

MINUTES
REGULAR CITY COUNCIL MEETING
January 27, 2020 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 John McAnelly, Councilman Eric Torres, Councilman John E. Villa, Councilwoman Ann-Michelle Long, Councilman Bobby Vela, City Attorney Jessie Lopez, City Manager Kim Davis, City Secretary Miguel Cantu

Staff: Economic Development Director Genevieve Flores, Public Works Director Michael Schmidt, Director of Aviation Ryan Elder, Assistant Finance Director Dee Willman, Police Chief Brian Valenzuela, Police Lieutenant Rick Garza, Waste Water Superintendent Stephen Winters, Water Superintendent William “Buddy” Stewart, City Planner II Lora Robbins, Computer Technician/Library Aide Edward Cardenas, Airport Administrative Assistant Ana Garcia, Airport Technician II Christopher Hernandez, Airport Technician II Jonathan Velasquez, Parks Operator Israel Carrillo, also present Attorney Melodee Gruber

- 3. Invocation by Mayor Pro Tem McAnelly.**

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

- 5. Citizens’/Public Comments**
No public comments.

- 6. Discuss and consider approving the minutes from City Council meeting January 13, 2020 regular meeting.**
Councilman Vela moved to approve the minutes for January 13, 2020. Motion seconded by Mayor Pro Tem McAnelly. Motion carried 5-0.

- 7. City Manager Report(s)**
 - a. February Calendar**
Mrs. Davis highlighted February activities at the Library and Recreation Center. The Recreation Center will host various activities including tutoring provided by the YAC Students and its 3rd Annual Heart and Sole 5K Run. The Library will host the Kilted Man and CyberPatriots.
 - b. Staff Recognition**
Mrs. Davis recognized the following:
Edward Cardenas Employee of the 4th Quarter
Mayor Danner presented Mr. Cardenas with a plaque recognizing him for his service at the Library and as backup IT person. Mr. Cardenas has also worked on the NIBR Police Grant.
Johnny Guajardo Retirement Parks Division (31 years) (Not present)
Mrs. Davis recognized Mr. Guajardo for his 31 years of service to the City of Hondo.
Israel Carrillo 5 years of service Building and Grounds
Mayor Pro Tem McAnelly presented Mr. Carrillo with a plaque for his five years of service with the City of Hondo.
Ana Garcia 5 years of service Airport
Councilman Vela presented Mrs. Garcia with a plaque for her five year of service with the

City of Hondo.

c. Final Water Report for 2019

Mr. Stewart stated that for the year 2019, the San Antonio Pool experienced no stage restrictions. The City of Hondo pumped 2,009.524 acre-feet this year for an increase of 163.286 acre-feet from the previous year with a difference of 8.15%. He added that with only pumping 2009.524 acre-feet of the allotted 2645.919 acre-feet, the City was under its allotment by 24% or 636.395 acre-feet. The 2020 Edwards Aquifer is presently down 13 feet from last year causing potential water restrictions in 2020 affecting the city's total allotment. Mr. Stewart said he hopes that the recent rains will help the aquifer.

8. Discuss and consider accepting the 2020 1st Quarter Investment Report.

Mrs. Willman stated that the total earnings for the quarter were \$20,599.75 with 63.722% apportioned to the EDC. Mayor Danner commented that the rates are looking a little better. Mrs. Willman stated she receives information regarding the rates and the rates appear to be now dropping.

General Fund	16.853%	\$ 484,004.50
Debt Service	0.00%	0
Perpetual Care	19.151%	550,001.19
Unclaimed Funds	1.274%	7,869.06
EDC	63.722%	1,830,044.18
Internal CD Pool Ownership		\$ 2,871,918.93

Mayor Pro Tem McAnelly moved to approve the 2020 1st Quarter Investment Report. Motion seconded by Councilman Vela. Motion carried 5-0.

9. Discuss and consider accepting the 2019-2020 1st Quarter Budget Report.

Mrs. Willman reviewed the Statement of Revenues and Expenditures with City Council. She highlighted that the Property Tax and Sales Tax revenues were already at 40% and not 25%. The Bond Interest and Sinking Fund will show a difference in the next report, as some of the bonds are due during the January and February months. Mayor Danner commented that the Capital Outlay is high; however, he reminded the public that the majority of the vehicle and equipment purchases were made at the beginning of the budget year. Water and Waste Water Funds demonstrate a high capital outlay amount; again, Mrs. Willman emphasized this was because of the purchase transactions at the beginning of the year. Airport Fund account shows the purchase of the City's Courtesy vehicle and work vehicle. Sanitation Fund revenues are slightly higher and expenditures are \$10,000 under. Mrs. Willman stated that the Economic Development Corporation revenue is steady.

Councilman Torres moved to accept the 2019-2020 1st Quarter Budget Report. Motion seconded by Councilman Vela. Motion carried 5-0.

10. Discuss and consider Ordinance No. 1215-01-20, an ordinance of the City of Hondo amending Chapter 3 of the Unified Development Code to correct various scrivener errors and to comply with revisions to state law; deleting the appendix to the UDC; appending Chapter 11 of the UDC to include a definition for development guide; incorporating recitals; providing a severability clause; and providing an effective date.

