

MINUTES
REGULAR CITY COUNCIL MEETING
September 10, 2018 at 6:00 p.m.

1. Call to order.

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

2. Quorum check.

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

Staff present: Police Chief Brian Valenzuela, Assistant Finance Director Dee Willman, Economic Development Director Genevieve Flores, Director of Aviation Ryan Elder, Community Projects & Program Coordinator Debbie Krueger, Assistant Public Works Director Mike Schmidt, City Planner II Shavon Caldwell, Police Lieutenant Rick Garza.

3. Invocation by Reverend Steve Schur, Bethlehem Lutheran Church.

4. Pledge of Allegiance led by Mayor Danner.

5. Citizens' Comments. None made.

6. Discuss and consider approving City Council minutes for August 1, 2018 Budget Workshop and August 27, 2018 Regular meeting.

Councilman McAnelly moved to approve the minutes. Motion was seconded by Councilman Villa. Motion carried 5-0.

7. Proclamation in recognition of 9-11 Remembrance Day.

Mayor Danner read a proclamation recognizing a Day of Service and Remembrance for September 11th in Hondo and Medina County and called upon the citizens to honor the lives of those lost on September 11, 2001 with remembrance activities.

8. City Manager Report(s)

a. Mrs. Kim Davis recognized the Youth Advisory Council Officers and members. Mayor Danner introduced the members: Jared Trevino, Vice-President Gage Lange, Ariana Garza, Hondo High School Advisor Mrs. Jennifer Blue and Debbie Krueger to include the liaison for the City Council Councilman McAnelly.

b. Hondo U

Mrs. Davis reminded the public about the deadline to submit applications to participate is September 13th and encouraged everyone to apply.

9. Hold first public hearing on proposed extension of the Hondo city municipal boundaries by annexation of approximately 5.733 acres of land adjoining the corporate city limits of Hondo, Medina County, Texas - Jimmy Mumme.

Mrs. Shavon Caldwell reminded City Council that properties for consideration were identified as priority areas for annexation and were granted development agreements in accordance with Section 43.016 of the Texas Local Government Code which outlines the authority to annex agricultural exempt properties. The current property has currently lost its agricultural exemption through the Medina County Appraisal District making the Development Agreement no longer applicable. The public hearing serves as a follow-up to Resolution 321-18 which set the dates and times for the two required public hearing.

Mayor Danner opened the public hearing at 6:09 p.m.

No comments.

Mayor Danner closed the public hearing at 6:10 p.m.

- 10. Hold first public hearing on proposed extension of the Hondo city municipal boundaries by annexation of approximately 51.461 acres, including 5.350 acres previously annexed by Ordinance No. 1144-11-17, adjoining the corporate city limits of Hondo, Medina County, Texas - Robert Mumme.**

Mrs. Caldwell introduced the property as Medina County Appraisal Property identifier R2249 and R4131. The total property is 51.461 acres, including 5.35 acres previously annexed in November 22, 2017 during a City Council Meeting.

Mayor Danner opened the public hearing at 6:10 p.m.

No comments.

Mayor Danner closed the public hearing at 6:11 p.m.

- 11. Public Hearing / USDA Grant for Equipment and Tools. The purchase of equipment and tools for newly constructed South Texas Regional Training Center Annex. This meeting is being held at the request of the funding agency, the USDA Rural Development, to acquaint all interested parties on economic and environmental impact, service area, and alternatives.**

Economic Development Director Genevieve Flores stated she is currently pursuing a USDA Grant in the amount of \$115,060 for tools and equipment needed for the new training facility annex. As part of the process a public hearing must be held.

Mayor Danner opened the public hearing at 6:12 p.m.

No comments.

Mayor Danner closed the public hearing at 6:15 p.m.

- 12. Hold second public hearing on the proposed FY 2018-2019 Budget.**

Mrs. Dee Willman presented the summary of the budget. She stated staff will continue to review telephone services and there will be some consolidation of multiple public works operations into one building which will potentially lead to a reduction in redundant costs such as telephone, utilities, office supplies, and other similar expenses. Personnel changes will include reassigning the Collection Station part-time employee to the Parks Division and continuing with contracted finance services with a CPA. Ms. Willman stated the Finance Director position will be kept as an unbudgeted position. All divisions have proposed average merit increases of 3% for 9 months of the year with the increases taking effect January 2019. On a positive note, no increases for health insurance will be needed for the next fiscal year. Insurance costs will remain the same throughout. Ms. Willman briefly informed Council on each division.

