

**MINUTES
CITY OF HONDO
REGULAR CITY COUNCIL MEETING
June 28, 2021 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 Bobby Vela, Councilman John E. Villa, Councilman Brett Williams, Councilman Jose “Porky” Ytuarte, Councilman Wes Huesser, City Manager Scott Albert, City Attorney Jessie Lopez, Interim City Secretary Megan Rodriguez.

Staff Present: IT Network Administrator Josh Rodriguez, IT Network Assistant Adolfo Tellez, STRTC Administrative Assistant Lillian Bales, Detective Sergeant Brandon Teer, Assistant Public Works Director William “Buddy” Stewart, Human Resources Director Sharon Garcia, Parks and Recreation Manager Karissa Gonzalez, Grounds Superintendent Len McVay, Director of Economic Development Genevieve Flores.

3. Invocation by Pastor Joyce McCormick, New Fountain Methodist Church.

4. Pledge of Allegiance led by Mayor Danner.

5. Citizens’/Public Comments:

Mayor Danner read one public comment that was received via email:

My name is Chavel Lopez, I live at 1002 Ave S, I am concerned about the Contractors the city of Hondo is hiring to pave our streets, the City paid over \$20,000 to a paving contractor from Castroville, TX a few months ago during the winter months to perform a Chip Seal on 17th Street between Ave P and Ave R and on Ave Q between 18th Street and 17th Street the rock has completely loosened and the rock is flying all over when you drive on it, what a sloppy job! I complained to the city council about this particular job months ago when the job was done that the paving was not done correctly, Buddy should have made sure that this paving job was done with integrity but Mayor Danner and some of the councilman said it was alright, why are we spending city money on gross work, it’s just a waste of tax payers money and resources. Take a drive on 17th Street now Mayor and City Council see if it is Alright!

We have not heard any more discussion about Lynas the Rare Earth separation and processing plant that the Hondo city council state, and federal politicians are quietly pushing through in our back yard here in Hondo, TX! The Citizens of Hondo do not want Lynas and Blue Line dumping Their Toxic Waste into our sewer system and contaminating our aquifer and our groundwater. We Demand Environmental Justice!!

6. Discuss and consider approving the minutes from the City Council of June 14, 2021 regular meeting.

Mayor Pro Tem Vela moved to approve the minutes for the June 14, 2021 regular meeting. Motion seconded by Councilman Huesser. Motion carried 5-0.

7. City Manager Report.

Mr. Albert reported on the Fair Hall and Live Stock Facilities noting that since the City took over operations and management of the Fair Hall and Livestock facilities, there have been six new events scheduled, nine events planned for the remainder of 2021, eleven events for 2022, and one for 2023. Mr. Albert stated that everyone who has an event scheduled has been contacted and is aware of the City taking over operations and management of the facilities. Mr. Albert stated

several maintenance issues have been identified that the staff is addressing and after the HVAC system has been serviced, the City will have a better idea of what improvements need to be made to the system. Mr. Albert also reported that staff will be meeting with the Livestock and Fair Associations to begin conversations on creating contracts with both organizations to use the facilities and grounds for their annual events.

Mr. Albert reported that construction will start on July 6th on the SH 173 Water Line Project, and weather permitting, the project should be completed by mid-September.

Mr. Albert reported that a pre-construction meeting is scheduled for this Thursday with RL Jones on the 14th Street Project, and expect construction to begin in August and an estimated completion date at the next Council meeting.

Mr. Albert reported that the City will host the Red, White, and Boom Fireworks display this July 4 at Hondo City Parks 1 and 2, with gates opening at 7:00 p.m., and the event is free.

8. Public Works Report

a. Water Division Report

Mr. Stewart reported that the City of Hondo Annual Drinking Water Quality Report was good with no violations and the report would be posted on utility bills, the City website, and in all City offices.

b. Streets Division

Mr. Stewart reported that the Street Division has completed 327 potholes since the last council meeting and completed 42 work orders as well. Mr. Stewart also reported that Mr. Albert was correct in his report that there will be a construction meeting on the 1st of July and after that we will have a good idea of a construction timeline that we can provide to council.