Ms. Robbins stated that the ordinance was an effort to create efficiency and effectiveness of the City's development processes. City Staff identified several areas in need of corrections. Included for the City Council review was the new Development guide that contained several checklists and flowcharts that are part of the ordinance. Ms. Robbins stated that House Bill 3167 makes numerous necessary changes to the site plan and subdivision platting approval process, and it requires most cities to make changes to their subdivision ordinance, zoning ordinance, and unified

development code approval process. The guide was updated and could be amended at the discretion of the City Manager. Mayor Danner asked if there were any significant changes to House Bill 3167 that City Council might be interested in. Ms. Robbins stated that the new bill clearly defines the timelines for the review and submittal requirements for plats. Mayor Danner thanked the staff and asked if a permit was requested would the entire guide be provided to the customer or just the appropriate sections. Mrs. Robbins stated that the goal is to have a comprehensive document on the website and available to customers. Councilman Vela asked who the Development Officer was. Ms. Robbins stated that she was. Councilman Torres said according to the website permitting should take approximately 24 to 48 hours; however, there seems to be a longer period before the permits are issued. Ms. Robbins stated that she has worked more on the commercial part of the permits. Councilman Torres stated that he wanted to be sure that what was publicized online is close to the City's response time. Councilman Vela added that some permitting was taking longer. Ms. Robbins stated that the permitting he was referring to was residential and not commercial.

Councilman Vela moved to approve Ordinance No. 1215-01-20. Motion seconded by Mayor Pro Tem McAnelly. Motion carried 5-0.

11. Discuss and consider Ordinance No. 1216-01-20, an ordinance establishing guidelines and criteria for granting policy, guidelines and procedures for Tax Increment Reinvestment Zones within the City Limits of the City of Hondo, Texas, providing for a severability clause, establishing an effective date.

Mr. Flores reminded council that they received a presentation on November 13, 2019 regarding potential economic development strategies and incentives available for the City's use to entice companies to locate to Hondo thus creating jobs and improving the local economy. During the workshop, staff was given the direction to bring forward Tax Increment Reinvestment Zone guidelines. Mrs. Flores stated that there would be no financial impact. Mayor Danner asked Mrs. Flores to explain what reinvestment zones were. Mrs. Flores stated that tax increment financing to pay for public improvement to a zone so that it would attract new development. Mayor Danner asked if there were going to be any other incentive brought to City Council. Mrs. Davis stated this would be the last addition to the City's economic development toolbox.

Councilman Villa moved to approve Ordinance No. 1216-01-20. Motion seconded by Councilwoman Long. Motion carried 5-0.

12. Discuss and consider Resolution No. 342-20 a resolution calling a Special Election to be held on Saturday May 2, 2020 in the City of Hondo, Texas to submit propositions to amend the City of Hondo Home Rule Charter; making provision for the conduct of the election; resolving other matters incident and related to such election; providing for severability and setting effective date. (Mayor Danner/City Attorney)

Mayor Danner reminded City Council and the public the recommendations had been presented at a previous meeting by the City's Charter Review Committee. Attorney Jesse Lopez stated that there appeared to be concerns expressed last meeting regarding the Nepotism Policy. The firm provided the option to leave the Charter as is or revise it to comply with state law. Attorney Lopez stated that currently the City Charter is more restrictive; however, the Charter Committee did consider the difference and decided to leave the nepotism language as is in the Charter. Councilman Torres stated he was previously under the assumption he could suggest a change the nepotism restriction on the Charter; however, he discovered that he could suggest a change. Attorney Lopez stated that the City Charter goes beyond state law. Mrs. Davis stated she might have provided the wrong impression because she was informed from the previous law firm that what is currently in the Charter is what state law is. Councilman Villa asked if it was not. Mrs. Davis stated it was not state law but more restrictive. Councilman Vela asked if this affects current employees. Mrs. Davis stated no and the policy affects new hires. Mrs. Davis stated that Charter Commission preferred the present nepotism rule because it kept the potential for any impropriety or perception

