

MINUTES
CITY OF HONDO
REGULAR CITY COUNCIL MEETING
May 22, 2023 at 6:00 p.m.

1. Called the meeting to order.
Mayor McAnelly called the meeting to order at 6:01 p.m.
2. Quorum check.
Mayor John McAnelly, Mayor Pro Tem Jose “Porky” Ytuarte, Council Member Brett Williams (Arrived at 6:11 p.m.), Council Member Rachel Ramirez, Council Member John E. Villa.

Absent: Council Member Bobby Vela,

Staff Present: Interim City Manager Robert T. Herrera, 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, Police Chief Justin Soza, Library Director Elsie Purcell, Water Superintendent Jeremiah Socarras.
3. Invocation by Mayor 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)*

PRESENTATIONS

6. Introduction of two new Hondo Police Department Police Officers.(Chief Soza)

Chief Soza introduced School Resource Officer Kenneth Hopkins and Officer Audra Fuller.
7. Proclamation regarding City of Hondo Public Works Week. (Mayor McAnelly)

Mayor McAnelly read and presented the proclamation for City of Hondo Public Works Week.
8. Proclamation regarding Memorial Day. (Mayor McAnelly)

Mayor McAnelly read the proclamation for Memorial Day.
9. Proclamation regarding National Garden Week. (Mayor McAnelly)

Mayor McAnelly read and presented the proclamation to the Hondo Garden Club.
10. Public Works Report. (Rene Saenz)

Public Works Director Rene Saenz stated he had four updates. Mr. Saenz reported the water

restriction was now reduced to a stage two and information would be distributed to the public. Mr. Saenz also stated after meeting with the interim city manager it was agreed to postpone the installation of the meters so that the City could do some public outreach on the installation procedure. Information would be included in the utility bill and on social media. Mr. Saenz stated it would take 45 minutes to an hour for installation of each meter, which would cause the water to be shut off during that time. The installation would be starting on June 5, 2023. He stated the new meters would eliminate human error that would more than likely cause residents to inquire about their readings. Councilman Villa asked how many meters were received. Mr. Saenz stated the City had received 640 meter so far. Councilman Ytuarte asked if the warranty of the meters started with the delivery of the 640 meters or with the final delivery of all 2930 meters. Mr. Saenz stated the warranty would start upon full installation of all meters. Mr. Saenz gave a road repair update. He stated staff needed to look at the infrastructure before paving. He stated he put traffic counters on the streets to pave the streets that were being used the most. During the last budget, cycle public works was asked to work on two streets with Avenue V being one. He stated he would need to know what other street Council would like to move forward with paving and infrastructure. Discussion ensued regarding the priority of the streets. Mr. Saenz stated he had a conversation with the interim city manager and the consensus was to pave as many streets as possible with the monies provided. He stated he had already started getting quotes from contractors. Councilman Williams asked if the list provided was the current year plan or next year. Mr. Saenz stated it was for the current year and onto the next year. Councilman Williams stated he felt staff needed to come up with a long-range plan or a five-year plan. Mr. Saenz stated staff was working on it and it was being broken up into four quadrants.

Interim City Manager Robert Herrera recommended getting the first ten projects out for bids and adding a few more streets with the allocated funds. He stated staff could then come back with a five-year CIP list with criteria that might be used for the next set of streets. Mr. Herrera thanked the Council for letting Mr. Saenz move forward and putting together the bids and then come back with a CIP list. Councilman Ytuarte asked if staff could look at the five-year plan and make sure it was not already in existence. Councilman Villa asked for an update on street equipment that was being sold. Mr. Saenz stated it was listed on the auction website and he would get back to him on the status.

Mr. Saenz also reported staff had started spraying for mosquitos and there was not a second person who had obtained his Vector license. He stated in the next budget he would be asking for another sprayer to cover both the north and south at the same time. He stated there were information flyers at city hall, on line and at the library.

Councilman Ytuarte asked about the leaking door and roof at the training center. Mr. Saenz stated it was part of the insurance claim and that there was a team meeting scheduled for an update. He stated he could not have staff on the high roofline, as it was dangerous and required professionals.

