

CITY OF DEER PARK  
710 EAST SAN AUGUSTINE STREET

77-

DEER PARK, TEXAS 77536

Minutes

of

A WORKSHOP MEETING OF THE CITY COUNCIL OF THE CITY OF DEER PARK, TEXAS HELD AT CITY HALL, 710 EAST SAN AUGUSTINE STREET, DEER PARK, TEXAS ON SEPTEMBER 25, 2018, BEGINNING AT 5:45 P.M., WITH THE FOLLOWING MEMBERS PRESENT:

JERRY MOUTON, JR.	MAYOR
SHERRY GARRISON	COUNCILWOMAN
THANE HARRISON	COUNCILMAN
TOMMY GINN	COUNCILMAN
BILL PATTERSON	COUNCILMAN
RON MARTIN	COUNCILMAN
RAE SINOR	COUNCILWOMAN

OTHER CITY OFFICIALS PRESENT:

JAY STOKES	CITY MANAGER
GARY JACKSON	ASSISTANT CITY MANAGER
SHANNON BENNETT	CITY SECRETARY
JIM FOX	CITY ATTORNEY

1. MEETING CALLED TO ORDER – Mayor Mouton called the workshop to order at 5:45 p.m.
2. EXECUTIVE SESSION – PERSONNEL – NAMING TWO APPOINTEES TO ARBITRATION COMMITTEES – Mayor Mouton recessed the meeting at 5:45 p.m. for an Executive Session.
3. EXECUTIVE SESSION – PERSONNEL – NAMING TWO APPOINTEES TO ARBITRATION COMMITTEES – Mayor Mouton recessed the meeting at 5:45 p.m. for an Executive Session.
4. RECONVENED – Mayor Mouton reconvened the workshop meeting at 6:32 p.m.
5. PRESENTATION AND DISCUSSION OF ISSUES RELATING TO A SCHEDULE OF EVENTS FOR THE SALE OF CERTIFICATES OF OBLIGATION – John Robuck, of BOK Financial Inc., gave a presentation for the Certificates of Obligation, Series 2018, not exceeding 7 million dollars. The overview was of the current bond market condition, summary of bids, final debt service requirements and scheduled events.  
(Exhibit A1-A4)

6. DISCUSSION OF ISSUES RELATING TO THE PROPOSED ORDINANCE RELATED TO SEISMIC TESTING – City Manager, Jay Stokes advised Council that currently there is no ordinance relating to seismic testing. In 2014 & 2015, Council discussed the possible creation of a Seismic Testing ordinance. This came at the request of Boone Exploration, a Houston-area oil and gas exploration business. Currently, there is no ordinance or permitting process in place.

Councilwoman Garrison asked, “Can we set a perimeter to have the seismic testing without an ordinance?”

City Attorney, Jim Fox responded, “No.”

Councilwoman Garrison asked, “This ordinance opens that up to anyone who wishes to do that?”

Mr. Fox responded, “Within the restrictions of the ordinance. There was a bill passed in 2015 that basically states that the Railroad Commission preempts City regulations of drilling. We are not prohibited from regulating testing.”

Councilwoman Garrison asked, “My question is, can this be allowed without an ordinance?”

Mr. Fox responded, “Yes.”

Mayor Mouton asked, “If we don’t have an ordinance, can we legally stop seismic testing?”

Mr. Fox responded, “Not on a public right of way or a private property.”

Councilman Harrison asked, “Can we have an ordinance banning seismic testing? If someone wants to do it, can we have them come to Council and get special permission?”

Mr. Fox responded, “We can have them ask for a Specific Use Permit.”

Councilwoman Garrison commented, “We had a discussion in 2014 and again in 2015, I said at that time, my objection to this, with the understanding of all the slant drilling and that we are talking about a very small area. I have a problem with people in Deer Park thinking they have mineral rights when they do not have mineral rights to their homes. People that built some subdivisions were smart enough to retain those mineral rights.”

Mayor Mouton asked, “For the record, does this have anything to do with mineral rights?”

Mr. Fox responded, “No, not the testing.”

Councilwoman Garrison asked, “If you do the testing, and they find out that there is something there, then the next step is to go for the mineral rights?”

Mayor Mouton responded, "If we don't have an ordinance, they can do the testing and then will go and find the mineral rights anyhow. For the record, let's just make sure we state what we are alluding to. I believe the City of Denton put an ordinance in place that preempted any type of testing. I think the emphasis the State overruled was the drilling inside city limits. Apparently, the State Legislature overruled that."