of impropriety in employment. Mrs. Davis stated that both the Charter Commission meetings she attended in 2015 and the current meetings felt that nepotism restriction, as written, was sound and felt it was a viable policy. Mrs. Davis emphasized that she was under the impression that the current policy was consistent with the law. Councilman Villa asked how many charters had been approved. Mrs. Davis stated two and during both times the nepotism policy was reviewed. Councilman Villa stated he did not have anything to do with the hiring of a particular person, but they could not be hired because they were related to a councilmember and he did not feel it was right. Councilman Villa stated that the previous information he was provided was bad information. Mrs. Davis stated that it was consistent with what the Charter Review Commission felt that rule needed to be. Councilman Villa stated that council not have to agree and added that the City Council could either approve the recommendation or not approve it. Councilman Vela stated he agreed with Councilman Villa and Councilman Torres. Mayor Danner stated that he would like to allow Attorney Gruber to speak. Attorney Gruber thanked the Council to be allowed to weigh in on the concerns of the Council. She stated that the nepotism rule has been a topic that has been reviewed before. The Charter Review commission did not meddle with this section but only within the zone council indicated. She stated that the rule does not preclude everyone from the ability to apply for a position. Attorney Gruber stated that council is on term limits and a person interested in applying could wait until the councilperson's term was up. Councilman Villa asked what do the interested applicants do in the meantime while they cannot apply. Attorney Gruber stated these were some items that were discussed and felt the rule does comply with state law, but the biggest issue had to do with conflicts and how the employee would be perceived on the day-to-day of running of the city. Mayor Pro Tem McAnelly asked if the commission discussed the degrees of nepotism. Attorney Gruber stated that the nepotism charts were presented to the commission to review the levels of nepotism. Councilman Torres stated that his understanding is that the current Charter goes one degree more than is required by law. Attorney Gruber stated it did not offend or shock the conscience of the Charter Commission as too preclusive. Councilman Torres asked if City Council could change the nepotism to the first degree. Attorney Lopez stated that it could be to first degree, but the first part would still apply. Councilman Torres asked for the recommendations presented to remain the same; however that nepotism change to the first degree. Attorney Lopez stated that he believed this could be an option. Councilwoman Long stated that the rule is put in place for a reasons not for hardship. Councilwoman Long stated that different people make up the Charter Review Commission and have reviewed the information and that they did not see there was a need to change that based on their dialogue together on what they decided. Councilwoman Long stated that City Council should respect the commission's opinion and what they did. Councilwoman Long stated that from the memorandum from City Attorney Frank Garza most cities that he represents prohibit the hiring of relatives of elected officials and that the Hondo schools follows the same set of guidelines as the city currently does. Councilman Torres commented he wanted the rule changed. Councilman Villa asked why the City would have to go beyond state law. Mayor Danner commented that he has been told in the past the current policy is what state policy is. Mrs. Davis emphasized that commission discussed the nepotism charts. Leaving the current policy would protect all city staff. Mayor Danner asked for a motion. Councilwoman Long moved to approve Resolution No. 342-20 as presented. Motion seconded by Mayor Pro Tem McAnelly. Motion failed 2-3. Councilman Villa, Councilman Vela, and Councilman Torres voting against.

Councilman Torres asked if City Council would be presented with their request for first degree at the next City Council meeting. Attorney Lopez stated they could approve the resolution with the proposed requested change at the next meeting. McAnelly read from the City Attorney's memorandum. *Section 573.041 of the Texas Local Government Code: prohibits a public official with hiring authority from appointment, confirming the appointment of, or voting for the appointment or confirmation of the appointment of an individual to a position that is to be paid by public funds and its within third degree by blood or second degree by marriage. Under the Hondo*

City Charter, the City Manager has hiring authority over all city employment positions. Therefore, solely under state law, City Manager would be prohibited from employing a relative within the prohibited degree, but a relative of the Mayor or Council could be hired by the City since they do not have the hiring authority

Councilman McAnelly stated it appeared that the law already prohibited the second and third degree. Attorney Lopez stated that the paragraph referred to the City Council hiring the City Manager. Attorney Lopez stated that the current state law refers to City Council hiring City Manager and the Municipal Court Judge, the law does not apply to hiring city employees only applies to the mentioned positioned.

Councilman Torres moved to approve the resolution with a proposed change from 2nd degree to 1st degree in section 14.02. Motion seconded by Councilman Vela. Motion carried 4-1.
Councilwoman Long voting against.

SECTION 14.02 Nepotism

In addition, no person related within the ~~second~~ first degree by affinity or consanguinity to the Mayor or any Councilmember or the City Manager shall be employed by or contracted with for the City.

Mayor Danner asked if there were any other changes for consideration, if not the resolution would be presented at the next City Council meeting on February 10, 2020. Councilman Torres asked if the Personnel Policy could have action taken. Mrs. Davis stated that after the election of the Charter, the policy could be presented to council for any changes.

13. Discuss and consider the recommended appointment to South Texas Regional Airport Advisory Board.

Mayor Danner stated there was one appointment to the South Texas Region Airport Advisory Board that expired December 20, 2019. Mr. Andrew Franke, is a local business and airplane enthusiast, and was appointed to the board in December 2017. Mr. Franke has been an excellent member of the board. Mayor Danner recommended Mr. Franke for a 2-year term.

Mayor Pro Tem McAnelly moved to approve the reappointment of Andrew Franke to the South Texas Airport Advisory Board. Motion seconded by Councilman Vela. Motion carried 5-0.

- 14. 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 located at the South Texas Regional Airport.
 - c. Discussion regarding potential development incentives and negotiations with a prospect for development at the South Texas Regional Airport.

15. Discuss and consider appropriate action resulting from Executive Session.

No executive session held.

16. Adjourn.

Councilman Vela moved to adjourn the meeting at 7:21 p.m. Motion seconded by Mayor Pro Tem McAnelly. Motion carried 5-0.

PASSED AND APPROVED THIS 10TH DAY OF FEBRUARY 2020.



JAMES W. DANNER, SR., MAYOR

ATTEST:



Miguel Cantu, City Secretary

