

MINUTES
REGULAR CITY COUNCIL MEETING
July 13, 2020 at 6:00 p.m.

Notice was given that a Regular City Council Meeting of the governing body of the City of Hondo was held on July 13, 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 6:01 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 Frank Garza, Manager Kim Davis, City Secretary Miguel Cantu

Staff: Located inside: Economic Development Corporation Administrative Assistant Valeria Lopez, Located either on teleconference or outside of the Council Chambers: Economic Development Director Genevieve Flores, Chief Finance Officer Dee Willman, IT Network Administrator Josh Rodriguez, Police Chief Brian Valenzuela, Public Works Director Michael Schmidt, Assistant Public Works Director William "Buddy" Stewart

3. Invocation by Mayor Danner.

4. Pledge of Allegiance led by Mayor Danner.

5. Citizens'/Public Comments.

No public comments.

6. Discuss and consider approving the minutes from June 22, 2020 regular City Council meeting.

Councilman Vela moved to approve the June 22, 2020 regular City Council meeting. Motion seconded by Mayor ProTem McAnelly. Motion carried 5-0.

7. City Manager Report(s)

a. Budget Workshops

i. City Council Budget Workshop, July 14, 2020, 9:00 a.m. - 1:00 p.m.

ii. City Council Budget Workshop, July 15, 2020, 9:00 a.m. - 1:00 p.m.

Mrs. Davis reminded the City Council that two City Council Budget Workshops were scheduled for July 14, 2020 and July 15, 2020. City Council will be reviewing the budget, comprehensive fee schedule and capital improvements program on July 14, 2020. The full budget packet was provided to City Council. She added that the July 15, 2020 City Council Budget Workshop would be addressing Hotel and Motel Occupancy Tax and entertain requests from applicants for those funds.

8. Discussion regarding COVID-19 pandemic including status of the outbreak and community, review of city's programs and responses, and potential future city actions. (Kim Davis):

a. Utility Fees

b. Mrs. Davis stated that she wanted to provide City Council with an update on the Utility Fees that have either waived or not charged in respect to COVID-19. Mrs. Davis also mentioned she would be requesting direction from the City Council as to when to end the program. Mrs. Davis stated that in March customers were paying their fees because the program was not available at that time. Since March, April and May there is a past due balance of \$574,271.71 with respect to late fees.

	PAST DUE BALANCE	LATE FEE	DISCONNECT BALANCE	ADMIN FEE	RECONNECT FEE	DEPOSITS	TOTAL FEES IF EVERYTHING WAS COLLECTED
JUNE TOTALS FOR THOSE WHO DID NOT CALL IN	185,189.79	14,611.33	61,250.64	3,030.00	4,400.00	13,500.00	35,541.33
JUNE TOTALS FOR THOSE WHO DID CALL IN (COVID-19)	24,361.53	1,137.22	18,499.98	960.00	1,360.00	1,650.00	5,107.22
MAY TOTALS FOR THOSE WHO DID NOT CALL IN	162,948.02	16,294.80	61,396.56	4,710.00	6,880.00	22,350.00	50,234.80
MAY TOTALS FOR THOSE WHO DID CALL IN (COVID-19)	31,734.43	3,173.44	29,591.40	1,680.00	2,440.00	5,000.00	12,293.44
APRIL TOTALS FOR THOSE WHO DID NOT CALL IN	134,014.11	4,620.85	46,208.46	4,350.00	6,200.00	16,750.00	31,920.85
APRIL TOTALS FOR THOSE WHO DID CALL IN (COVID-19)	36,023.83	2,752.82	27,528.21	1,860.00	2,640.00	5,500.00	12,752.82
MARCH TOTALS FOR THOSE WHO DID NOT CALL IN			50,377.59	3,090.00	4,640.00	37,650.00	45,380.00
MARCH TOTALS FOR THOSE WHO DID CALL IN (COVID-19)			12,774.89	1,305.00	1,920.00	3,350.00	6,575.00
Totals	574,271.71	42,590.46	307,627.73	20,985.00	30,480.00	105,750.00	199,805.46

