

May 19, 2014

On this the 19th day of May 2014 6:30 P.M., the City Commission of the City of Hereford, Texas, convened in a regular session in the Lounge, in the Community Center, the meeting being open to the public and notice of said meeting having been given as prescribed by Chapter 551 of the Government Code, with the following members being present and in attendance, to-wit:

Robert D. Josserand, Mayor
 Jose A. Garza, Commissioner Place One
 Angie Alonzo, Commissioner Place Two
 Charlie Kerr, Commissioner Place Three
 Linda Cumpston, Commissioner, Place Four
 Cathy Bunch, Commissioner Place Five
 Sam Metcalf, Commissioner Place Six
 Rick L. Hanna, City Manager
 Suzanne Finch, City Secretary

Absent: Slater C. Elza, City Attorney

No one was in attendance from the media to witness the proceedings. Also in attendance were Assistant City Manager Steve Bartels, HEDC Executive Director Michael Kitten, Audie Sciumbato (Attorney Underwood Law Firm), Zane Edwards (Parkhill, Smith, & Cooper), Officer Geronimo Ruiz, Kenneth Schlabs, and Seletta Gholson.

Mayor Josserand voiced the invocation and then called upon Commissioner Bunch to lead the Pledge of Allegiance to the United States flag. He then called the meeting to order, welcomed those in attendance, and introduced each item on the agenda.

REGULAR HEARINGS:

ITEM 1 - Consider approval of minutes for the May 5th, 2014 Regular Meeting.

Commissioner Metcalf made the motion to accept the minutes as presented. Commissioner Garza seconded the motion and it passed with the unanimous vote of the Commission.

ITEM 2 - Administer Oath of Office to Commissioner Place Two, Commissioner Place Four, Commissioner Place Five and Commissioner Place Six.

Mayor Josserand swore in Angie Alonzo (Place Two), Linda Cumpston (Place Four), Cathy Bunch (Place Five), and Sam Metcalf (Place Six). He then congratulated them and welcomed them to a two-year term.

ITEM 3 - Election of Mayor Pro Tem.

Mayor Josserand opened the floor for nominations. Commissioner Metcalf nominated Commissioner Kerr. Commissioner Kerr nominated Commissioner Metcalf. Mayor Josserand asked if there were any additional nominations; there were none. Mayor Josserand asked the two nominees to leave the room.

(Commissioner Metcalf and Commissioner Kerr left the room.)

Mayor Josserand stated Commissioner Metcalf has been Mayor Pro Tem for approximately ten years; the choice is up to you - could move to various people as they do in Hereford, England. He stated Hereford, England's mayor is elected out of their commission and they change every year; but, not sure if this is what we want to do.

City Manager Hanna pointed out and Attorney Sciumbato concurred that we have two motions and no seconds. Commissioner Bunch seconded the nomination made by Commissioner Metcalf to nominate Commissioner Kerr. Commissioner Alonzo

seconded the motion made by Commissioner Kerr to nominate Commissioner Metcalf.

Mayor Josserand then called for a vote. Commissioner Kerr was elected Mayor Pro Tem by a vote of three to two.

(Commissioner Kerr and Commissioner Metcalf returned to the room; Mayor Josserand informed them Commissioner Kerr had been elected Mayor Pro Tem.)

ITEM 4 - Hear report from Hereford Economic Development Corporation.

HEDC Executive Director Kitten reported on the following:

- Incentive Package for Tireworks (\$25,000.00 maximum - \$17,500.00 based on percentage of gross payroll and \$7,500.00 infrastructure with promissory note to be forgiven if meet obligations)
- AWEA (discussed in work session / 4th year, attendance smaller made it a lot easier to visit with people)
- Tejas (discussed in work session / moving forward)
- Lone Star Milk (discussed in work session / powdered milk plant)
- Lesser Prairie Chicken (discussed in work session / contacted Thornberry & Seliger - will contact Susan Combs and Governor's office also)
- City of Dickens (discussed in work session / down to pumping only 17 gpm - drought)

ITEM 5 - Consider approval of Hereford Economic Development Corporation's incentive package for Tireworks, Inc.

Mayor Josserand noted this is a \$25,000.00 investment; \$17,500.00 based on 10% gross payroll and \$7,500.00 infrastructure.

Commissioner Metcalf made the motion to approve the action taken by the Hereford Economic Development Corporation. Commissioner Kerr seconded the motion and it passed with the unanimous vote of the Commission.

ITEM 6 - Consider authorizing the city manager to enter into a Transmission Easement Option Agreement with Unity Wind, LLC.

Mayor Josserand stated Unity Wind called and asked the Commission to table this item as they need to refine some details.

Commissioner Cumpston made the motion to table Agenda Item #6. Commissioner Alonzo seconded the motion and it passed with the unanimous vote of the Commission.

ITEM 7 - Consider approval of re-appointment to the Hereford Area Tax Abatement Board.

Mayor Josserand stated Commissioner Alonzo has been serving as the City Representative on this board along with Commissioner Metcalf and has agreed to serve again.

Commissioner Garza made the motion to approve the appointment of Angie Alonzo to the Hereford Area Tax Abatement Board. Commissioner Kerr seconded the motion and it passed with the unanimous vote of the Commission.

