

MINUTES
CITY OF HONDO
REGULAR CITY COUNCIL MEETING
March 27, 2023 at 6:00 p.m.

1. Called the meeting to order.
Mayor McAnelly called the meeting to order at 6:00 p.m.
2. Quorum check.
Mayor John McAnelly, Mayor Pro Tem Bobby Vela, Council Member Jose “Porky” Ytuarte, Council Member Brett Williams, Council Member Wesley Huesser, Council Member John E. Villa.

Absent: None

Staff Present: City Manager Scott Albert, City Attorney Molly Solis, City Secretary Sue Ann Reyes, IT Network Administrator Josh Rodriguez, IT Support Specialist Adolfo Tellez, Public Information Officer Jamie Kindred, Public Works Director Rene Saenz, Director of Parks and Recreation Lora Socarras, Director of Aviation Ryan Elder, Development Services Director Jessica Carpenter, Chief Financial Officer Chris Hill, Police Chief Justin Soza

3. Invocation by Pastor Steve Peyton, St. Paul Lutheran Church.
4. Pledge of Allegiance.
5. Citizens’/Public Comments: *Persons who desire to address the City of Hondo City Council will be received at this time. Those persons wishing to speak should complete a Public Comment Form and submit it to the City Secretary prior to the meeting. If the speaker wishes to comment on a particular agenda item, then the speaker should indicate such item(s) to on the form. Public comment is limited to 3 minutes per speaker. Speakers must conduct themselves in a civil manner. In accordance with the Texas Open Meetings Act, the City of Hondo City Council cannot deliberate or take action on items not listed on the meeting agenda)*

PRESENTATIONS

6. City Manager’s Report. (Scott Albert)

City Manager Scott Albert reported that a new bill was filed in the state legislature that limited the transfer of electric revenue to the general fund if the transfer would result in a rate increase or financial deficit for the City’s electric utility. In addition, a municipal electric utility could not include revenue transfers to the general fund and their cost service. Costs in the general fund, such as administrative staff or audits could not be used in calculating what that rate would be for our electric utility. According to the state senator, the bill was not to ban all transfers, it was intended to eliminate excessive transfers. The Texas Public Power Association who represents the 72 municipally owned electric utilities across the state, and the Texas Municipal League notified state officials regarding their opposition to the bill. Mr. Albert stated he would be drafting a letter on behalf of the City in opposition of the bills along with State representatives Andrew Murr and Pete Flores. He stated he had a virtual meeting with the governmental representatives from CPS and they were going to continue working together to oppose the bill.

Mr. Albert also reported there was an EDC meeting on Thursday that would be covering a potential private investment into the airport, the EDC Director position and an update on the pool improvements and the taxiway at the airport.

Mr. Albert report the City had received some larger AMI meters and staff would start installing them sometime in May or June.

7. Public Works Report. (Rene Saenz)

Director of Public Works, Rene Saenz gave an update on the Water Tower Lighting Project. He stated he was meeting with Facility Solutions and asked if Council wanted the entire structure lit or just the bulb. Council agreed the consensus was to light up only the bulb. Mr. Saenz also reported the material received to repair New Fountain Road was contaminated and it would have to be removed and reinstalled. The road will be shut down while the repairs are being made and staff would notify residents when that will take place. Mr. Saenz stated the CDBG Sidewalk Project contract was awarded to the lowest bidder and staff would be sending out letters to the business owners when the project was ready to start. Mr. Saenz also reported staff would be starting with a sewer line on Avenue V. He stated he was working with Freese and Nichols on the planning, bidding and the construction engineering proposal and would present to Council once they were complete.

CONSENT

8. Discuss and consider approving the minutes from March 13, 2023. (SueAnn Reyes)

Councilman Williams stated item eight should read compensation study instead of comprehensive study.

Council Member Villa made a motion to approve the minutes with correction from March 13, 2023; seconded by Council Member Ytuarte. The motion carried by the following vote: AYE: Vela, Ytuarte, Williams, Huesser, Villa. NAY: None. ABSTAIN: None. ABSENT: None.

OTHER BUSINESS

9. Discuss and consider approving the Annual Comprehensive Financial Report (Audit) FY2022. (Chris Hill & Chris Pruitt, PB&H)

Chief Financial Officer Chris Hill introduced Chris Pruitt with PG&H who presented the highlights of the financial audit report on file. Mr. Hill also stated the City received the GFOA Certificate of Achievement of Excellence in Finance Reporting.