Referring to the table above, Mrs. Davis reviewed the totals for late fees, disconnect balances, administrative fees, and deposits with the City Council. Mrs. Davis stated that if all fees were collected the total amount would be \$199,805.46. Mrs. Davis requested that City Council no longer use the deposits to pay for the late fees but begin discussion when it would be appropriate to put information out to cease the program. Councilman Villa asked if any deposits have been applied to their bill. Mrs. Davis answered that the City had not applied that amount to the bill and they have been left alone. Councilman Villa mentioned that there was approximately \$800,000 that customers still owed for utilities. Mrs. Davis stated yes. Mayor Danner asked if the City has lost the \$42,590.46 in late fees. Mrs. Davis stated that the City has so far lost those late fees that would have been assessed. Mayor ProTem McAnelly asked and Mrs. Davis confirmed that customers have started payment plans. Mrs. Davis stated there are some customers that are making payments towards the past due balance. Mayor Danner told City Council that the question whether to continue the plan or to apply the late fees at the beginning of August. Mrs. Davis recommended putting everyone on a payment plan and then begin to reintegrate the fees. Councilman Villa asked what kind of notices were being sent to the customers. Mrs. Davis responded that the standard red card was still being mailed to the customers. Mayor Danner asked Mrs. Davis if she had any indication if unemployed citizens were going to work. Mrs. Davis stated that she did not know. Councilman Villa asked if there have been any disconnects for non payment. Mrs. Davis stated that there have not been any disconnects; however, there have been for those who wish to disconnect and change services. Councilman Vela asked what the payment plan consisted of. Mrs. Davis stated that the bill would be divided into three months; however, the City could push the payment plan to six months if needed. Councilman Villa stated that he was not sure if the program should end in August because the pandemic has been getting worse. Mrs. Davis stated that the dollar amounts in the chart was put together to find out if City Council would like to continue with the program or to take a step back and look at providing some other

payment options to the customers. Councilman Villa asked if the City was in the position to extend for another month and how much would this increase the debt to the City by the customers. Mrs. Davis stated that the approximate amount for another month would be an additional \$150,000. Mayor ProTem McAnelly stated that he recommends that customers should be strongly encouraged to get on payment plans. Councilwoman Long stated that she would like to see the historical data for past due amounts prior to disconnect. Councilman Vela agreed that he would also like to look at the historical data. Mrs. Davis stated that she would have that information for City Council. Councilman Villa asked if businesses were affected by COVID-19 by non-payments of their utility bills. Mrs. Davis stated that she did not have an accurate number, but that there were a few; however, the businesses were allowed to apply for the grants provided by the City that assisted them with their payments. Councilman Villa noted that the time of the month is mid-July and August 1 is too soon. He suggested starting September 1, 2020 and not August. Mrs. Davis stated that she would obtain the prior year past balances and list how many of the people have had been disconnected. Mayor ProTem McAnelly suggested that the City start communication with the customers that the program would end September 1st and they should start considering a payment plan. Mrs. Davis stated that the communication would begin the next day. Mayor Danner confirmed with the City Council that there would be no action taken at present.

c. CARES Act Funding

Mrs. Davis stated that the City continues to actively seek out any programs that the City can qualify for in the CARES Act Funding, and Texas Department of Emergency Management fund related to the Coronavirus. In May 2020 the City applied for \$123,967.34 worth of expenses. The City has further submitted for the CRF-Coronavirus Relief Fund in an amount of \$216,064.14.

	Grant	Amount	Eligible Expenditures
1	TDEM - Texas Division of Emergency Management through Grant Portal	7,599.34	1 Medical expenses
		116,368.00	2 Public health expenses
	Texas A&M AgriLife		3 Payroll expenses (PD, public health health care, human svcs, dedicated
	Submitted in May 2020	123,967.34	to mitigating & response to COVID
			4 Expenses action facilitate compliance
	CRF - Coronavirus Relief Fund		with public health measures
		29,526.86	5 Expenses with provisions economic support with public health emergency
			6 Any other COVID related expenses to
		62,569.94	the function of govt to satisfy eligibility
	Submitted in July 2020	<u>216,064.14</u>	
2	CARES - Coronavirus Aid, Relief, and Economic Security Act		Same as TDEM above
	Texas AgriLife Extension Service is coordinating	523,710.00	
	Received reimbursement fund in bank acct	(104,742.00)	Reimbursement
	DIFFERENCE	<u>418,968.00</u>	
	TxDOT - Texas Department of Transportation	<u>30,000.00</u>	South Texas Regional Airport share

The CARES-Coronavirus Aid, Relief, and Economic Security act is very specific; however, any expenses not accepted through other grant funding will be submitted under this grant. Mrs. Davis reminded that Airport Director Ryan Elder reported that the City would be applying for the Texas Department of Transportation grant for which the City was allotted \$30,000. The City will also be applying for the ARCIT (Association of Rural Communities in Texas) and Community Development Block Grant (CDBG). The City will use the CDBG grant for Downtown Revitalization and will also apply for an extraction machine for the Hondo Police Department. The City will also apply for an Economic Development Administration grant for some funds for programs. The City also looked at a Community Disaster Loan for public assistance; however, the City is not financially stressed enough to require a loan. City staff will continue to seek other grant programs to assist customers with their bills. Councilman Villa asked if there is grant to offset the balance owed to the City. Mrs. Davis stated that the City could not apply for the grant but there are grants for customers to apply and they are being advertised on the City's website and social media.