CONSENT

Council Member Ytuarte moved to approve consent agenda items 11 and 12; seconded by Council Member Williams. The motion carried by the following vote: AYE: Ytuarte, Williams, Ramirez, Villa. NAY: None. ABSTAIN: None. ABSENT: Vela.

11. Discuss and consider approving the minutes from April 24, 2023, May 08, 2023 and May 15, 2023. (SueAnn Reyes)
12. Discuss and consider approval of Resolution 404-23 for the TxDOT "Safe Routes to School" grant

application. (Rene Saenz)

OTHER BUSINESS

13. Discuss and consider adopting Resolution 405-23, a non-binding resolution of intent of the City regarding participating in a proposed tax increment reinvestment zone to be created by Medina County in conjunction with Hondo Creek Farms located in the city's ETJ. (Robert T. Herrera)

Councilman Ytuarte asked if it was possible to table the item as Councilman Vela was not present and he had construction related questions. Councilman Williams stated he would like to hear the presentation from Mr. Herrera before making that decision. Councilman Villa asked why there were two separate items regarding Hondo Creek Farms, one in executive session. Mayor McAnelly stated they were two separate items.

Mr. Herrera stated a public presentation could still be made and that Council did not have to take any action. He stated if Council felt inclined to take action after executive session they could at that point.

Interim City Manager Robert Herrera presented a PowerPoint presentation. He stated that on May 11, 2023 the Council asked the city manager to visit with Hondo Creek Farms, address some concerns and come back with a recommendation. Mr. Herrera stated the non-binding resolution that was being considered had several suggestions that the Council asked for. The resolution was intended to show that Medina County would take the lead in creating the TIRZ. The resolution would allow the City to participate with the County and other political entities in the creation of a Tax Increment Reinvestment Zone. He felt the process to create a tax increment reinvestment zone would probably rest better with the County because they had created tax increment reinvestment zones in the past. The process the county would follow was if the City agreed to move forward with participating they were not committing to any financing, not committing to proceed with the annexation, not committed to anything other than the fact that the City wanted the county start looking at see if they vetted and if they meet all the criteria. The County would have oversight and responsibility for working with the Hondo Creek Farms to create a tax increment reinvestment zone. The County would verify that Hondo Creek Farms met the eligibility criteria of Chapter 311 of the state tax code. The responsibility would rest with the County and the County Attorney's Office and eventually with the State of Texas Attorney General's Office to see if it met the eligibility requirements. If it did not then it would die and it would not move forward. The county would work very closely with those public entities who would agree to participate in the non-binding resolution. Mr. Herrera stated if the Council did not want to move forward with a non-binding resolution that it did not have to worry about the tax increment reinvestment zone. That would be between the county, the other entities and the developer. The process was that once they start working on a tax increment reinvestment zone the County would put together an interlocal agreement. The interlocal agreement would be between the County, the developer and any public entity that participated. It would require a vote by the City Council. If the Council wanted to participate at that point it would move further, if Council did not the City would remove themselves from the process. The document would be shared with all public entities that were participating, as anyone can accept the agreement or pull out of the TIRZ.

Mr. Herrera introduce County Commissioner David Lynch. Mr. Lynch stated they had created TIRZs on the northeast side of the County where the majority of the growth had taken place. He stated local government code section 232 gave the County very limited authority. When a subdivision come to the County and asks them to participate in a TIRZ or a public improvement district, they had to use the County to get those done. That gave the County a little bit of advantage in order to say if they wanted the County's participation it gave the County some authority and to

upgrade what they were going to do in this subdivision. It allowed the County to get a better product. Mr. Lynch stated he felt it had been very successful on that end of the County. He stated he could not speak for Commissioner Newman, but would discuss it at the commissioner's court and decide what it was that they would like to see happen in the subdivision and what would benefit the County and go from there.

