



REGULAR CITY COUNCIL MEETING

October 9, 2023 at 6:00 PM

City Council Chambers
1600 Avenue M, Hondo, TX

AGENDA

Notice is hereby given that a Regular City Council Meeting of the governing body of the City of Hondo will be held October 09, 2023 at 6:00 p.m. in the City Council Chambers, City Hall at 1600 Avenue M, Hondo, Texas, for the purpose of discussing matters incident and related to the City of Hondo. The following items will be discussed, to-wit:

The public may also access the meeting remotely through video/conference from your computer, tablet or smart phone at: <https://boxcast.tv/channel/aetaajdf64jalxx20o9a>

Persons may submit questions or comments for items on the agenda by email to: hgomez@hondo-tx.org. Questions or comments submitted by email must be received by the city at least 1 hour prior to the scheduled start of the meeting in order to be presented to the City Council during the meeting

1. Call to order.
2. Quorum check.
3. Invocation by Beverly Kelling - 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. Discuss City of Hondo 2023 Classification & Compensation Study (Gallagher)
7. Public Works Report. (Rene Saenz)

8. City Manager's Report. (John Naron)

CONSENT

9. None.

PUBLIC HEARINGS

10. None.

OTHER BUSINESS

11. Discuss and reconsider the previously adopted Economic Development Commission budget presented to the City of Hondo, City Council on September 11, 2023. (Councilmember Ytuarte & Councilmember Vela)
12. Consider amending the Economic Development Commission budget referencing the newly created Director of Marketing, Business Retention and Expansion, and Recruitment position. (Councilmember Ytuarte & Councilmember Vela)
13. Discuss and Consider awarding the sale of 100.763 acres of Airport Property associated with RFB 002-23 (Ryan Elder)
14. Discuss and Consider responses from RFB 003-23 and awarding a lease of Airport BIG water rights for CY 2023 (Ryan Elder)

EXECUTIVE SESSION

15. None.
16. Adjourn.

ATTEST:

Hector Gomez, CMC
City Secretary

The City Council of the City of Hondo reserves the right to convene in Executive Session in accordance with the Texas Open Meetings Act, Texas Government Code: Section 551.071 (Consultations with Attorney), 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) on any of the above items.

NOTICE OF ASSISTANCE AT PUBLIC MEETINGS

The City of Hondo City Council Meetings is available to all persons regardless of disability. If you require special assistance, contact the City Secretary forty-eight (48) hours prior to the meeting time at 830-426-3370.



City Council Communication

Title: Discuss City of Hondo 2023 Classification & Compensation Study (Gallagher)

Date: October 9, 2023

From: Chris Hill, Chief Finance Officer, Michele Thacker, Human Resources Manager

INFORMATION:

The City contracted with Gallagher in May, 2023 to prepare a Classification & Compensation Study. Gallagher will present the results of this study to City Council and Mayor.

FINANCIAL IMPACT:

\$908,748

STAFF RECOMMENDATION:

Staff recommends minimum pay of \$15 / hour and implementation of the Compensation Study for all employees below the market medium based on time in position.

MOTION:

N/A

ATTACHMENTS:

1. Gallagher Compensation Study - 10.9.23 COUNCIL MEETING

STAFF CONTACTS:

Chris Hill
Chief Finance Officer
chill@hondo-tx.org

Michele Thacker
HR Manager
mthacker@hondo-tx.org



City Council Communication

Title: Public Works Report. (Rene Saenz)

Date: October 9, 2023 **From:**

INFORMATION:

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

1. Public Works Department Updates 10092023
2. CIP 22-23 FY
3. Ave. V Status Update

STAFF CONTACTS:

Public Works Department

City Council Update

Oct. 9, 2023

- I. Chip Seal Project Update
 - Mill and Overlay completed
 - Chip Seal
- II. WWTP CDBG Clarifier repair grant update
 - **Bid process update:**
Project to include full abrasive blast, repair, and repaint for all three clarifiers, Rehabilitation of all 3 gearboxes, slide gate replacements and Telescoping valve replacement.
 - Sealed Bids to be received by November 2, 2023
 - Present/award bid: construction to begin by 2nd week of December 2023.
 - Completion date: June 2024
- III. End of Fiscal Year Status Report
 - Capital Improvement Projects for 22-23 FY
- IV. Ave. V update

c. Health Insurance

Prior to the current fiscal year, the city was fortunate to have three consecutive years without increases in insurance premiums. However, due to a high loss ratio during the third year, the city experienced a significant increase in insurance premiums for the fiscal year 2021-22. Unfortunately, the city has experienced another high loss ratio this year, and we anticipate insurance premiums to increase by sixteen percent (16%) at a minimum for the fiscal year 2022-23. The increase in insurance premiums has made paying for dependent care coverage difficult, if not impossible, for employees. To aid staff with paying for increased dependent care coverage, the administration recommends the city pay for 50% of dependent care coverage for the base PPO plan only.