9. Discuss and consider Eleventh Mayoral Declaration of Local State of Disaster Due to Public Health Emergency.

Mayor Danner stated that the declaration corresponds with the latest Governor's order. City Attorney Garza stated that previously the Governor had stated that cities could not issue a civil or criminal penalty for not wearing a mask and the City couldn't arrest anyone. The Governor has allowed a verbal or written warning for a first-time violator of the face-covering requirement, a person's second violation shall be punishable by a fine not to exceed \$250. Each subsequent violation shall be punishable by a fine not to exceed \$250 per violation. However, no Hondo Police Officer or other official may detain, arrest, or confine in jail any person for a violation of this Declaration. Mayor Danner stated that there was a change on the gathering of more than 10 people what is the permitted unless the Mayor approves the gathering. Councilman Villa asked how many positive cases were in Medina County. Mayor Danner stated that there are 72 cases which includes 42 in the pending category and includes 13 from a local care center. Mrs. Davis stated that San Antonio Express News reported the prison count in its news articles. She further added that City staff continues to perform temperature checks, facemasks, and the use of hand sanitizers. She reported that there are eight staff members that are under quarantine. The City is not looking at closing any facilities at this time; however, the City is considering closing the parks with the exception of the green space to be available.

Mayor ProTem McAnelly moved to continue the Eleventh Mayoral Declaration. Motion seconded by Councilman Vela. Motion carried 5-0.

10. Discuss and consider the city awarding and authorizing the City Manager to enter into a contract with TRC Engineers for engineering services for the proposed Texas Community Development Block Grant 2021-2022 TxCDBG for Downtown Revitalization Program.

Mrs. Willman stated that the city regularly utilizes funding available from the Texas Department of Agriculture/TXCDBG. In early June the City advertised a request for qualifications for engineering firms. The firms were required to be registered to practice in the State of Texas for engineering services; to include budget, scope of work, cost estimates. This RFQ was in preparation for the approval of a Texas Department of Agriculture (TDA) Community Development Block Grant (CDBG) Downtown Revitalization Program (DRP) application for sidewalks. After receiving the RFQ's, a committee of five (5) members including an elected official scored the two engineering firms. One committee member did check the firm's references. The committee recommended to the Council to authorize the City Manager to negotiate a contract with TRC Engineers, Inc. for engineering services. Mrs. Davis pointed out that there would be no

financial impact for engineering services.

Councilwoman Long moved to award TRC Engineers for engineering services for the proposed Texas Community Development Block grant and authorizing the City Manager to enter into a contract. Motion seconded by Councilman Vela. Motion carried 5-0.

11. Discuss and consider opening dialogue with the Texas Highway Department requesting the lowering of the speed limits on U.S. Highway 90 from the Hondo city limits to Texas Highway 462.

Councilwoman Long stated that there are citizens that would like to see if the City could reduce the speed limit from the overpass to Highway 462. Chief Valenzuela stated there are accidents coming down from the off ramp coming on to Highway 90. Mayor ProTem McAnelly added that TxDOT has the number of accidents on Highway 90 and he liked the idea of starting the dialogue with TxDOT to reduce the speeds. He added that he would like to see the speed limit reduced to 40 MPH starting from the overpass to the Castro. Councilman Torres stated that he was informed by staff that that the had to go to TxDOT to request the reduction of the speed. He would like to add that the dialogue also address speed limit on the road starting from the Medina Community Hospital past the Color Box Child Learning Center day care. Mayor Danner stated that a general dialogue with TxDOT to address the City Council concerns.

Councilman Vela moved to open dialogue with the Texas Highway Department requesting the lowering of the speed limits on U.S. Highway 90 from the Hondo city limits to Texas Highway 462 and all of Highway 90. Motion seconded by Councilwoman Long. Motion carried 5-0.

12. Executive Session: The City Council of the City of Hondo convened in Executive Session at 7:00 p.m. and reconvened in Open Session at 9:01 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. 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. City Manager Evaluation.

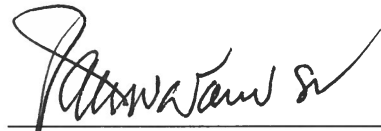
13. Discuss and consider appropriate action resulting from Executive Session.

Agenda Item #11. Motion made by Councilman Vela seconded by Mayor ProTem McAnelly to authorize the City Manager to negotiate and finalize the sale of 4.57 less .152.23 acres of land at the South Texas Regional Airport to Medina County, Texas for a price of \$24,419.15. Motion passed unanimously.

14. Adjourn.

Councilman Vela moved to adjourn the meeting at 9:01 p.m. Motion seconded by Mayor ProTem McAnelly. Motion carried 5-0.

PASSED AND APPROVED THIS 10th DAY OF AUGUST 2020.



JAMES W. DANNER, SR., MAYOR

ATTEST:


Miguel Cantu, City Secretary