Mr. Fox commented, "House Bill 40 was passed in 2015. Basically, the State has exclusive control over drilling underground. There can be reasonable regulations with what happens above ground. Right now, we have zoning requirements that only allow oil well drilling in heavy industrial areas. I do not know if that is in conflict with the new preemption rule law because it is such a small area. We can regulate certain things, but you can't be so broad that it prevents people from drilling and getting the minerals."

Mayor Mouton commented, "The seismic testing is usually not done unless someone is looking for data. It is a preemptiveness of researching data but in this case, there is already data available and are just wanting to verify the data. Typically, it is either an oil company or an industry partner wanting to confirm all this. That's all it is."

Councilwoman Garrison asked, "Do we really need to pass the ordinance tonight? We just need to listen to what is presented?"

Mayor Mouton responded, "They have a proposal to present as to what they are wanting to pursue based on reaffirming some data. The whole point why we are bringing this back up right now is because even if we decide we don't want to do this, they can still move forward and do it anyhow. If we create an ordinance, all we are doing is trying to regulate a lawful process in regards to how it can be done. This ordinance would be the best practice if the testing is to occur."

Councilman Patterson asked, "Is the testing only on public right- of- ways and not on private properties?"

Mr. Fox responded, "I believe the draft is for both."

Councilman Patterson asked, "Do we have an ordinance against someone having a well in their backyard?"

Mr. Fox responded, "The only thing we have to prohibit drilling right now is our zoning laws say that you can only drill oil wells basically around heavy industrial areas, primarily around Highway 225."

Councilman Patterson asked, "Are you saying that the law may not hold up and in effect we could have oil wells in everybody's backyard?"

Mr. Fox responded, "Not after House Bill 40. There are set back requirements generally for safety issues. We also have regulations about fuel storage combustible items above ground. We regulate some of those tanks."

City of Morgan's Point Mayor, Michel Bechtel commented, "I have been in the oil business for 48 years. I have had my own oil company for last the 35 years. My partners in this venture is Ballard Exploration Company Inc. I have known Thomas Binig professionally for over 25 years, he will give you some background on Ballard Exploration and their interests and what they have done in the past locally. What I wanted to give the Council and the Mayor, is the background in the data that a geologist/geophysicist like Tom and I are, that we use. When we say geophysical testing, it is not really testing. It's an accumulation of data. I, basically want to show you what a geologist and geophysicist does. The data we are talking about is seismic data. Basically, the well logs are the surveys available that are taken when drilled. We primarily deal with sand and shale. A geologist can take logs on all the wells that have been previously drilled. We take all the well logs of the different wells and the goal is to make a map to look for potential traps. With that information, we want to connect the dots. That is where seismic data comes into play. What a seismic line does is, takes the information and ties it to the well control and make a topographical map. A geologist takes seismic data and well data, puts it together to come up with an interpretation of what it looks like on a subsurface on a certain horizon."

Thomas Binig, of Ballard Exploration Company, Inc. gave an overview of his experience with Ballard Exploration Company, Inc. and gave a technical presentation of seismic testing acquisition for the City of Deer Park. Mr. Binig also spoke about the success Ballard Exploration has because of extensive and voluntary monitoring of all the work done by the company. (Exhibit B1-B18)

Mayor Mouton advised to Council to forward all questions in regards to the presentation to City Manager, Jay Stokes for a future meeting.

7. DISCUSSION OF ISSUES RELATING TO COBB FENDLEY ENGINEERING'S PRELIMINARY DRAINAGE ANALYSIS ON THE HERITAGE ADDITION AND DEER MEADOWS SUBDIVISIONS – Carl Hart of Cobb Fendley Engineering, gave an overview of the evaluation criteria for Deer Meadows and the Heritage Addition. The existing condition of Heritage Addition consists of 31 acres with mostly arch pipes and a parallel system. The proposed storm sewer system is to disconnect from the existing storm sewer and run parallel to the north of East Lambuth Lane. Deer Meadows existing condition consists of 38 acres, mostly arch pipes and a parallel system with outfalls along San Augustine Street. Deer Meadows has two alternatives. One being to disconnect from San Augustine Street that would require mitigation, but could potentially benefit San Augustine Street. The second alternative would be, follow the same path that exists and connect along San Augustine. (Exhibit C1-C8)

Mayor Mouton asked, "Do you have a cost estimate for the alternatives?"

Mr. Hart responded, "We have not gotten to the point where we have cost estimates yet."