- The General Fund – City Council increased the budget for Hondo U and Youth Advisory Council (YAC).
- Police Department – Added budget for Community Outreach and continue to plan to replace two vehicles per year.
- Animal Control – Included budget for 2 spay and neuter programs and 1 rabies drive.
- Street Department – Increased the street repair budget and decreased the transfer to committed and restricted funds by \$100,000.
- Library – Reallocated funds within the cost center to allow for programming costs while still reflecting an overall decrease to their overall budget.
- Parks – Increased line items such as the land lease with Union Pacific. Other activities include park improvements by adding a restroom at Torres Park, moving the part-time position from Collection Station. The budget allows for the continuation of the HWY 90 irrigation project and a vehicle purchase.
- Facilities – Will purchase a MIG/TIG welder and replace HVAC at Community center to help reduce maintenance costs.
- Golf – Is seeking to purchase airifier that will be shared with the Parks Division and will continue to pay on the debt service on multipurpose mower.
- Code compliance – Will remove rent and security fee for the DeMontel Building and reallocate the cost to the City Secretary.
- Utility billing – Will increase training budget and the addition of collection agency fees associated with delinquent utility accounts.
- City Secretary – Will reflect the addition of rent and security for the DeMontel Building and budget for codification.
- Non-Profits are netting out their accounts at the End of Year.

- Committed and Restricted Funds are street items that continue to transition to in-house projects and allocate for material purchases once street plan is reviewed and priorities have been issued.
- IT costs will continue to commit to internet connections, software/hardware maintenance costs and continue to build replacement plan for computers.
- Electric Fund – Reflects a continuation of the automated metering system, pole replacements, replacement of overhead and underground infrastructure, tree-trimming from distribution lines, downtown illumination plan and begin transition of street lights to LED.
- Water Capital Outlay is \$5.4 million TWBD Construction Loan to improve water infrastructure, continue meter replacement plan which includes replacing 10% of meters that have aged past their useful life. The budget also allows for the replacement of a vehicle by switching out with the waste water division. There are plans to purchase a Vac-Tron to allow for 2 full crews. The City will be removing paint from the downtown storage tank and will paint logos after rehabilitation is complete. Staff will also replace multiple booster pump motors and purchase bench stock motors for backups in the system and continue with the CDBG project for waterline replacement on the Northside of the City.
- Wastewater Capital Outlay continues the sanitary sewer overflow replacement plan and will install a back-up generator at the waste water treatment plant.
- Airport – Will continue with the previous credit card system and will continue to have fees. There is an anticipated increase in AVGAs and Jet Fuel revenues and expenses will budget revenue for lease of water will continue to budget for land sales, reduce infrastructure improvement budget to offset expenses for Castro Water Line project completion and budget for a Z-Turn mower.
- Perpetual Care Fund reflects an increase in transfer to the General Fund from \$16,000 per year to \$38,000 per year for mowing services.
- Hotel Occupancy Tax Fund provided funding for 5 entities which includes: Hondo Area Chamber of Commerce, Medina County Fair, Medina County Museum, Medina County Rodeo Association and STOL through the Chamber of Commerce.
- 5 year Capital Improvement Plan will give priority to the most immediate needs and use it as a long-term planning tool and continue to refine the process to prioritize the plan.

Ms. Willman closed by stating the proposed tax rate is \$0.5109 per \$100, the preceding year's tax rate was \$0.5139 per \$100, effective tax rate of \$0.4839 per \$100 and the Rollback Tax Rate of \$0.5109.

Mayor Danner opened the Public Hearing at 6:15pm.

Chavel Lopez, 1401 14th Street, Hondo Empowerment Committee addressed Council regarding some previous concerns on streets, curbs, drainage, and sidewalks in the City. There are streets on the Northside and the Southside of town that need repair, including the New Fountain Road and Avenue M. The Committee proposed the city add new waterlines and build restrooms at the cemetery. Potholes in the cemetery road need to be fixed. Speed bumps are needed in the city. Jungman Park does not have any trash barrels, the fence is coming down, and there are cattle on the other side. He stated there is a lot of dilapidated housing and does not see the city making any effort to bring low income affordable housing. In regards to animal care services he requests the city to allocate \$3,000 for third spay and neuter clinic in the City. He added that city did not have to spend any more money, but could remove the rabies drive and use this money for the spay and neuter program. There are quite a few stray cats and dogs running around the city.