Councilman Ytuarte stated that Sunset Park was being neglected and asked Mr. Stewart to bring it up to the department and address the issue.

9. Proclamation declaring National Parks and Recreation Month.

Mayor Danner read and presented to Karissa Gonzalez the proclamation declaring National Parks and Recreation month.

10. Discuss and consider authorizing the City Manager to enter into an agreement with Marsh-Wortham for Health Insurance Brokerage Services.

Mrs. Garcia stated that the City requested proposals for Health Insurance Broker Services and two proposals were received from qualified firms, Marsh-Wortham and Gallagher. Ms. Garcia stated that she and the City Manager reviewed the proposals and recommend Marsh-Wortham, noting that since July 2017, Marsh-Wortham has been the Agent of Record/Consultant for the City regarding health insurance. Ms. Garcia stated that since the inception of their contract, Marsh-Wortham has been instrumental in negotiating superb renewal rates and has negotiated no rate increases for the City since October 2017 for medical, dental, vision, and employer-paid 25k life insurance. Ms. Garcia stated that the proposed service contract with Marsh-Wortham would be for three years and the fees will remain the same.

Councilman Villa moved to authorize the City Manager to enter into an agreement with Marsh-Wortham for Health Insurance Brokerage Services. Motion seconded by Councilman Williams. Motion carried 5-0.

11. Discuss and consider authorizing the City Manager to offer performance and merit pay to 32 city employees for exemplary work during the April 28th, 2021 tornado/hail storm.

Ms. Garcia stated that on April 28th severe thunderstorms swept across South Texas producing large hail, damaging winds and a confirmed tornado that touched down in Hondo, D'hanis, and Castroville. Ms. Garcia stated that the National Weather Service in New Braunfels conducted a damage survey in the area and confirmed that an EF-1 tornado had touched down in the area causing major unpredicted situations to utility systems and roads and the City experienced flooding, street closures, electric outages, and lots of debris. Ms. Garcia stated that several City of Hondo employees worked tirelessly that night to ensure the safety of our citizens and that utility

services continued and given their dedication and hard work during these hazardous environments, City Administration recommends compensating our employees by providing hazard pay, recommending a hazard pay adjustment for 32 employees at \$1,000 each for the work completed during this storm. Ms. Garcia stated the Hazard Pay is not a budgeted line item, and if approved, a budget adjustment will follow later which will increase the department salary expense lines.

Councilman Villa moved to authorize the City Manager to offer performance and merit pay to 32 city employees for exemplary work during the April 28th, 2021 tornado/hail storm. Motion seconded by Councilman Ytuarte. Motion carried 5-0.

12. Discuss and consider authorizing the City Manager to enter into a contract with Texas Underground Inc. for an amount not to exceed \$44,950 for the purchase of a Pipe Inspection Sewer Camera for the city's waste water collection system.

Mr. Winters stated that during the 2020-2021 budget, City Council approved the purchase a new pipe inspection camera to camera sewer lines that are 6 inches to 12 inches in diameter for blockages and repairs. Mr. Winters also stated there is currently \$45,000 budgeted in the 2020-2021 budget for the purchase of a new pipe inspection sewer camera with the proposed purchase price of \$44,950 and Public Works Staff recommends authorizing the City Manager to enter into a contract with Texas Underground Inc. for the purchase of a new Pipe Inspection Sewer Camera for an amount not to exceed \$44,950.

Councilman Villa questioned if all of the bids offered the same equipment because of the price difference, to which Mr. Winters replied that the types of equipment differs but is basically the same with the companies. Mayor Danner questioned whether this equipment can be utilized by the Water Division, to which Mr. Winters replied that it cannot, it is specific for wastewater pipe.

