

City of Hays  
City Commission  
Work Session Notes  
July 18, 2013

Present: Kent Steward, Henry Schwaller IV, Eber Phelps, Shaun Musil, Ron Mellick, John Bird, Toby Dougherty

**July 2, 2013 Work Session Notes**

There were no corrections or additions to the minutes of the work session held on July 2, 2013; the minutes stand approved as presented.

**Ordinance and Resolution to Authorize the Issuance of General Obligation Refunding and Improvement Bonds, Series 2013-A**

The Golden Belt 4<sup>th</sup> Addition and 46<sup>th</sup> Street 1<sup>st</sup> Addition improvement district projects are complete, the assessments have been levied, and the projects are ready to be financed. On June 13, 2013, the Commission approved Resolution No. 2013-014 authorizing the offering for sale of the Bonds.

The Commissioners will be requested to approve the ordinance and resolution to authorize the issuance of General Obligation Refunding and Improvement Bonds, Series 2013-A at the July 25, 2013 Commission meeting.

**North Water Tower Interior Painting – Award of Bid**

The water tower located on the corner of Roth and 55<sup>th</sup> Street was constructed in 1995 to supply water to homes and businesses located north of I-70. AWWA (American Water Works Association) recommends repainting water tower tanks every 15 years, and the tank is now 18 years old. The 2013 budget included funds for sandblasting, painting, and repairs to the inside of the water tower. Bids were received from seven contractors with the low bid coming from Utility Service Co., Inc.

The Commissioners will be requested to approve the bid submitted by Utility Service Co. Inc., in the amount of \$66,000 at the July 25, 2013 Commission meeting.

### **Commission to Review 2<sup>nd</sup> Conservation Tier Letter**

Commissioners reviewed a letter which will be sent out to all residential water customers informing them of the second conservation tier, which will be reflected on the September bills. Commissioners recommended sending out the letter with a few minor changes.

### **Oil and Gas Lease – Hays Memorial Gardens City Cemetery**

David Barker has leased the land adjacent to Hays Memorial Gardens Cemetery for oil and gas exploration. He would like to pool, or combine, the City Cemetery acreage with the other lease(s). He proposes that the lease be a "no drill" lease, meaning that there will be no operations whatsoever performed on the City property and the City would receive its proportionate amount of any production from the pooled acreage. The reason that Mr. Barker wants the City to lease its property is that it will allow him to site the well where his seismic data shows it would be best to drill and not be adversely affected by State regulations regarding proximity to non-leased property.

The City was approached by Mr. Barker requesting a "no drill" oil and gas lease on the City Cemetery, offering a lease bonus of \$1,000 and a standard one-eighth royalty. The \$1,000 bonus (\$100 per acre) is significantly higher than the bonuses being paid on oil and gas leases in Ellis County. There is unlikely to be any interest in leasing from other oil companies since they do not have the land adjacent leased. Barker is the only individual or company who would be in a position to offer the City a lease.

Commissioners will be asked to accept the proposed Oil and Gas Lease and bonus payment at the July 25, 2013 Commission meeting.

### **Staff Notification of Committee Attendance Requirements**

Commissioner Schwaller asked to discuss with the City Commissioners the possibility of City staff sending out letters to board and committee members that do not meet the attendance criteria spelled out in the Commission's Committee Attendance Policy.

City Manager Toby Dougherty stated once a year, in January, staff will look back on the previous 12 months, and send letters out to all members that were absent more than 25% of the time. This information will be forwarded to the Commission.

### **2014 Budget Presentation**

City Manager Toby Dougherty and Assistant City Manager Paul Briseno presented the 2014 Budget in detail.

The 2014 Budget is a balanced budget, contains no new employees, adequately funds reserves, and keeps the mill levy at 25.00.

A public hearing on the budget is tentatively set for August 22, 2013.

### **Other Items for Discussion**

Commissioner Musil commended the Fire Department on the great job they did responding to the train derailment.

Commissioner Phelps expressed his condolences to Commissioner Schwaller on the passing of his grandfather.

The work session was adjourned at 8:39 p.m.

Submitted by: \_\_\_\_\_

Brenda Kitchen – City Clerk