Mayor Danner closed the Public Hearing at 6:20 p.m.

13. Discuss and consider approving City of Hondo Economic Development Corporation FY 2018-2019 Budget.

Mrs. Genevieve Flores presented the EDC 2018-2019 budget stating the budget are presented to the EDC and City Council during a previous workshop. The EDC Corporation approved the budget as presented. Mrs. Flores is asking City Council to approve the EDC Budget.

Councilman Torres moved to approve the EDC 2018-2019 Budget. Motion seconded by Councilman McAnelly. Motion carried 5-0.

14. Discuss and consider Ordinance No. 1184-09-18, an ordinance of the City of Hondo, Texas adopting the Annual Budget for Fiscal Year 2018-2019 and appropriating money to the Sinking Fund to pay principle and interest due on the City's indebtedness. (Dee Willman)

Mrs. Willman stated that the proposed budget is being considered for adoption. From the city's adoption proposed FY 2018-2019 M&O tax rate is anticipated to generate \$1,089,976 in property tax revenue for the General Fund. The revenue generated will be approximately \$83,571 greater than that of FY 2017-2018. The action contributes to funding the proposed 2018-2019 Fiscal Year Budget.

Mayor Danner opened the discussion for Ordinance No 1184-09-18 stating the budget will raise more revenue from property taxes than last year's budget by an amount of \$83,571, which is a 5.570 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$8,833.

Mayor Pro Tem Long moved to approve Ordinance 1184-09-18, adopting the budget for the fiscal year beginning on October 1, 2018, and ending on September 30, 2019. Motion seconded by Councilman Vela.

Roll Call Vote

Councilman Villa: Aye

Mayor Pro Tem Long: Aye

Councilman McAnelly: Aye

Councilman Vela: Aye

Councilman Torres: Aye

Motion carried 5-0.

15. Discuss and consider Ordinance No. 1185-09-18, an ordinance of the City of Hondo, Texas setting the Ad Valorem Tax Rate at \$0.5109 cents per \$100 valuation of property for the 2018-2019 Fiscal Year; setting the tax rate for the Maintenance and Operations and Debt Service of the municipal government; and providing when taxes shall become due and when same shall become delinquent if not paid.

Mrs. Willman highlighted that the tax rate for Maintenance & Operation is 0.3823 and the tax rate for the sinking fund is 0.1286 per hundred dollars.

Councilman McAnelly moved to approve Ordinance No. 1185-09-18 adopting the tax rate for FY 2018-2019, raising and levying Municipal Ad Valorem Taxes for fiscal year beginning October 1, 2018, and ending on September 30, 2019, at a rate of 0.51019 per One Hundred Dollars (\$100) assessed valuation on all taxable property within the corporate City Limits as of January 1, 2018, providing revenues for the payment of current expenses and providing an Interest and Sinking Fund on all outstanding debts of the City. Motion seconded by Mayor Pro Tem Long.

Roll Call Vote

Councilman Villa: Aye

Mayor Pro Tem Long: Aye

Councilman McAnelly: Aye

Councilman Vela: Aye

Councilman Torres: Aye

Motion carried 5-0

15A. Discuss and consider ratifying the ad valorem property tax as reflected in the Annual Budget for Fiscal Year 2018-2019.

Councilman Villa moved to ratify the Annual Budget for Fiscal Year 2018-2019. Motion seconded by Councilman Vela. Motion carried 5-0.

16. Discuss and consider Ordinance No. 1186-09-18, an ordinance of the City of Hondo amending Appendix A, "Fee Schedule" of the Code of Ordinances of the City of Hondo by amending pertinent sections to reflect current fees, increased fees, deleted fees, and new fees; providing a repealer clause; providing for severability clause and effective date.

Mrs. Willman stated that on September 12, 2016, the City of Hondo adopted Ordinance 1106-09-16 which established a comprehensive "Fee Schedule" which set forth the costs of all services provided to the citizens and businesses of the City and requested that the, Fee Schedule for 2018-19 fiscal year be adopted as presented with an effective date of October 1, 2018.

Councilman McAnelly moved to approve Ordinance No. 1186-09-18. Motion seconded by Councilman Vela.

