

**MINUTES**  
**REGULAR CITY COUNCIL MEETING**  
**August 27, 2018 at 6:00 p.m.**

**1. Call to order.**

Mayor Danner called the meeting to order at 6:01 p.m.

**2. Quorum check.**

Mayor James W. Danner, Sr., Mayor Pro Tem Ann-Michelle Long, Councilman John McAnelly, Councilman John Villa, Councilman Eric Torres, City Attorney Jessie Lopez, City Manager Kim Davis, and City Secretary Miguel Cantu

**Absent:** Councilman Bobby Vela

**Staff present:** Police Chief Brian Valenzuela, Lieutenant Rick Garza, Assistant Finance Director Dee Willman, Assistant Public Works Director Michael Schmidt, Aviation Director Ryan Elder, and City Planner II Shavon Caldwell

**3. Invocation by Councilman McAnelly.**

**4. Pledge of Allegiance led by Mayor Danner**

**5. Citizens' Comments**

No comments made.

**6. Approval of the July 23, 2018 regular meeting, July 31, 2018 budget workshop, August 13, 2018 regular meeting and August 20, 2018 special meeting minutes.**

Councilman Torres moved to approve the minutes with corrections to the July 23, 2018 Minutes item 16 to reflect \$20,000 rather than \$30,000, and on the August 13, 2018 Minutes item 12 to reflect Councilman McAnelly as making the motion. Motion seconded by Councilman McAnelly. Motion carried 4-0.

**7. City Manager Report(s)**

**a. September Calendar of Events**

Mrs. Kim Davis discussed the September 2018 calendar. Mayor Danner asked if Parks and Recreation would reconsider the Madden Event scheduled for September 13 since it might be an inappropriate time to have one because of recent events. Mrs. Davis stated she would take it under advisement and discuss the event with the Police Department. Additionally, Mrs. Davis reminded Council about STOL (Short Takeoff and Landing) event starting September 28<sup>th</sup> and 29<sup>th</sup> with the hangar dance at the Airport. A movie is also scheduled at the Recreation Center showing *Little Giants* at 8:00 p.m. on September 22<sup>nd</sup>.

**8. Presentation from Medina County Fair Association.**

Mrs. Pam Villegas, Vice President of Medina County Fair Association, informed Council the Medina County Fair dates were scheduled for September 15<sup>th</sup> and 16<sup>th</sup>. The Steer and Heifer Prospect Show will be held on September 8<sup>th</sup> and 15<sup>th</sup>. Mayor Danner asked about the organizations financial statement and the location of HOT Funds on the statement provided to the City. Mrs. Villegas reported that the funds are being utilized for publicity and radio broadcasting from San Antonio to Laredo areas. The funds also provided for the purchase of banners, flyers, website, and Facebook page advertisements. Councilman McAnelly asked about the terms of offices with a concern of turnover and relaying information to other members for historical reporting purposes. Mrs. Villegas stated the Association elected officers every year and her plans are to remain in office as long as the members elect her. She added the organization does keep minutes of everything that is performed so that they can transfer the information to the new members and directors. Mayor Danner pointed out that the information he was seeking was located under the Occupancy Tax Collected (Other

Income). Mrs. Davis informed Council the Fair Association has been good on reporting how the funds are spent since the majority of their expenses fall during the first month of the City's fiscal year. Councilman Villa asked why they did not submit the documents to Council when they were due. Mrs. Villegas stated she was not aware until July. She responded that the individual that was doing the reports was really busy with personal business and the association decided she would be responsible for the reporting since she utilizes the money. Mayor Danner asked that they be sure to turn the information in a timely manner next year and asked that at the next Council meeting to add funds for the Fair Association. Mrs. Davis reminded City Councilmembers the funds had already been allocated in next year's budget at their request.

**9. Hold second public hearing on the proposed FY 2018-2019 tax rate.**

Mrs. Dee Willman reported that the Proposed Property Tax Rate for FY 2018-2019 is \$0.5109 per \$100 valuation. The preceding year's tax rate was \$0.5139 per \$100 valuation, the Effective Tax Rate \$0.4839 per \$100 valuation, and Rollback Tax Rate \$0.5109 per \$100 valuation. City Staff has recommended to City Council the Rollback Rate of \$0.5109 per \$100 valuation for the Public Hearing. Mayor Danner stated that the Rollback Rate is what is budgeted.

Mayor Danner opened the Public Hearing at 6:12 p.m.

No public comments.

Mayor Danner closed the Public Hearing at 6:13 p.m.

**10. Discuss and consider Ordinance No. 1183-08-18, an ordinance of the City of Hondo amending Chapter 13, section 13.05.001- "Application for service; payment-guaranty deposit" and section 13.002.035 – "Refund of Deposit" to have city retain customer security deposits on electrical and water services until closing of accounts and providing for letters of credit in lieu of deposits; repealing all parts of ordinance in conflict; providing a severability clause; and providing for related matters.**

