney Bruce Green then notified Mr. Danny Vines that the City had been requested to repay the funds and that he had executed an agreement that held him liable should the City be required to repay the funds. City Manager Parker continued that the City had received a letter from Mr. Vine's attorney, Martyn Hill that included documentation proving Mr. Vines had satisfied the job creation requirements of the grant. City Manager Parker furthered that the City submitted that information to the Texas Department of Agriculture and the Department would review

the information to determine if it was indeed valid; however, if the information was found to be invalid, the City would still be required to repay the funds. City Manager Parker stated that it would be in the best interest of the City if the documentation was correct; however, the demand letter would not be rescinded until the review was complete. City Manager Parker stated Staff recommended that City Council approve Budget Amendment No. 18, which authorized the funding for the repayment of the grant, with the understanding the funds would not be expended until the documentation was reviewed. City Manager Parker stated that if the City was required to repay the funds, Staff would pursue recovery of the funds from Mr. Vines, per the personal guarantee that had been executed. City Manager Parker stated the funding would be transferred from the Economic Development fund.

Councilmember Robert Shankle moved to approve a Resolution authorizing an amendment to the 2012/2013 Operating Budget (Budget Amendment No. 18), providing for the supplemental appropriation of funds in the Texas Capital Grant Fund and the Economic Development Fund; and providing an effective date. Councilmember Sarah Murray seconded the motion and a unanimous vote to approve was recorded.

13. RESOLUTION AUTHORIZING AN AMENDMENT TO THE 2012/2013 OPERATING BUDGET (BUDGET AMENDMENT NO. 17), PROVIDING FOR THE SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE GENERAL, HOTEL/MOTEL TAX, SPECIAL RECREATION, PINES THEATER SPECIAL EVENT, ZOO BUILDING, COURT SECURITY/TECHNOLOGY, ANIMAL CONTROL – KURTH GRANT, ANIMAL CONTROL – ANIMAL ATTIC, ECONOMIC DEVELOPMENT, LUFKIN CONVENTION & VISITORS BUREAU, CONVENTION CENTER, 2012 CAPITAL IMPROVEMENTS, ECONOMIC DEVELOPMENT PROJECTS & GRANTS, WATER AND SEWER RENEWAL AND REPLACEMENT, GENERAL OBLIGATION DEBT SERVICE, WATER/WASTEWATER, SOLID WASTE & RECYCLING, AND EQUIPMENT ACQUISITION & REPLACEMENT FUNDS; AND PROVIDING AN EFFECTIVE DATE – APPROVED.

Mayor Bob Brown stated the next item was to consider a Resolution authorizing an amendment to the 2012/2013 Operating Budget (Budget Amendment No. 17), providing for the supplemental appropriation of funds in the General, Hotel/Motel Tax, Special Recreation, Pines Theater Special Event, Zoo Building, Court Security/Technology, Animal Control – Kurth Grant, Animal Control – Animal Attic, Economic Development, Lufkin Convention & Visitors Bureau, Convention Center, 2012 Capital Improvements, Economic Development Projects & Grants, Water and Sewer Renewal and Replacement, General Obligation Debt Service, Water/Wastewater, Solid Waste & Recycling, and Equipment Acquisition & Replacement Funds; and providing an effective date.

City Manager Paul Parker stated that during the budget process each year, Staff reviewed each fund and adjusted each accordingly in order to determine a spending plan for the remainder of the fiscal year. City Manager Parker stated this was commonly referred to as the mid-year budget amendment. City Manager Parker then highlighted the increase and/or decrease in each of the funds. City Manager Parker stated that all the detail for each fund was included in the Council Packet and he would be glad to answer any questions related to the budget amendment.

Councilmember Lynn Torres moved to approve a Resolution authorizing an amendment to the 2012/2013 Operating Budget (Budget Amendment No. 17), providing for the supplemental appropriation of funds in the General, Hotel/Motel Tax, Special Recreation, Pines Theater Special Event, Zoo Building, Court Security/Technology, Animal Control – Kurth Grant, Animal Control – Animal Attic, Economic Development, Lufkin Convention & Visitors Bureau, Convention Center, 2012 Capital Improvements, Economic Development Projects & Grants, Water and Sewer Renewal and Replacement, General Obligation Debt Service, Water/Wastewater, Solid Waste & Recycling, and Equipment Acquisition & Replacement Funds; and providing an effective date. Councilmember Robert Shankle seconded the motion and a unanimous vote to approve was recorded.

14. PURCHASE OF PLAYGROUND EQUIPMENT FOR BRANDON PARK IN THE AMOUNT OF SIXTY-EIGHT THOUSAND EIGHT HUNDRED NINETEEN

DOLLARS (\$68,819) FROM GAME TIME THROUGH THE BUY BOARD – APPROVED.