City Manager, Jay Stokes commented, "The first one is easier because the property can be acquired from the school district. We have had discussions with the school and they have indicated on possibly allowing us to acquire the property. The second one can be handled however Council wishes to proceed. I think it is fair to say that the second option is significantly higher than option one."

Mayor Mouton commented, "We would still need to see both costs."

Mr. Stokes asked, "Would the next step be to get with you for the costs?"

Mr. Hart responded, "We would finalize the report and then contact the City to come to an agreed method for determining the property values."

Mr. Stokes commented, "We will start dialog with the school district."

8. DISCUSSION OF ISSUES RELATING TO CONSTRUCTION OF NEW FENCING ALONG THE NORTHEAST PERIMETER OF THE NEW CITY HALL PROPERTY – David Tucker, 2610 Dunn Circle, spoke on issues and concerns of fencing, lighting, traffic, ballards and ownership of the fence. The pictures of the brick and wood fence initially looked at, were deemed costly. A product from Pasadena Fencing Company was presented and suggested for consideration. A 7 foot variance will still be requested due to security, lighting and the traffic. The deflector for the lighting is anticipated to be installed soon. A half-moon cover deflector was mentioned in a prior meeting for the east side lighting and is still being requested. There is still a concern of the traffic speed relating to the drive through and the intended design to keep the speed down. Speed limit signs and speed bumps are suggestions to help with slowing down the traffic's speed.
9. RECESS/RECONVENE – Mayor Mouton recessed the Workshop to open the regular Council meeting at 7:30 p.m. and reconvened the Workshop at 7:30 p.m.

Mr. Tucker continued the discussion of issues relating to the new fencing along the northeast perimeter of the new City Hall property. The ballard system may not fit with the drainage on the side, but an alternative would be to increase the curbing. Ownership of the fences will be the responsibility of the resident. All five homes have had gates and the homeowners would want to continue to have gates to be able to access the park.

Brandon Rich, 2614 Dunn Circle, commented, "We have been happy to be working with Mr. Stokes and are very happy to live in this great city. We obviously want security and privacy. We just put up this very expensive nice building and I think we would want to improve the aesthetics of what the fence looks like. It won't just help the City's image, but it will also benefit the homeowners too."

City Manager, Jay Stokes asked, "Is the fencing still going from the southend to the north?"

Mr. Tucker responded, "Yes."

10. DISCUSSION OF ISSUES RELATING TO THE CITY'S INVESTMENT PROGRAM, INCLUDING THE ANNUAL REVIEW OF THE CITY'S INVESTMENT POLICY – Finance Director, Donna Todd advised Council that the City's Investment Policy was last reviewed and updated on September 19, 2017. At that time, the policy was updated for several changes made to the Act in the 2017 State legislative session. A few minor changes are being incorporated into the policy this year, including further clarification of those legislative changes. The attached "Investment Policy Review" provides a detailed description of the changes being incorporated into the policy this year. (Exhibit D1-D2)
11. DISCUSSION OF ISSUES RELATING TO THE FISCAL YEAR 2018-2019 FINAL BUDGET – Finance Director, Donna Todd gave a summary of FY 2018-19 Budget and emphasized on some changes. These are additions which arose since the proposed budget was submitted to Council on August 7, 2018. In the General Fund the total increase of \$43,375, to be funded by prior year revenue, represents an additional \$33,375 for the lease purchase financing on the refresh of the VOIP communication system, and \$10,000 for demolition of the structure on the property at 213 West Helgra recently acquired by the City. In the Capital Improvement Fund, the total increase of \$31,000, to be funded by fund reserves, represents \$20,000 for a new fence on the west side of City Hall, and \$11,000 for additional artwork for the new City Hall.
12. DISCUSSION OF ISSUES RELATING TO THE 2018 LANE STRIPING PROJECT – Public Works Director, Bill Pedersen presented a map relating to the request to advertise and receive bids for the 2018 Lane Striping Project. The striping project will occur along portions of Georgia Avenue, San Augustine Street, 13th Street and East Boulevard. Intersections and crosswalks on these streets will be included in this project as well as major intersections of Luella and Center Street. The project was designed and will be overseen by the Engineering Department. (Exhibit E1)  
  
Councilman Ginn commented, "I think that is good because I have received complaints about that not lasting long enough."
13. ADJOURN – Mayor Mouton adjourned the workshop meeting at 7:49 p.m.

ATTEST:

APPROVED:

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Shannon Bennett, TRMC  
City Secretary

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Jerry Mouton  
Mayor