Mayor Pro Tem Vela moved to authorize the City Manager to enter into a contract with Texas Underground Inc. for an amount not to exceed \$44,950 for the purchase of a Pipe Inspection Sewer Camera for the city's wastewater collection system. Motion seconded by Councilman Ytuarte. Motion carried 5-0.

13. Discuss and consider Resolution No. 367-21, a Resolution of the City Council of the City of Hondo, Texas, authorizing the City of Hondo Economic Development Corporation to submit a grant application to the United States Department of Agriculture Rural Development Office for a matching loan/grant for the purchase of diesel mechanic equipment for the James W. Danner Sr. Annex and authorizing the Mayor to sign and execute the grant agreement on behalf of the City of Hondo Economic Development Corporation.

Ms. Flores stated that this is the second time the City of Hondo Economic Development Corporation is participating in a USDA Grant Program and are requesting authorizing our City of Hondo Economic Development Corporation to submit a grant application to the United States Department of Agriculture Rural Development Office for the matching grant for purchasing equipment for the James W. Danner Sr. Annex and authorizing the Mayor to sign and execute the grant agreement on behalf of the City of Hondo Economic Development Corporation. Ms. Flores stated that in January of 2020 the application was for \$352,312.50 and May of 2020 the USDA stated they could assist with larger items total: \$267,312.50. Ms. Flores stated that this grant will assist the City in purchasing Diesel Mechanics equipment and as Council can recall, the James W. Danner, Sr. Annex was created to teach vocational courses like Diesel Mechanics, Welding, Heating, Ventilation and Air Conditioning for our county, community and region and previously the City has successfully funded equipment for welding and HVAC and are now looking to do the same for diesel mechanics equipment and this will be accomplished through Grants, outside resources and sponsorships.

Mayor Danner questioned whether this was a new grant and whether this had already been taken care of previously, to which Ms. Flores stated that this is the same grant and getting this Resolution authorized is part of the process. Ms. Flores stated that she would be coming up with the remainder of the funds from outside resources much the same as she has done with past grants.

Councilman Villa moved to approve Resolution No. 367-21, a Resolution of the City Council of the City of Hondo, Texas, authorizing the City of Hondo Economic Development Corporation to submit a grant application to the United States Department of Agriculture Rural Development

Office for a matching loan/grant for the purchase of diesel mechanic equipment for the James W. Danner Sr. Annex and authorizing the Mayor to sign and execute the grant agreement on behalf of the City of Hondo Economic Development Corporation. Motion seconded by Councilman Ytuarte. Motion carried 5-0.

14. **Discuss and consider a Resolution No. 370-21 authorizing city's membership and participation in the 791 purchasing cooperatives offered by Region VIII Education Service Center (The Interlocal Purchasing System Purchasing Cooperative) as well as any other purchasing cooperatives that meet the procurement requirements of state law.**

Mr. Albert stated that after the April 28 storm there were roughly 83 City structures that suffered moderate to significant damage and the Resolution presented to Council would expedite the roofing exterior repairs by utilizing their local purchasing system co-operative also known as TIPS. Mr. Albert stated that since 2016, the Texas Municipal League has been working with the TIPS program and multiple cities in Texas have used the program for significant losses similar to what happened in April and the TIPS program allows the City to proceed with improvements quickly without going through a standard request for bid process. Mr. Albert stated that if City Council approves the Resolution, staff will be ready to proceed with roofing exterior repairs to the post office, City Hall, the South Texas Training Center, Recreation Center and the Hondo Aerospace hangar.

Councilman Ytuarte questioned why the City is utilizing this program now and spending money on being a member of this program, to which Mr. Albert stated that the City already pays a deductible for this program and TIPS only helps to expedite the process of repairs to the facilities. Mayor Pro Tem Vela moved to approve Resolution No. 370-21 authorizing City's membership and participation in the 791 purchasing cooperatives offered by Region VIII Education Service Center (The Interlocal Purchasing System Purchasing Cooperative) as well as any other purchasing cooperatives that meet the procurement requirements of state law. Councilman Williams seconded the motion. Motion carried 5-0.