Council Member Vela made a motion to approve the the Annual Comprehensive Financial Report; seconded by Council Member Ytuarte. The motion carried by the following vote: AYE: Vela, Ytuarte, Williams, Huesser, Villa. NAY: None. ABSTAIN: None. ABSENT: None.

10. Hold a public hearing and reconsider a request from Gilbert Sandoval, for a Specific Use Permit to allow for a Tattoo/Body Piercing Parlor to be located at 1208 18th Street Hondo, TX 78861. The legal description being, Hondo Block 15 Lot 7 & 8 in part. In accordance with the Unified Development Code, Chapter 3, Section 3.12.3. Any person, firm or corporation, either as landowner or tenant, may request the use of property which requires a Specific Use Permit. A Specific Use Permit may be granted after application has been properly made and a public hearing before the Planning and Zoning Commission and the City Council has been conducted. (Jessica Carpenter)

Director of Development Services Jessica Carpenter explained the item was not a public hearing but it was to reconsider. The public hearing had already taken place, a motion was made with no second, therefore it died and Mr. Sandoval was requesting it be reconsidered.

Councilman Villa asked if the item had been presented to the Planning and Zoning Commission again. Ms. Carpenter stated in consultation with the City Attorney the approval from Planning and Zoning was upheld. Council agreed to reconsider the item.

Ms. Elena Villareal, 1307 10th Street, stated she was there to request the Council grant the opportunity for Mr. Sandoval to open his tattoo and piercing business on 18th Street. She stated the location was a prime location and promoted positive opportunities for business growth. Ms. Villareal stated in the Hondo Anvil previously it stated the Council expressed concern regarding approving the permit for Mr. Sandoval due to possible illicit activity and alcohol use. However, the Council approved a permit for a new bar, Hondo Beer Market, located just around the corner at 1701 Avenue M. Such a concern of illicit activity is speculation and in reality could be said about any business regardless of the nature of the business. If there was a reason for concern It could be directed at the opening of the Hondo Beer Market which was in the same location where a gentleman was badly assaulted a year ago and unfortunately passed away. By granting Mr. Sandoval the opportunity for the permit, Council would be helping promote growth as they have done for all the other businesses in the area. Mr. Sandoval was beyond capable of running a successful business and had the expertise and knowledge needed. This was his dream and his livelihood.

Raul Ytuarte, 1307 Avenue E, stated he and his wife owned the building where Mr. Sandoval was proposing to open his business. Mr. Sandoval wanted to bring his profession to town. Folks were going to look for tattoos in San Antonio so why not keep it local. A vape shop was considered and approved inside the City limits by the Council to sell products he felt were not used for tobacco. He stated Mr. Sandoval was going to do everything legally and he was asking Council to consider and approve his request.

Gilbert. Sandval, 1703 Avenue B, stated he was just trying to help the community and open up another business in Hondo. He was raised in Hondo and his kids were raised in Hondo as well. He asked that Council let him open up his business which would also contribute to the other businesses around him.

Councilman Ytuarte recused himself from discussion.

Councilman Vela asked if the special downtown district had been started. Mr. Albert stated it was part of the comprehensive plan which would be brought to Council within the next couple of months. Staff would start to develop a specific downtown business district that would outline the uses and regulations.

Councilman Villa stated he did not know what the issue was with Mr. Sandoval having a tattoo parlor at the location just because it was above a place that sold alcohol.

Councilman Vela asked about the hours of operation and Ms. Carpenter clarified the hours were noon to 10 p.m. and that it was illegal to tattoo anyone who was intoxicated or under the influence. Mr. Sandoval had complied with all state health codes measures in his application packet. He was compliant as far as state standards, operational hours and operational procedurals.

Councilman Vela asked how the alcohol aspect was monitored. Ms. Carpenter stated it was absolutely prohibited to tattoo somebody under the influence. Councilman Vela also asked about

the parking. Ms. Carpenter stated it was a downtown corridor district so parking was not something that was standard per retail, strip mall or standard shopping centers. There was public parking in the timeframe during Mr. Sandoval's business hours on the right away and there was back alley parking. The public could also park a little farther away and along 18th Street and walk.