Mayor Bob Brown stated the next item was to consider the approval of the purchase of playground equipment for Brandon Park in the amount of sixty-eight thousand eight hundred nineteen dollars (\$68,819) from Game Time through the Buy Board.

City Manager Paul Parker stated that as City Council was aware, funding had been allocated during the last bond issue for improvements to Brandon Park. City Manager Parker stated that information regarding the planned expenditures for the project, which was budgeted at one hundred eighty thousand dollars (\$180,000), was included in the packet. City Manager Parker furthered that staff anticipated spending approximately one hundred nineteen thousand one hundred twenty dollars (\$119,120) on the project, which would include a new pavilion, picnic tables, benches, signage, and new playground equipment. City Manager Parker stated that if the playground equipment was purchased prior to August 15th, the vendor would provide a discount in the amount of nineteen thousand four hundred five dollars and fifty cents (\$19,405.50) for the equipment, which would lower the purchase price to sixty-eight thousand eight hundred nineteen dollars (\$68,819). City Manager Parker continued that the old equipment would be removed and refurbished and then placed in another City park. City Manager Parker stated that Staff would be happy to answer any questions related to the project and recommended City Council approve the purchase of the playground equipment.

Councilmember Sarah Murray moved to approve the purchase of playground equipment for Brandon Park in the amount of sixty-eight thousand eight hundred nineteen dollars (\$68,819) from Game Time through the Buy Board. Councilmember Robert Shankle seconded the motion and a unanimous vote to approve was recorded.

15. APPOINTMENTS TO THE KURTH MEMORIAL LIBRARY BOARD OF DIRECTORS (JUDGE ROBERT K. INSELMAN, SUSAN SUMNERS, TOM WILLIS, ROBERT T. CAIN, IV, AND GEORGE H. (HALL) HENDERSON, IV) – APPROVED.

Mayor Bob Brown stated the next item for consideration was the approval of appointments to the Kurth Memorial Library Board of Directors.

City Manager Paul Parker stated that each year the Council confirms the appointments to the Kurth Memorial Library Board of Directors as recommended by the Board. City Manager Parker stated those recommended included Judge Robert K. Inselman (2nd Term); Susan Sumners (2nd Term); Tom Willis (2nd Term); Robert T. Cain, IV (1st Term) and George H. (Hall) Henderson, IV (1st Term) to serve on the Kurth Memorial Library Board. City Manager Parker stated the term of officers begins January 1st, 2014. City Manager Parker concluded that Staff recommended approval of the appointments as recommended. Councilmember Lynn Torres stated the Board nominations were late due to the Board's meeting schedule being every other month.

Councilmember Lynn Torres moved to approve the appointment of Judge Robert K. Inselman, Susan Sumners, Tom Willis, Robert T. Cain, IV, and George H. (Hall) Henderson, IV to the Kurth Memorial Library Board. Councilmember Robert Shankle seconded the motion and a unanimous vote to approve was recorded.

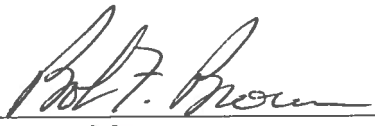
16. EXECUTIVE SESSION

Mayor Bob Brown stated there would be no need for an Executive Session.

17. DISCUSSION OF ITEMS OF COMMUNITY INTEREST, INCLUDING EXPRESSIONS OF THANKS, CONGRATULATIONS OR CONDOLENCE; INFORMATION REGARDING HOLIDAY SCHEDULES; HONORARY RECOGNITIONS OF CITY OFFICIALS, EMPLOYEES OR OTHER CITIZENS; REMINDERS ABOUT UPCOMING EVENTS SPONSORED BY THE CITY OR OTHER ENTITY THAT IS SCHEDULED TO BE ATTENDED BY CITY OFFICIALS OR EMPLOYEES; AND ANNOUNCEMENTS INVOLVING IMMINENT THREATS TO THE PUBLIC HEALTH AND SAFETY OF THE CITY.

City Manager Paul Parker announced that Public Hearing the proposed 2013-2014 fiscal year budget would be conducted on August 20, 2013 at 5:00 p.m. in the Lufkin City Council Chambers, located at 300 East Shepherd Street. City Manager Parker stated this announcement for the Public Hearing must be made per State law. City Manager Parker furthered that a request for funding had been received from the Naranjo Natural Museum. City Manager Parker stated the funding was not included in the proposed budget, but the request was distributed for Council's consideration. City Manager Parker highlighted upcoming meetings and events on the calendar. Mayor Brown announced there would be a neighborhood block party at New Beginning's Baptist Church on August 10th at 10:00 a.m. Councilmember Robert Shankle thanked the City Council, Staff and Community for their prayers, phone calls and assistance during his daughter's illness.

18. There being no further business for consideration, the meeting adjourned at 6:50 p.m.



Bob F. Brown, Mayor



Kara Atwood, City Secretary

SEAL