Councilman Villa asked about the fees for the gymnasium are going up to \$50. Mrs. Davis stated that the amount is a refundable deposit and we have several groups that rent the gymnasium. Councilman Villa requested a correction to the spay and neuter fees for the pets that are neutered. Councilman Torres questioned the TA Lopez Pavilion with no charge for its use. Mrs. Davis stated there has never been a charge for its use but may be considered for the future. Councilman Torres asked about the cemetery fee for double burial plots. There is an additional 50% of the original charge. The City would collect approximately \$150 for the second burial. He asked why there is an additional charge if the City only marks the gravesite. Mrs. Davis stated the Cemetery Advisory Board may have viewed the second burial as a second site and stated the fee could be removed from the schedule and taken back for review at a later date.

Councilman McAnelly moved to amend the motion and delete the 2nd burial fee. Motion was seconded by Councilman Vela. Motion carried 5-0. Mayor called for a vote for the original motion with the amendment. Motion carried 5-0.

17. Discuss and consider awarding an administration/management/professional services contract, to a skilled and competent service provider, Langford Community Management Services, in regard to the City's proposed Texas Development Block Grant (2019-20 TxCDBG) for a water and/or sewer improvement project.

Mrs. Willman stated the City will continue to seek CDBG grants; however, at this time there is a new process set and the City must abide by the new regulations. The change is that the City had to go out for bid for the administrative part of keeping up with the CDBG Grant. The RFP was appropriately issued and the City only received one response which was Langford Community Management Services. Staff is asking to contract with Langford Community Management Services. Mayor Pro Tem Long moved to approve awarding Langford Community Management Services. Motion seconded by Councilman Vela. Motion carried 5-0.

18. Discuss and consider Ordinance No. 1187-09-18, and ordinance adopting and repealing school crossing zones for specific streets located within the boundaries of the City of Hondo; establishing penalty; providing a severability clause; an open meetings clause; setting an effective date and providing for related matters.

Chief Valenzuela stated the City of Hondo staff was tasked to conduct an inventory of the City's existing crossing zones/school crossing zones located throughout the City. Upon completion of that inventory, staff determined and are recommending the adoption of the list of school crossing zones for the specific streets as included and to allow for traffic to regulate, motor vehicles and conveyances upon all public streets, roadways and right-of-ways within the City limits of the City of Hondo (the "City") this is essential and necessary to protect the traveling public and to preserve and protect the public safety of the City. Chief Valenzuela stated that there would be no financial impact since most of the crosswalks were already faded and did not need any changes. He added that there were a few crosswalks that were going directly into private property so they were removed from the list. Chief presented the updated Ordinance that will finalize staff's findings.

Councilman Villa moved to approve Ordinance No. 1187-09-18. Motion seconded by Mayor Pro Tem Long. Motion carried 5-0.

19. Discuss and consider the request for the FY19 Routine Airport Maintenance Program (RAMP) Grant.

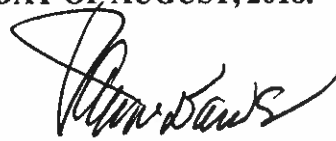
Director of Aviation Ryan Elder presented the Texas Department of Transportation-Division of Aviation Routine Airport Maintenance Program (RAMP). This is a grant the City applies for every year and receives \$50,000. Mr. Elder requested City Council to authorize the City Manager to enter into an agreement with TxDOT for the FY 2018-2019 RAMP Grant. Councilman McAnelly asked what the funds could be used for. Mr. Elder directed Councilman McAnelly to a priority list from TxDOT. The top priorities set by the state include pavement (crack sealing, pavement rehabilitation, markings, sweeping, rubber removal) drainage maintenance, maintenance of runway and taxiway safety areas, runway protection zones, maintenance/repair of beacon, lighting systems, approach aids, etc. Mr. Elder asked for approval of the agreement.

Mayor Pro Tem Long moved to approve the FY 19 Routine Airport Maintenance Program (RAMP)

Grant. Motion seconded by Councilman Vela. Motion carried 5-0.

20. **Executive Session:** The City Council of the City of Hondo may convene in Executive Session 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 551.087* (Deliberations Regarding Economic Development Negotiations)
- a. Discussion regarding potential lease, purchase or value of real property.
 - b. Discussion regarding potential lease/sale of property
21. **Discuss and consider appropriate action resulting from Executive Session.**
No Executive Session held.
22. **Adjourn.**
Mayor Pro Tem Long moved to adjourn the meeting 6:56 p.m. Motion seconded by Councilman Vela. Motion carried 5-0.

PASSED AND APPROVED THIS 27TH DAY OF AUGUST, 2018.



JAMES W. DANNER, SR., MAYOR

ATTEST:



Miguel Cantu, City Secretary