ITEM 8 - Consider approval of re-appointments to the Building Code Board of Adjustments and Appeals.

Mayor Josserand stated Robbie Morrow and David Tiemann agreed to be re-appointed to serve another four-year term to expire June 2018.

Commissioner Alonzo made the motion to re-appoint Robbie Morrow and David Tiemann to the Building Code Board of Adjustments and Appeals. Commissioner Kerr seconded the motion and it passed with the unanimous vote of the Commission.

ITEM 9 - Consider authorizing the city manager to enter into a contract to purchase 640 acres of land located in Block K-3, Section 57, Deaf Smith County for \$1.6 million.

Mayor Josserand explained that upon authorization of the city manager and before anything is signed, we have identified four locations for Santa Rosa test wells - no interest in purchasing the land if the water is not there.

He noted the land is extremely close to existing water lines and it is close to a Santa Rosa well we already have drilled.

Commissioner Bunch inquired whether or not we would lease the land once we purchase it. Mayor Josserand stated we would lease the land. City Manager Hanna stated we have already had some inquiries.

Commissioner Kerr made the motion to authorize the city manager to enter into a contract to purchase 640 acres of land, more or less, subject to the water being there. Commissioner Bunch seconded the motion.

Kenneth Schlabs stated he has some questions about the purchase. He inquired how the purchase price was derived and were any appraisals done. City Manager Hanna stated it was a negotiated price based on what Santa Rosa water would be worth to the City. He checked with local realtors to see what good farmland with good water was selling for and the figure used was at the top end and contingent upon Santa Rosa water being available on the land. City Manager Hanna noted also taken into consideration was our best producing well is directly across from the landowner's property line; our policy is to "soft mine" wells. Mr. Schlabs asked how many wells could be drilled on the property. City Manager Hanna stated three possibly four wells could be drilled. Mr. Schlabs stated he did not think four would meet High Plains Underground Water District requirements.

Mr. Schlabs commented he personally feels the value is on the high end for three wells and without soliciting bids it is probably quite a bit off on the value. He stated he thinks there is land just as close at a lesser price. Mr. Schlabs asked what is the urgency. City Manager Hanna stated it is not urgent; the land became available, it is close to ours, the drought continues, and the time seemed right.

Mr. Schlabs stated farmland values have not fallen much due to the drought and the need for roughage; he feels in five years land values would drop.

Mayor Josserand thanked Mr. Schlabs for his comments and then called for a vote. The motion passed with the unanimous vote of the Commission.

ITEM 10 - Consider authorizing the city manager to borrow \$1.6 million from our depository to pay for the land purchase (640 acres of land located in Block K-3, Section 57, Deaf Smith County.)

Mayor Josserand stated this item is asking the City Commission to authorize the city manager to borrow \$1.6 million from First Financial Bank (formerly Hereford State Bank) probably over a three to five year note; if we wanted to we could probably go with the five year note and pay it off in three years or less. Commissioner Metcalf inquired about paying the \$1.6 million out of the General Fund. Mayor Josserand stated we have between four and five million dollars.

Mayor Josserand asked for a motion to that effect [authorize city manager to borrow \$1.6 million from First Financial Bank.] Commissioner Bunch made the motion, Commissioner Kerr seconded and it passed with the unanimous vote of the Commission.

ITEM 11 - Announcements and comments from Mayor and City Commissioners.

Mayor Josserand stated we are proposing to have three "listening sessions" - one tonight, one June 2nd, and one June 16th to hear from our citizens on the Grotegut land. He noted at the end of the third listening session, the City Commission will need to make one of the following decisions:

1. It appears the citizens are not in favor and the Commission should take no action.
2. It seems the citizens are in favor and the Commission should move forward.
3. The Commission cannot tell what the citizens want and the issue should be put on the November ballot and the citizens can vote on it.

Mayor Josserand proposed that tonight we tell the citizens about the project; he will then give the Commission an opportunity to make comments if they wish to; and, then we will hear from the citizens.

Commissioner Kerr thanked Mr. Schlabs for being here. Mr. Schlabs thanked the commissioners for serving on the City Commission. Commissioner Cumpton stated she appreciated his comments and Commissioner Alonzo thanked him for the information.

ITEM 12 - Announcements and comments from City Staff.

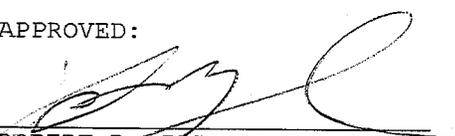
HEDC Executive Director Kitten thanked the City Commission for their approval of the incentive package [for Tireworks].

ITEM 13 - Public Comments.

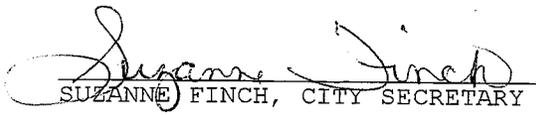
There were no public comments.

There being no further business before the Commission, the meeting was adjourned at 7:00 p.m.

APPROVED:


 ROBERT D. JOSSERAND, MAYOR
 CITY OF HEREFORD, TEXAS

ATTEST:


 SUZANNE FINCH, CITY SECRETARY