Mr. Herrera explained the resolution talked about pursuing annexation by the City of Hondo. If the participation got started, the ball would start moving forward with the County, the City and with the City Attorney's Office to look at the requirements for annexation. Hondo Creek farms would not pursue the creation of a Municipal Utility District or other special interest district. If it went through and the City of Hondo annexed them, water services would come back to the City of Hondo. If it did not they would have the right to negotiate and open a MUD District of their own. The developer agreed to transfer its groundwater rights to the City to service the 201.5-acre tract. Mr. Herrera stated he had an opportunity to visit with Councilman Ytuarte and he pointed out one section of the agreement that talked about "to purchase or lease" and he suggested scratching "to purchase or lease" and it needed to come as part of the agreement. Mr. Herrera state it would set aside several million dollars within the TIRZ financing specifically to address public improvements, which were requested by the City of Hondo to address water, and wastewater infrastructure needs. The City's pledge property tax rate upon annexation was reduced from 100% to 80% and the City was able to get an additional 20%. The City did keep its debt service for this particular project. Mr. Herrera stated in a letter he wrote to the Mayor and City Council he did recommend to the City Council that they consider adopting the non-binding agreement so the City could look forward to what may or may not be happening in our ETJ. If it did not happen, anything in the ETJ would have no need for annexation because they were not going to want to be annexed by the City and were not going to want to pay the property taxes. They would create their own water and wastewater system and that could be their own septic system. They will not fall underneath the building requirements of the City for the residential subdivision. Moving forward in the participation it would put the City in a better position to control the development. Mr. Herrera stated that for those reasons he felt it was a good opportunity just to look at the participation and let the County do its process. If the County thought it was a good project they would come back and say it was a good project that worked with the city, if not, the project would die at the hand of the county.

Councilman Ytuarte stated he had some questions on the numbers quoted on page one of the resolution. He stated he never heard or read that it would create over 100 jobs. Councilman Ytuarte also asked about the \$18 million reimbursement agreements that would fund approximately \$18 million dollars for construction of public infrastructure that will benefit the zone. He felt it would not benefit the City of Hondo long time taxpayers. He asked how it was going to be used. He could not find data that justified the numbers. Mr. Herrera stated the County would vet the numbers. Councilman Ytuarte stated he spoke with Commissioner Neuman and he stated the County was willing to participate as long as all requirements of the City were met. There was nothing to say that they were leading the charge. He stated it would be 30 to 40 years before the City would see some profit. He stated he would like to see some data to justify the numbers. Councilman Ytuarte stated he would like to see Mr. Earl speak with the school board and the superintendent before they go any further.

Mr. Herrera stated that the numbers had to be vetted by the County. If the City were to participate and if the City approved the interlocal agreement, what would come back to the City was about \$12 million worth of public improvements within the City of Hondo. The other \$6 million that may come the City would sit at the table and ask for more money for streets.

Councilman Williams stated it was nonbinding agreement and the figures in the agreement were

projections. This was only giving the City a seat at the table. His opinion was that the wanted to sit at the table and see how it would benefit the City and the citizens. There would be more detail and benefits as they go through the process.

Mayor McAnelly stated the County would handle the TIRZ whether the City was at the table or not.

Mr. David Earl referred to Senate Bill 2030 which would allow any property owner in the ETJ of the City to file a petition to allow the property owner be released from the ETJ within 30 days and stated his intent would be to file that petition and that he would recommend to his client not to do the deal.

Ms. Lynda Hook, 2402 Avenue J, stated there was an interlocal extraterritorial jurisdiction dated December 2017 to December 31, 2022 that had not been denied or cancelled by the City Council. She stated the interlocal agreement for the use of subdivision regulations in the Extra Territorial Jurisdiction of the City of Hondo stated, "Either party may notify the other party in writing of their intent to terminate the contract 90 days prior to the termination date, at which time it shall terminate. Otherwise, the agreement shall automatically for five years terms with the same renewal provisions for any extension." Ms. Hook stated she had not seen or heard or read anything in the paper that indicated from the Council that this has been terminated and that by what she was reading it was still in effect.