15. **Discuss and consider Resolution No. 368-21 authorizing publication and posting of Notice of Intention to issue Certificates of Obligation to finance various public improvements.**

Mr. Albert stated the Resolution presented authorizes the staff to publish and post notice of the City's intent to issue debt to finance public improvements and the Notice of Intent does set a sale date of August 23 in the amount of debt not to exceed four million dollars.

Mayor Pro Tem Vela moved to approve Resolution No. 368-21 authorizing publication and posting of Notice of Intention to issue Certificates of Obligation to finance various public improvements. Motion seconded by Councilman Ytuarte. Motion carried 5-0.

16. **Discuss and consider Resolution No. 369-21 providing for establishment of financial procedures to allow the city to reimburse the General Fund with the proceeds of one or more of a series of tax-exempt obligations to be issued by the City for authorized capital expenditures; authorizing other matters incident and related thereto; and providing an effective date.**

Mr. Albert stated the Resolution presented will allow the City to pay for infrastructure improvements from existing revenues and be reimbursed for those same revenues at a later date after receiving the proceeds from a future debt issuance, allowing the City options on how to utilize existing revenues and future debt proceeds.

Councilman Villa questioned where the previous \$1.2 million in funds for the project were spent, to which Mr. Albert stated that a cash analysis was being conducted back to year 2014 and a report should be provided by the end of the week. Councilman Ytuarte questioned if the CO's were going to reimburse the funds spent, to which Mr. Albert stated they are not, the CO's would be used to move forward with the street improvement program that will be brought to Council in July. Councilman Ytuarte questioned if the 14th Street Improvement Project would still move forward without the CO's, to which Mr. Albert stated yes.

Mayor Pro Tem Vela moved to approve Resolution No. 369-21 providing for establishment of financial procedures to allow the City to reimburse the General Fund with the proceeds of one or

more of a series of tax-exempt obligations to be issued by the City for authorized capital expenditures; authorizing other matters incident and related thereto; and providing an effective date. Councilman Ytuarte seconded the motion. Motion carried 5-0.

17. Discuss and consider authorizing an amendment to the City Manager employment agreement with Scott Albert to remove the 6-month waiting period for eligibility for severance payments and to adjust the amount of severance to 12 months.

Mayor Danner stated this item was back on the agenda because the motion that was made during the last meeting really didn't clarify what the intent was. Mayor Danner stated he had consulted with the City Attorney regarding clearing up the motion.

Councilman Ytuarte directed a question to the City Attorney as to whether this item should have been discussed in Executive Session, to which Mr. Lopez stated no since it was not required to be discussed in Executive Session. Mr. Lopez stated that there were questions as to what Mayor Pro Tem Vela's motion was and because it was not clarified on record it was brought back to the agenda to be clarified.

Mayor Pro tem Vela moved to authorize an amendment to the City Manager employment agreement with Scott Albert to remove the 6-month waiting period for eligibility for severance payments and to adjust the amount of severance to 12 months effective immediately. Motion seconded by Councilman Williams. Motion carried 3-2. Councilman Villa and Councilman Ytuarte voted against the motion.

18. Executive Session: The City Council of the City of Hondo convened in Executive Session at 6:57 p.m. and reconvened in Open Session at 7:50 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); and

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.
- d. Discussion regarding Indio Estates.

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

No action taken.

20. Adjourn.

Mayor Pro Tem Vela moved to adjourn the meeting at 7:50 p.m. Motion seconded by Councilman Ytuarte. Motion carried 5-0.

PASSED AND APPROVED THIS 12TH DAY OF JULY 2021.



JAMES W. DANNER SR., MAYOR

ATTEST:



Megan Rodriguez
Interim City Secretary

