

MINUTES
CITY OF HONDO
REGULAR CITY COUNCIL MEETING
January 09, 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, Community Programs & Projects Coordinator Jamie Kindred, Development Services Public Works Director Rene Saenz, Director of Parks and Recreation Lora Robbins, Director of Aviation Ryan Elder, Water Division Superintendent Jeremiah Socarras, Police Chief Justin Soza.

3. Invocation by Mayor John McAnelly
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)*

No public comment.

PRESENTATIONS

6. Introduction of two new Hondo Police Department officers. (Justin Soza)

Chief Soza introduced new hire Patrol Officer Auzshia Clevenger and Detective Ryan Murphy.
7. City Manager’s Report. (Scott Albert)

City Manager Scott Albert reported January 09, 2023 was National Law Enforcement Appreciation Day. Mr. Albert recognized and thanked Hondo law enforcement for their service to the community and the sacrifices they made for all. Mr. Albert also reported the retirement of Blacky Deleon, 21 years of service and Leonel Morin, 9 years of service.

8. Public Works Report. (Rene Saenz)

Public Works Director Rene Saenz gave a public works report for December 19, 2022 through December 30, 2022 on work orders. Detailed list is on file. Mr. Saenz explained this was during the freeze and staff was on point during the freeze. He reported the county was working on New Fountain Road from the cemetery to Avenue M and it should be completed within the next two weeks. Mr. Saenz also reported that there had been discussion regarding paving 31st Street, 33rd Street and Avenue G. He explained there was a ponding problem on Avenue E/FM462 and it was not possible to pave until the ponding issue was resolved. Mr. Saenz explained FM462 was a TxDot right of way. Council had also reported there was a problem on 27th Street. Staff had a meeting with TxDot and they decided to expand the scope of work from 27th Street to the city limits just passed the hospital. Mr. Saenz also explained TxDot stated they could do the drainage analysis in 8 to 12 months. He stated the City could not wait that long and suggested Freese and Nichols do the scope of work not to exceed \$75,000.00, which would include the surveying, elevation shots and roadwork. He stated the hospital did not have on site drainage and the report would help give those ideas on how to do the drainage. Staff had contacted the hospital and they were aware it was a slow process and understood the situation.

Councilman Ytuarte asked if the state would accept the survey from Freese and Nichols. Mr. Saenz stated they had and they would accept the survey.

Councilman Ytuarte stated the public works report stated asphalt was taking place on 31st Street and Avenue O but that Council had been requesting work be done on Avenue V south of 22nd Street for two and a half years and staff was now fast forwarding a project from only five months ago. Mr. Saenz stated when he first started he was getting to know Hondo and his shift changed. He needed to focus on major thoroughfares. He also stated he needed to know what infrastructure was under the pavement.

Councilman Ytuarte stated the area he was addressing was very high in traffic and volume and it has been an issue since 1988 and he did not want Avenue V to fall by the wayside. Councilman Vela asked if staff could please provide them with an update at the next council meeting on utilities and when they planned to replace the water and sewer lines in that area.

CONSENT AGENDA

9. Discuss and consider approving the minutes from the November 28, 2022 and December 12, 2022 regular meetings.

Mayor McAnelly stated there was a correction to the December 12, 2022 meeting minutes. Pastor J. Paul Bruhn did the invocation, not Councilman Williams.

Council Member Ytuarte made a motion to approve the minutes of November 28, 2022 and the December 12, 2022 with corrections; Seconded by Council Member Williams. The motion carried by the following vote: AYE: Ytuarte, Vela, Williams, Huesser, Villa. NAY: None. ABSTAIN: None. ABSENT: None.

MISCELLANEOUS

10. Discussion regarding the downtown sidewalk project. (Rene Saenz)

Public Works Director Rene Saenz gave a presentation on the sidewalk project area of Avenue K and M Street. He stated he met with every business owner in the area and they all knew and understood the project. However, some did not want the sidewalk improved and others did not want their businesses interrupted. El Restaurant Azteca, the Cricket Store and the True Value Hardware Store did not want their sidewalk worked on. There was a section in front of the True Value Hardware Store that was cracked and uneven and the business owner was okay with that section being repaired. The rest of the areas for those businesses would be okay with power washing. Discussion ensued regarding other areas of the city that needed repair.

