

**MINUTES
CITY COUNCIL SPECIAL MEETING
June 29, 2020 at 1:00 p.m.**

Notice was given that a Regular City Council Meeting of the governing body of the City of Hondo was held on June 29, 2020 at 6:00 p.m. in the City Council Chambers, City Hall at 1600 Avenue M, Hondo, Texas.

Due to the COVID-19 pandemic, in-person access to the City Council Chamber was restricted to 25 persons, including city council members and city staff. The public accessed the meeting remotely through telephone or video conference. The audio of the meeting was available by calling toll free: 1-877-309-2073 Access Code: 723-517-869. Access of the meeting was available through video conference from computer, tablet or smart phone at: <https://www.gotomeet.me/cityofhondotx> Meeting ID No. 723-517-869.

1. Call to order.

Mayor Danner called the meeting to order at 1:02 p.m.

2. Quorum check.

Mayor James W. Danner Sr., Mayor ProTem John McAnelly, Councilman Bobby Vela, Councilman John E. Villa, Councilwoman Ann-Michelle Long, Councilman Eric Torres, City Manager Kim Davis, City Secretary Miguel Cantu

Staff: Public Works Director Michael Schmidt, Assistant Public Works Director William “Buddy” Stewart, IT Network Administrator Josh Rodriguez

3. Discuss and consider 5-year Street Maintenance Plan.

Mrs. Davis began the presentation stating that staff was tasked with coming up with a comprehensive street repair plan. Mrs. Davis emphasized that staff wanted to present a long-term repair plan and not a short-term fix that would not last. Further, she would be explaining the history of budgetary flexibility for streets, “Then vs. Now”, proposed first through fifth year, funding options, and routine maintenance. Mrs. Davis reminded City Council that Fund 09 was created for the street fund. Funds in this account were being rolled year after year and accruing some funds. Mrs. Davis stated that the city has been operating in a short-term thinking mode rather than long term planning. Before, the street division would cosmetically repair the street, but would not take into account the utilities and any other infrastructure under the street. City staff is starting to conduct true repairs that take longer; however, this is a better use of an effort to utilize city funds. At this time, there is extensive communication between the streets division with other departments to assure that streets are properly repaired. Mrs. Davis stated that City Council budgeted for FY20 Budget

Current Funds Available

	FY 20 Budget	FY 20 Spent	FY 20 Balance	Fund 09 Balance	Total Available
Street Reconstruction	\$480,000	\$10,417	\$469,583	\$355,468	\$825,051
Street Drainage	\$80,000	0	\$80,000	\$320,512	\$400,512
Curb and Gutter	\$80,000	\$13,226	\$66,744	\$120,544	\$187,318
Total Available					\$1,412,881

Mrs. Davis reminded City Council that staff was tasked to assure that the major thoroughfares of the City were prioritized including those close to the school, hospital, and high traffic areas. Mrs. Davis presented the following packages:

Package 1	Cost
14 th Street from Avenue M to Avenue Y	\$779,352
16 th Street from Avenue U to Avenue A	\$296,407
18 th Street from Avenue A to SH 173	\$183,876
Avenue S from 8 th to 14 th	\$118,536
Avenue E from 15 th Street to Highway 90	\$51,451
Total	\$1,429,622

Includes combination of contracted and City forces.

Package 2	Cost
Avenue M from HW 90 to 30 th Street	\$987,476
Avenue I from 22 nd to 26 th Street	\$363,712
Avenue J from 15 th to 26 th Street	\$118,536
Total	\$1,469,724

Includes combination of contracted and City forces

Package 3	Cost
22 nd from Avenue I to Avenue X	\$698,603
22 nd from Avenue I to Veterans	\$480,293
27 th from Avenue E to Avenue Q	\$277,202
Total	\$1,456,098

Includes combination of contracted and City forces

Mrs. Davis reminded Council that the packages were just recommendations staff that put together but City Council did not have to go with the packages. Another reminder was to continue to budget for crack sealing, vegetation management, preservation patching, level up, and alley maintenance. Currently the Streets division will leave the drainage concerns and work on pothole repairs throughout the city.

Debt scenarios were presented by Mrs. Davis that included:

- Scenario 1- Fund all \$26 million at once
 - Property tax: \$439.15 annually
- Scenario 2 fund each year individually
 - Property tax \$359.94 annually
- Scenario 3 fund year 1, then years 2 and 3 together, then years 4 and 5 together
 - Property tax \$361.92 annually
- Scenario 4 fund only 1 year
 - Property tax \$144.04 annually
- Scenario 5 fund only 1 year and a street maintenance fee, council could dedicate a percentage of sales tax over budget (50%) to new year, and \$240,000 current level of funding for Fund 09. The street maintenance fee would continue in preservation of patching and work on non-thoroughfares, drainage, and curbing. The City could also continue to dedicate 50% of Sales Tax Overages to new fiscal year street repairs.
 - Property tax \$144.04 annually per citizen

- Street fee (\$6.75) \$81.00 annually per citizen

Mrs. Davis stated that this would also include an \$80,000 in each year of street repairs and maintenance, drainage, and curbing totaling in an amount of \$240,000. Regarding sales tax, City Council could take a percentage of revenue over budget from sales tax revenue and set aside each year for streets and drainage. Mrs. Davis further explained the Street Maintenance Fee would be added to a citizen's utility bill. Councilman Villa asked why the billing for an industrial customer was cheaper than a commercial rate. Mrs. Davis stated it was based on the number of accounts and City Council can change the amounts on the fee schedule.

