

MINUTES
EVANS CITY COUNCIL
March 3, 2015

CALL TO ORDER

Mayor Morris called the meeting to order at 7:30 p.m.

PLEDGE

ROLL CALL

Present: Mayor Morris, Mayor Pro-Tem Schaffer, Council Members Brown, Finn, Homann, and Rudy

Absent: Council Member Clark

PROCLAMATION

Mayor Morris read the proclamation designating March as “National Intellectual/Developmental Disabilities Awareness Month” in the City of Evans. Mayor Pro-Tem Schaffer presented the Proclamation to Brandy Mondy, Board President, Arc of Weld County, her daughter Aven Mondy, and Kathi Sargent with the Arc of Weld County.

AUDIENCE PARTICIPATION

There was no audience participation.

APPROVAL OF AGENDA

Mayor Pro-Tem Schaffer, made the motion, seconded by Council Member Rudy, to adopt the Agenda. The motion passed with all voting in favor thereof.

CONSENT AGENDA

- A. Approval of Minutes of the Regular Meeting of February 17, 2015**
- B. Public Hearing – Ordinance No. 616-15 Right-of-Way and Dedications in Connection with the Final Plat of The Junction at Evans (2nd Reading)**
- C. Public Hearing – Ordinance No. 617-15 Adoption of the Final Plat of The Junction at Evans (2nd Reading)**
- D. Public Hearing – Ordinance No. 618-15 Amendment to a Planned Unit Development, Vintage Villas (2nd Reading)**

Mayor Pro-Tem Schaffer made the motion, seconded by Council Member Brown, to adopt the Consent Agenda, with Mayor Morris abstaining from voting.

The motion passed with all voting in favor thereof.

NEW BUSINESS

A. Ordinance No. 619-15 Approving an Oil and Gas Lease of the City of Evans' Cemetery and Park Property with Mineral Resources, Inc. (1st Reading)

Scott Krob, Evans City Attorney, presented the Ordinance which approves a lease of the City of Evans oil and gas interest in the property beneath the City cemetery and park properties. Mr. Krob explained that the City initially received two proposals for such a lease from Mineral Resources and Duck Creek Resources, but a third offer had been submitted from J3 Resources. Mr. Krob discussed the importance of finalizing the lease to allow the City to receive the maximum amount of an offer and an early signing bonus. He stated that if the City does not enter into a lease agreement for its oil and gas interest or develop those interests on its own, the City will likely be forced into a pooling agreement with no signing bonus and receive a minimum royalty of 12 percent.

Mr. Krob explained that no drilling will be done on the City's property, but be accessed through directional drilling from the City of Greeley. According to Mr. Krob, the City will not receive the severance tax associated with this well, but the signing bonus will result in an up-front payment in the amount of \$149,000. Additionally, the royalty will be paid if and when a producing well is drilled.

Mayor Pro-Tem Schaffer asked about the counter offer from other entities.

Mr. Krob discussed the proposals from the three companies that had submitted leasing offers and recommended proceeding with the adoption of the Ordinance on First Reading due to the urgency of the mineral leases. He explained that the final offer would be approved by the City Council under the second and final consideration of the Ordinance at the March 17th meeting.

Mayor Morris requested that this item would be considered under old business for second and final reading on March 17th. He talked about supporting the issue and the importance of adopting the Ordinance in time to receive the full benefits for the City.

Mayor Pro-Tem Schaffer made the motion, seconded by Council Member Rudy, to approve Ordinance No. 619-15 on First Reading.
The motion passed with all voting in favor thereof.

REPORTS

A. City Manager

Aden Hogan, City Manager, updated the City Council about attending a recent conference for the Colorado City and County Managers Association (CCCMA).

He discussed some of the sessions he attended and informed the City Council that he was no longer on the CCCMA board, since he is now the outgoing former-President of CCCMA. Mr. Hogan also reminded the City Council about the upcoming City Business-2-Business Event on March 4th and invited the Council Members to attend.

Mayor Morris thanked Mr. Hogan for his previous service on the CCCMA Board and his service on the Board of the Colorado Municipal League.

B. City Attorney

Mr. Krob, City Attorney, explained that he would reserve his comments until the Executive Session.

AUDIENCE PARTICIPATION

There was no audience participation.

EXECUTIVE SESSION

- A. For the purpose of receiving legal advice concerning negotiations for the purchase, acquisition, lease, transfer or sale of any real, personal, or other property interest, pursuant to C.R.S. 24-6-402(4)(a).**

Mayor Pro-Tem Schaffer made the motion, seconded by Council Member Homann, to go into Executive Session for the purpose of receiving legal advice concerning negotiations for the purchase, acquisition, lease, transfer or sale of any real, personal, or other property interest, pursuant to C.R.S. 24-6-402(4)(a).

The motion passed with all voting in favor thereof.

The City Council adjourned into Executive Session at 7:44 p.m.

The Executive Session convened at 7:59 p.m.

Scott Krob, City Attorney, entered into the record that the reason for the Executive Session was satisfied according to the referenced state law and covered under attorney client privilege.

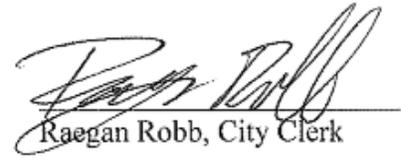
Council Member Homann made a motion, seconded by Mayor Pro-Tem Schaffer, to authorize the City Manager to execute the settlement agreement as proposed by Mr. Dirks' and drafted by the City Attorney.

The motion passed with all voting in favor thereof.

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ADJOURNMENT

The meeting adjourned at 7:59 p.m.



Raegan Robb, City Clerk