Mayor McAnelly asked if the area in front of Pepe's Pizza would be replaced and how the difference in elevation of the sidewalk by the Cricket Store and the hardware store would be addressed. Mr. Saenz stated the elevation would be fixed.

Councilman Ytuarte stated staff needed to find a way to repair the sidewalk on 18th Street passed Avenue M.

Councilman Vela stated the grant applied to the four sides of that block but it was decided to only work on three sides. Mr. Albert stated another option would be to include an alternative bid for additional sections that Council could approve and it would be made part of the project. It would be outside of the grant scope but we could do it ourselves.

Mr. Albert stated that staff was going to go back to the grant committee to see if they could use the unused portions of the grant money elsewhere.

11. Discuss and consider authorizing the City Manager to execute a first amendment to the Master Service Agreement with Aqua Metric for AMI water meters. (Scott Albert, Scott Kohan, Craig Collins)

City Manager Scott Albert stated Council agreed to enter into a Master Service Agreement with Aqua Metrics to install AMI water meters. Since approving the agreement the pricing for component suppliers for the meters and transportation costs had increased roughly by about 4%. Aqua Metrics was asking for a price increase from the original agreement that was approved. The original agreement cost that was approved was \$1.1 million. The increase that Aqua Metrics was requesting was \$1.2 million a \$34,000 increase. The first amendment also outlined the possibility of a second price increase by June 30, 2023 if the City did not have delivery of the meters by that time.

Councilman Vela stated he was under the impression when Council approved the agreement and gave a deposit it was so that they could avoid a price increase.

Scott Cohen stated a deposit was not made and that this was a once in a lifetime event due to the rapid inflation and the price increase of components. He stated Sensus had been working hard to not increase prices through the inflation period but recently Sensus notified them they were pushing through a price increase. He stated Aqua Metrics was the exclusive distributor in Texas, Louisiana and California and it was affecting all their projects.

Councilman Williams asked if Aqua Metrics had committed to the price approved months ago. Mr. Cohen stated there was a contract executed and they had really tried to minimize the impact to the end user but that inflation had went up on certain items as high as 30%. With the 4% increase they really tried to absorb as much of it as possible. Councilman Williams stated he understood but that \$34,000.00 was a lot of money to the City of Hondo and he felt they were contractually obligated to give the City the agreed price. Discussion ensued regarding the validity of the contract and delivery dates. Mr. Cohen stated the first shipment should arrive in March and installation would take place late March early April.

Council Member Vela made a motion to table authorizing the City Manager to execute a first amendment to the Master Service Agreement with Aqua Metric for AMI water meters pending attorney review; Seconded by Council Member Ytuarte. The motion carried by the following vote: AYE: Ytuarte, Vela, Williams, Huesser, Villa. NAY: None. ABSTAIN: None. ABSENT: None.

12. Discuss and consider electric rates. (Steve Moffitt)

Steve Moffitt with Schneider Engineering explained the rate study prepared which is on file. Mr. Moffitt explained when he went through the rate study he did separate out the base rates from the wholesale power cost rates so that as the

wholesale power costs moves forward with CPS they could adjust that wholesale power costs as necessary when wholesale costs changed either up or down. In doing that, they evaluated the senior discount with some options. Mr. Moffitt explained under the 10% scenario, which was already in place, in order to cover the wholesale costs, it costs 82 cents per 1000 kilowatt hours, in order to cover the distribution costs that the city has for maintaining the distribution system it cost the average customer 63 cents per 1000 kilowatt hours. The impact was a total of just a little over \$1.40 per bill, to offset the senior citizen discount. A commercial customer that uses 5000-kilowatt hours would be five times that amount in order to offset that cost. The 15% discount, wholesale cost is offset by about \$1.17 per 1000-kilowatt hours for the other customers, the distribution revenues offset just a little under \$1 so the total cost was a little bit over \$2 per 1000-kilowatt hours to fund the 15% discount. The 20% discount \$1.53 on the wholesale cost side and \$1.25 on the distribution revenue for a total of about \$2.75 per 1000 kilowatt hour. Mr. Moffitt explained that to fund the senior citizen discounts really was not a significant impact. He also explained that the distribution revenue rates were built to recover what was budgeted in the fiscal year 2023 budget, which started October 1. Council could chose to adjust the distribution revenue but the City needed to recover that in total, which would mean cutting some things in the budget. The 15% scenario impact would be a total of \$2.11 per 1000-kilowatt hours to completely fund the 15% scenario from the other rate classes and \$2.78 per 1000-kilowatt hours to fund the 20% discount to from the other rate classes.