Mrs. Davis stated that the total potential budget for the street budget would be \$240,000 annual budgeted amount, \$50,000 sales tax, \$368,414 estimated annually. She stated that City Staff's recommendation would be Scenario 5. Mrs. Davis opened the floor for discussion and informed City Council that Engineer Mr. Tom Turk and SAMCO Capital Markets, Inc representatives Andrew Freeman and Mark McLIney were presented for questions. Mayor ProTem McAnelly asked if Union Pacific would be paying the street fees. Mrs. Davis stated that they are paying utility fees to the City. Mayor ProTem McAnelly stated that he was not picking on them; however, they have a heavy use on 18th Street. Mrs. Davis stated that drainage is a huge consideration in the City of Hondo. She said she just need to make sure that the edges of the road are sealed so that the water does not go under the road. Councilman Villa stated that the worst part of 14th Street is Avenue M to Avenue U and asked how can we get the section worked on. Mrs. Davis stated that sectioning the repairs of the street could be done; however, it is recommended to do the streets as a whole to reduce mobilization costs. Mayor Danner stated City Council would have to make a decision, but first, if the presented plans are what City Council would like to initiate the first year and then work on next year if the City Council would like to add on. Mayor Danner stated that Council needed to decide what streets to do this year. He recommended Avenue M, around the schools, and 14th Street. Councilman Villa asked if Mayor Danner was asking to use the \$1.4 million for this year. Mayor Danner stated that it what is being considered. Mrs. Davis informed City Council that the majority of the repairs is by contract services and not in-house. Councilman Villa asked if the process including bidding out. Mrs. Davis stated that the reconstruction would have to be bid out and it would be done as soon as City Council gave direction to do so.

Councilman Villa stated that he was still considering 14th Street from Avenue M to Avenue U. Councilman Torres thanked staff for all the work they put into the plan. He stated that he did not believe the City should be looking at spending this amount of money. He stated that he looked around and from Avenue M to Avenue U it would be best to mill the street down about two inches and put hot mix from Avenue M to Avenue U. He thought that this could be accomplished with approximately \$200,000 and needs to be started right away. Councilman Torres stated that he is not in favor of a street maintenance fee at this time and the city needs to be put this suggestion on the backburner. Mayor ProTem McAnelly asked at what point does the City Council have to have a vote by the public if we start to issue debt. Mrs. Davis stated that if you issue certificates of obligation you do not have to have a vote. Councilman Torres and Councilman Villa both stated they were not interested in increasing taxes. Mayor ProTem McAnelly asked what it would cost to fix every pothole in the City. Mrs. Davis stated that she did not have a cost. Mayor Danner stated that there appeared to be a consensus to spend \$1.4 million this year and not doing a tax increase. Mrs. Davis stated that for the record, staff was not suggesting to do \$26 million for the street repairs. Councilman Villa stated there are quite a few potholes and citizens are requesting repairs on them. Mayor Danner stated that he believes City Council needs to decide how to spend the \$1.4 million. Mayor ProTem McAnelly stated that what he feels is happening is that the "squeaky wheel gets the grease" but the engineer tells us what needs to be worked on. There are some streets that are in more pressing need than just 14th Street. Mrs. Davis stated that when the Robotics study was completed it reported that there were quite a few streets that were worse than 14th Street. Councilwoman Long asked when the study was completed. Mrs. Davis stated that it was completed in 2019 and staff continues to do preventative maintenance. Mayor Danner asked how

City Council would like to package the plan for the remainder of the year. Councilman Villa moved for staff to request bids for mill and overlay for 14th Street from Avenue M to Avenue U for both mill and overlay as recommended by the engineer; and from Avenue I from 22nd to 26th Street mill and overlay and bid for what the engineer proposed and the cost to fix all potholes.

Councilwoman Long stated that she believed that some citizens want the potholes fixed and no longer want to drive on the streets the way they are. She added that this issue has been addressed for quite some time with no results. Councilwoman Long stated that she understood that this is a band-aid and may cost a significant amount, but she would like to see the work contracted out and get the trouble spots in the City fixed.

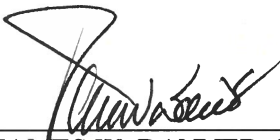
Motion seconded by Councilman Torres. Motion carried 5-0.

Mayor Danner asked if there were any motions regarding the plans. Mayor ProTem McAnelly stated that after all the work City Council has been through and reviewing the proposal; this is not the week, month or year to accumulate debt. He stated that he would not be in favor of taking action on the plan. Mayor Danner asked if there was a motion for the street maintenance fee. Councilman Villa asked to review the plan during the review of the proposed budget. Mayor Danner asked if there was any other action regarding the Street Plan. No response. With no further discussion, Mayor Danner called for a motion to adjourn.

4. Adjourn.

Councilman Vela moved to adjourn the meeting at 2:36 p.m. Motion seconded by Mayor ProTem McAnelly. Motion carried 5-0.

PASSED AND APPROVED THIS 27th DAY OF July 2020.



JAMES W. DANNER, SR., MAYOR

ATTEST:



Miguel Cantu, City Secretary