Mrs. Willman explained the ordinance presented is to clean up some verbiage from previous ordinances. In the past, customers could request the return of their deposit of \$200 for electric and \$100 for water after 3 years of on time payments. Mrs. Willman asked to change this procedure and to hold the deposit until the customer closes the account. This process is to assure the City reduces the amount of bad debts. Mrs. Willman further added that this process should assure that if the customer does not pay the last bill, the City can hold the deposit. Also, if the customer is short after the deposit is applied the City will send a bill; if the customer has a credit, the City will send the refund of the remaining deposit back to the customer. Mayor Danner asked to explain the current process. Mrs. Willman responded that at this time if a customer has paid their bills successfully after 3 years the customer could request the deposit back from the City; however, many customers do not remember they can request the funds back. She continued to add that if a customer does not have a deposit available and the customer leaves without paying their final bill, the City will continue to attempt collection. Councilman Villa asked how old the current ordinance was; Mrs. Davis guessed that the ordinance was created in 1995. Councilman McAnelly clarified that the deposit would remain in the account until the account is closed; except for the provision that states no deposit is required with a letter of credit. Mrs. Willman stated that a customer with good standing from their previous utility customer that is no more than 2 late payments in their history and 0 cut outs for non-pay was not required to make deposit. Mayor Danner asked Mrs. Davis to review the ordinance regarding utility bills and the use of the phrase "letter of credit". Mayor then asked for a motion. Councilman Torres moved to approve Ordinance No. 1183-08-18. Motion seconded by Councilman McAnelly. Motion carried 4-0.

**11. Discuss and consider approving Resolution No. 321-18, a resolution of the City of Hondo, Texas providing for the extension of the Hondo municipal boundaries by the annexation of two properties that have lost their agricultural exemption and in accordance with the Growth Management Annexation Plan; setting the dates and times of two public hearings and setting an effective date.**

Ms. Shavon Caldwell stated she was presenting Resolution No. 321-18, a resolution to set the dates and times for the required public hearings for annexation. Properties belonging to Mr. Robert Mumme and Mr. Jimmy Mumme had been identified and considered as priority areas for annexation

in the Master Plan. A Growth Management Annexation Plan was also adopted allowing the City to annex a number of properties at the November 27, 2017 City Council meeting. Until now, the properties now being considered were exempt from annexation and the owners were granted a Development Agreement in accordance with Section 43.06 of the Texas Local Government Code. The two properties have since lost their agricultural exemption through the Medina County Appraisal District making the Development Agreements no longer applicable. The resolution proposes holding a First Public Hearing September 10, 2018 and the 2<sup>nd</sup> the Second Public Hearing on September 24, 2018. The Council would consider annexing the two properties October 8, 2018. Ms. Caldwell informed Council the City has 90 days to complete annexation from when proceedings begin. Mayor Danner stated that everyone should be familiar with the Development Agreements and the Ag Exemption removal. Councilman Torres asked if Robert Mumme and Jimmy Mumme were aware of the annexation. Mrs. Davis said a letter was sent by the City Attorney on August 17, 2018. Councilman McAnelly asked if either Mumme brother was appealing the appraisal result. Mr. Davis reported that the City waited until the appeals had gone through the Medina County Appraisal Board the city was informed that both appeals were denied. Councilman Torres asked if the locations were still going to be allowed to have dove hunting. Mrs. Davis stated that state legislation stipulates that if a property owner has over 10 acres and the property was annexed after 1981 they can continue to use certain firearms. Mayor Danner called for a motion. Councilman McAnelly moved to approve Resolution No. 321-18. Motion seconded by Mayor Pro Tem Long. Motion carried 4-0.

12. **Discuss and consider approving Resolution No. 322-18, a resolution of the City of Hondo Texas authorizing the City Manager to execute a correction deed revising the property boundary of an 8.2883 acre tract with Hondo ISD and to execute a deed without warranty conveying a 0.90 acre tract, including tennis court improvements to Hondo ISD; declaring a public purpose; incorporating recitals; providing a repealer; providing for severability and declaring an effective date.**

Mrs. Davis reminded Council that at the July 11, 2018 City Council Meeting, City Council authorized the City Manager to move forward with correcting the deed revising the property boundary and work with Hondo ISD for the sale of the tennis courts. The presented resolution is to record the action that the school district has agreed to purchase the tennis courts and allow the City Manager to execute the deed and such other documents reasonably necessary to convey the tennis courts to HISD. Mayor Danner asked what the next steps would be. Mrs. Davis informed Council she would meet with the school district and finalize documents to transfer the deed to HISD. Councilman Torres asked what the sale amount to the school was; Mrs. Davis stated the sale cost was ten dollars.

Mayor Pro Tem Long moved to approve Resolution No. 322-18. Motion seconded by Councilman Villa. Motion carried 4-0.

13. **Executive Session: The City Council of the City of Hondo convened in Executive Session at 6:27 p.m. and reconvened in Open Session at 7:48 p.m. in accordance with the Texas Open Meetings Act, Texas Government Code, Section 551.071 (Consultations with Attorney) on matters in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly requires discussion in closed session); Pending or contemplated litigation; Section 551.072 (Deliberations about Real Property); Section 551.074 (Personnel Matters) Section 551.087 (Deliberations Regarding Economic Development Negotiations)**
- a. Personnel discussion regarding performance evaluation of City Manager.
  - b. Discussion regarding potential lease, purchase or value of real property.
  - c. Discussion regarding potential lease/sale of property located at the South Texas Regional Airport.
  - d. Consultation with attorney regarding ongoing litigation impacting permitted Edwards Aquifer Water Rights.
14. **Discuss and consider appropriate action resulting from Executive Session.**  
Councilman Villa made a motion to extend City Manager Kim Davis' employment contract to July

1, 2021 and increase her salary amount to \$120,000 effective July 15, 2018. Motion was seconded by Councilman Torres. Motion carried 4-0.

15. Adjourn.

Councilman McAnelly moved to adjourn the meeting at 7:49 p.m. Motion seconded by Councilman Torres. Motion carried 4-0.

**PASSED AND APPROVED THIS 10<sup>TH</sup> DAY OF SEPTEMBER, 2018.**



**JAMES W. DANNER, SR., MAYOR**

**ATTEST:**



**Miguel Cantu, City Secretary**