Mayor McAnelly asked if the other classes currently paid for the 10% senior discount and if the rates were adjusted from 10% to 15% or 20% the rates would need to be adjusted for the other rate classes because Council had already adopted rates based on the 10%. Mr. Moffitt stated that was correct, it would have to be adjusted by an additional 5% or 10% in order to fund the discount. He stated if Council was not willing to recover the costs they could make cuts or reevaluate the budget. Council did not have to adjust the rates but they could potentially not hit the budgeted revenue target. The 10% target was already budgeted for the year.

Councilman Williams clarified that if they did not change the rate the city would have to eat it and the cost of service should be covered by the rate payers for distribution and power costs. Mr. Moffitt stated his recommendation was to fund the wholesale power cost piece of whatever discount was chosen because not funding the CPS part could potentially cause problems down the road for sure.

Councilman Williams stated council wanted to be compassionate to the elderly and he fully supported the 10% discount but that there were also a lot of people under the age of 65 in the community that were also struggling financial and he though the discount should stay at 10%.

Council Member Vela made a motion to stay at the 10% discount rate for senior citizens moving forward; seconded by Council Member Williams. The motion

carried by the following vote: AYE: Ytuarte, Vela, Williams, Huesser, Villa. NAY: None. ABSTAIN: None. ABSENT: None.

13. Discussion and possible action regarding the purchase of a truck for the Recreation Center. (Lora Robbins)

Director of Parks and Recreation Lora Robbins clarified the truck was for the Parks Department not the Recreation Center.

Council Member Ytuarte made a motion to approve the purchase of a truck for the Parks and Recreation Department; seconded by Council Member Williams. The motion carried by the following vote: AYE: Ytuarte, Vela, Williams, Huesser, Villa. NAY: None. ABSTAIN: None. ABSENT: None.

14. Discussion regarding South Texas Air Strip Attack Race. (Councilmen Villa and Ytuarte)

Councilman Villas asked why the City was not hosting the dinner for the South Texas Air Strip Attack Race.

Airport Director Ryan Elder stated it was discussed during the approval of the license agreement by Council that the City would not be using HOT funds for the dinner. Mr. Elder stated the first year was budgeted for \$10,000.00 and it included more than just the dinner. The second year was \$55,912.00 and it included just the dinner. Mayor McAnelly stated he recalled in August that they had not asked for HOT funds this year and therefore money was not appropriated for the race. Mr. Elder stated Shift Sector did not specifically ask for HOT funds. He spoke with Shift Sector and advised them the race was approved but the dinner was not being paid for and they did not have a problem with it. He was very thankful for the City's help.

The City Council of the City of Hondo convened into executive session at 7:07 p.m.

15. 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 the purchase of the Stronghold property (3.22 acres). (Scott Albert)

- b. Discussion regarding El Cortijo/Hondo Farms. (Scott Albert)
- c. Discussion regarding reorganization of departments and personnel roles/duties and responsibilities. (Councilmen Vela and Ytuarte)
- d. Discussion regarding management of City operations in the absence of the City Manager and CFO Chris Hill. (Councilman Vela and Ytuarte)
- e. Discussion regarding Hanger X Project. (Councilmen Vela and Williams)

The City Council of the City of Hondo reconvened into regular session at 8:32 p.m.

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

No Action

- 17. Adjourn.

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

PASSED AND APPROVED THIS 23th DAY OF JANUARY 2023.

JOHN McANELLY, JR., MAYOR

ATTEST:

SueAnn Reyes, TRMC
City Secretary