Mr. Herrera stated that normally city governments enter into an interlocal agreement with the County to talk about how to handle development outside the city limits and who is going to take responsibility for reviewing the sanitary sewer, the water discharged and things of that nature. The City of Hondo may have one and it had not been repealed but that in the case that was just determined a prior it no longer applied.

Ms. Hook stated she come before the Council to share some of her concerns. As a concerned citizen of the City, she found the Development Services Division were to be working closely with the Board of Adjustment, Planning, and Zoning Commission in building and guiding the City's growth and development. Ordinance 1072-08-15 measure number 14 also supported this finding. She also found this to be supported by the Unified Development Code, Chapter 8, and Page 103. She felt Council needed to have the information for future references on the involvement of all city boards, commissions, councils involved according to what is stated in the charter.

Mayor McAnelly clarified that Ms. Hook was suggesting the action that might have been taken tonight was premature because the Planning and Zoning Commission had not been involved. Ms. Hook stated yes.

City Attorney Molly Solis asked if Mr. Earl could clarify whether he had pulled the resolution presented to Council or not.

Mr. Earl stated the resolution was still before Council if the Council wanted to vote on it and make a decision on whether or not to go forward. At this point in time he would advise to his client to probably not to engage with the City of Hondo in any more negotiation but that it was up to him and not Mr. Earl as he owned the property. If the motion and passed he may choose to move forward but he could not say one way or the other without communicating with him.

Council Member Williams moved to adopt Resolution 405-23, a non-binding resolution of intent of the City regarding participating in a proposed tax increment reinvestment zone to be created by

Medina County in conjunction with Hondo Creek Farms located in the city's ETJ. The motion died for lack of second.

14. Discuss and consider options and recommendations for a City of Hondo Social Media Policy. (Robert T. Herrera)

Interim City Manager Robert Herrera stated Josh Rodriguez, Adolfo Tellez, Elsie Purcell and Jamie Kindred put the initial social media policy together. The policy was sent to the City Attorney's Office. Mr. Herrera stated the policy was a red lined version and would be brought to the next council meeting for adoption by resolution.

Councilman Williams stated that he did not agree with the wording "contains false information" on section 5b, page 32-39. He stated it could be very subjective and who determined what was false and what was true. He could see someone removing posts from social media that they may deem was false but it was someone's opinion. Mr. Herrera stated that could be taken out and staff could come back in six months to review the policy. Councilman Williams stated he understood the occasional use of personal telephone or email, but did not agree with incidental and occasional personal use of social media being permitted during work on page 34-39, No 6a. City Attorney Molly Solis stated it was blanket language if the City wanted to allow employees to access social media on their work phones or work computer. If Council wanted it removed, they could remove it. Discussion ensued regarding the use of city equipment for personal use.

Mr. Herrera stated staff would come back at the next meeting with changes regarding false information and come back in six months to address any problems.

Library Director Elsie Purcell stated she agreed with Mr. Herrera to let staff move forward with the changes and test it out to see how it works for the City.

Councilman Williams stated he was good with that and thanked the staff for their good work in producing the policy.

15. Discuss and consider appointments to various boards and commissions. (John McAnelly)

Council Member Ytuarte made a motion appoint Brad Price to the Airport Advisory Board and to reappoint Matt Hansen to the Planning and Zoning Commission and Ashley Lowe to the Economic Development Corporation Board; seconded by Council Member Williams. The motion carried by the following vote: AYE: Ytuarte, Williams, Ramirez, Villa. NAY: None. ABSTAIN: None. ABSENT: Vela.

The City Council of the City of Hondo convened into executive session at 07:44 p.m.

EXECUTIVE SESSION

16. 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 Hondo Creek Farms. (Robert T. Herrera)

The City Council of the City of Hondo reconvened into regular session at 08:06 p.m.

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

No Action

18. Adjourn.

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

PASSED AND APPROVED THIS 12th DAY OF JUNE 2023.

JOHN McANELLY, JR., MAYOR

ATTEST:

SueAnn Reyes, TRMC
City Secretary