

MINUTES
CITY COUNCIL SPECIAL MEETING
August 25, 2016 at 6:00 p.m.

1. Call to order.

Mayor Danner called the meeting to order at 6:00p.m.

2. Quorum check.

Mayor James Danner, Mayor Pro Tem Ann Michelle Long, Councilman Eric Torres, Councilman John Villa, City Manager Kim Davis and City Secretary Gloria Colbath.

Absent: Councilman Sammy Nooner and Councilman John McAnelly

Staff present: Director of Public Works Eric Salazar; Finance Director Doug Roderick

3. Pledge of Allegiance led by Mayor Danner.

4. Hold first public hearing on the proposed FY 2016-17 budget.

City Manager Kim Davis gave a brief overview. She stated that the city will continue the emphasis on taking care of our resources through maintaining current service levels to our citizenry, containing overall costs for operational expenses, focusing on proposed increases to revenues on improving working capital balances, meeting capital improvement needs, and the updating to personnel classifications and pay scales to be competitive.

Mrs. Davis stated that there will be no proposed changes to service levels, proposing an increase in personnel through consolidation of some part-time positions and the addition of seasonal part-time positions, reducing costs in fuel, utilities and phone; further development of extensive 5-year capital plan with emphasis in early years to critical needs. She stated that the recommendations for 2016-2017 are as follows: A proposed increase in the tax rate from .4527 to .5139 per \$100 valuation. She stated that staff is also proposing an increase in water and wastewater rates to support the debt service needed for the improvements to the water and wastewater systems and a 3.1% increase for sanitation. Mrs. Davis stated that the overall impact to the average customer based on the proposed increases is \$266.64 per year, approximately \$22.22 per month.

Mayor Danner opened the public hearing at 6:04p.m.

Chavel Lopez stated he was in attendance representing the Hondo Empowerment Committee and went on record opposing the tax increase that the city is proposing. He spoke to the poor in the community that may not be able to afford the utilities and/or rent. He also spoke to the appliance energy voucher/rebate program asking that Council consider reinstating the program to assist with the utility rate increase.

Mayor Danner clarified that the increase in taxes this year is to pay off the library debt and pay for the improvements in the sewer system and waterlines. He explained that the city was under a TCEQ order to address the sewer system issues. Mayor Danner remarked that the underprivileged in the community also need water and sewer. As for the library, he stated that it is largely used by the lower income citizens in the city.

Armando Garcia asked how many tax increases is it going to take to finally fix the issues.

Mayor Danner replied that the city's infrastructure, waterlines, sewer lines and electrical lines are aged and this is why the city has challenges with water and electric stoppages and until a lot of this is fixed, the city will need to continue to improve the systems and the only way it can be done is to go into debt.

Mayor Danner also pointed out that most of the improvements the last few years have occurred in the northern part of the city.

Florestela Lopez spoke to the \$300,000 that disappeared from the Friends of the Library coffers and asked if the citizens are now having to pay for this.

Mayor Danner replied that there is nothing in the budget to cover the loss of the funds. He also stated that he hopes it will be recovered. He stated that what is in the budget is for the increase in debt to pay for the library.

John Polizzi spoke to the ongoing increases in the utility rates, increases in the valuation of the properties, tax increases and he sees the city as dying. He stated that more and more citizens will not be able to pay their utility and taxes until the property is taken for nonpayment of taxes.

Maite Gonzales Cuellar stated she is highly against raising taxes and utilities. She told Council that she has been without utilities for two months because she could not afford to pay the bill. She also said that she was placed on a payment plan which she was not able to pay either.

With no one else to speak, Mayor Danner closed the public hearing at 6:15p.m.

5. Hold second public hearing on the proposed Fiscal Year 2016-2017 tax rate.

Mayor Danner opened the public hearing at 6:16p.m.

Chavel Lopez, Hondo Empowerment Committee stated that they are against the property tax increase that the city is proposing.

Lucio Torres spoke to the increases, valuation of property, tax rate increases, and utilities.

6. Discuss non-profit and hotel occupancy tax budgetary funding for 2016-2017 budget year.

After a brief discussion, Council's consensus is to fund both organizations as follows:

Non Profit

Blue Bonnet Children's Advocacy Center	\$3,500 (4 payments)
Hondo Art League	\$3,000 (3 payments)
Hondo Garden Club	\$3,500 (applied to utilities)
Medina County Food Pantry	\$2,000 (City will pay the remaining two months in 2016)
Senior Center/Meals on Wheels	\$1,440 (utilities)
Southwest Family Life Center	\$6,700 (for maintenance)


Hotel/Motel Tax

Hondo Area Chamber of Commerce	\$50,000
Medina County Fair Association	\$10,000
Medina County Rodeo Association	\$10,000 (staff will assist with maintenance)
Medina County Museum	\$6,000
South Texas Regional Airport 75 th Anniv.	\$20,000 (one-time)

7. Adjourn.

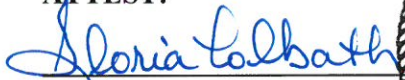
With no further city business, Councilman Villa moved to adjourn the meeting at 6:39p.m. Motion was seconded by Councilmember Long. Motion carried 3-0.

Passed and approved this 26th day of September, 2016.



JAMES W. DANNER, SR., MAYOR

ATTEST:



Gloria Colbath, City Secretary