Councilman Williams stated he thought Mr. Sandoval was a respectable person with a talent but that this was the downtown district of Hondo and he wanted to see it as a family friendly environment. He felt that was not a family friendly type of business and neither was a bar or a vape shop which he voted against. He stated it was not the person and he respected people who wanted to go out and do that type of work but that he just wanted to see a more family friendly environment in the downtown area where there were shops and children could come to. Not a bunch of bars and stuff like that. He realized that opinion was not shared by everyone but that was why he was not for it.

Council Member Villa made a motion to approve a Specific Use Permit to allow for a Tattoo/Body Piercing Parlor to be located at 1208 18th Street Hondo, TX 78861; seconded by Council Member Vela. The motion carried by the following vote: AYE: Vela, Villa, McAnelly. NAY: Williams, Huesser. ABSTAIN: Ytuarte. ABSENT: None. With there being a tie Mayor McAnelly voted in favor of the motion.

11. Discussion and possible action regarding a proposal from Gallagher to conduct a comprehensive compensation and benchmarking study. (Scott Albert & Erik Smetana)

City Manager Scott Albert stated during the last budget meeting, \$50,000.00 was set aside for a compensation study. Staff asked for proposals and got one response from Gallagher. Staff was going to present it to Council in September however Council asked staff to focus on a different project. The proposal was written in September but the fees and the timetables remained the same.

Erik Smetana with Gallagher gave an overview of the proposal on file noting market analysis and a salary structure. He stated other than the dates and timing nothing else was modified. He stated the study itself would be conducted primarily virtually and the cost was \$47,500.00.

Council Member Ytuarte made a motion to authorize the City Manager to execute a proposal from Gallagher to conduct a comprehensive compensation and benchmarking study not to exceed \$50,000.00; seconded by Council Member Vela. The motion carried by the following vote: AYE: Ytuarte, Vela, Williams, Huesser. NAY: Villa. ABSTAIN: None. ABSENT: None.

12. Discuss and consider the 18th Street Sidewalk Project. (Second Phase) (Rene Saenz)

Director of Public Works Rene Saenz stated phase one sidewalk project was funded by CDBG from Avenue M, 17th Street and Avenue K and would be ADA compliant. Phase II would cost \$28,710.00 for the engineering proposal and the construction would cost \$320,627.32 for a total of \$349,337.31. The additional sidewalk project included work on 18th Street from Avenue K to N.

Council Member Vela made a motion to authorize the City Manager to execute a proposal from TRC Engineering for the additional sidewalk project; seconded by Council Member Ytuarte. The motion carried by the following vote: AYE: Ytuarte, Vela, Williams, Huesser, Villa. NAY: None. ABSTAIN: None. ABSENT: None.

The City Council of the City of Hondo convened into executive session at 7:03 p.m.

EXECUTIVE SESSION

13. 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(1) (A) and (2) (Consultations with Attorney) and *Section* 551.072 (Deliberations about Real Property), *Section* 551.074 (Personnel Matters), *Section* 551.076 (Deliberations about Security Devices), or *Section* 551.087 (Deliberations Regarding Economic Development Negotiations); *Section* 551.086 (Meeting concerning municipally owned utility-competitive matters);

- a. Discussion regarding private investment in and around the airport property. (Scott Albert & Peter Kirsch)
- b. Discussion regarding Hondo Creek Farm. (Scott Albert & Patrick Lindner)
- c. Discussion regarding Cemetery Business and Master Plan Proposal by LEES+Associates. (Lora Socarras)
- d. Update regarding C.H.A.S.M.Fest negotiations. (Lora Socarras)
- e. Discussion regarding the residential demolition permit for 413 16th Street. (Bobby Vela)
- f. Discussion regarding the annual performance evaluation of the City Manager. (Mayor McAnelly)

The City Council of the City of Hondo reconvened into regular session at 10:42 p.m.

14. Discuss and consider appropriate action on items resulting from Executive Session.

No Action.

15. Adjourn.

Council Member Williams made a motion to adjourn; seconded by Council Member Vela. The motion carried by the following vote: AYE: Ytuarte, Vela, Williams, Huesser, Villa. NAY: None. ABSTAIN: None. ABSENT: None.

PASSED AND APPROVED THIS 10th DAY OF APRIL 2023.

JOHN McANELLY, JR., MAYOR

ATTEST:

SueAnn Reyes, TRMC
City Secretary