d. Compensation Study

The administration proposes to conduct a compensation study this year to ensure employee compensation is competitive within eighty-five percent (85%) of the Austin-San Antonio job market. Once we have identified the necessary salary adjustments, we'll plan to begin implementing pay adjustments during FY 2024.

The budget includes payments for a proposed new seven-year debt issuance of \$1.4 million (tax notes) to aid the city with purchasing various capital assets, including; a forklift, AMI meters for electric, a new street sweeper, a restroom for Park 3, city hall remodel project, iPads for city council and public works, and vehicles for streets/parks/police/development services/facilities, speed trailer, radios for the PD, etc.

Several capital projects that will be taking place during the fiscal year, including but not limited to;

- Street, curb, and gutter improvements

Reconstruction Program (installation of curbs will be determined before commencing work)

-Reconstruction of 31st street from Ave E to Ave G.

-City Council will identify two streets with high traffic volumes they want to reconstruct during FY 2023.

-Rehabilitation Chip & Seal Program (installation of curbs will be determined before commencing

work) Staff will recommend to the City Council a list of streets for rehabilitation work after completing geo tech test to determine which streets qualify for rehabilitation versus reconstruction.

- Water meters will be changed out to AMI meters.

- Upgrade the reconductor along HWY 90 from copper to aluminum to accommodate future growth in the commercial corridor.

- Replace/rehabilitate the downtown ground storage water tank* *on-going*

- Rehabilitate the clarifiers, sluice gate, bar screen, and compactor at the WWTP. *on-going*

- Rehabilitate the Spatz water well, which has been offline since 2016. *on-going*

- The following downtown sidewalks will be reconstructed this year;

- Westside of Avenue K – from 17th street to 18th street.

- Southside of 17th street – from Avenue M to Avenue K.

- Eastside of Avenue M – from 17th street to 18th street.

- Rehabilitate sections of Taxiway A at the airport.

- Construction of a wastewater collection line to the Mummé's stone yard. *planned*

* In 2021, Dunham Engineering inspected the downtown water storage tank and noted several deficiencies, including there was no longer a coating on the interior of the tank leading to significant corrosion. Rehabilitating the tank is not recommended since the interior has extensive corrosion. Rehabilitating the tank will require blasting the interior, leading to an unknown cost of repairs on the interior of the tank due to corrosion.

The budget also includes several planning initiatives for the upcoming year that will address the City's current needs and establish long-range plans intended to guide growth in and around the City. A few of the planning initiatives proposed for the upcoming year include.

- Prepare a comprehensive plan intended to direct growth. A comprehensive plan can be defined as a long-range plan intended to direct a community's growth and physical development for 20 to 30 years or longer. Ideally, and if feasible, it is appropriate to try to prepare a comprehensive plan for the ultimate development of a community. This will allow for ultimate utility, transportation, and community facilities planning and, therefore, can aid in a more time and cost-effective planning and budgeting program. The plan usually includes policies relevant to developing various physical elements in the community, such as transportation, housing, recreation, and public facilities. It provides for the distribution and relationships of various land uses. The comprehensive plan is the most crucial document for managing a community's physical growth because it can (and should) consolidate and coordinate physical planning needs, goals, policies, and all the separate community studies that address various aspects of physical development in the City.

Further, a comprehensive plan, to be effective, has to be an ongoing process involving periodic evaluation and updating; the comprehensive plan document, therefore, is one component of this process. To further

PROJECT NAME: Avenue V Sewer Line
TO: Rene Saenz
FROM: Erin Mills

PROJECT NO.: HON23399
TIME PERIOD COVERED: September 2023
DATE: 10/04/2023

PROJECT UPDATES:

- Internal weekly progress meetings
- 50% Design
 - Added 300 LF of sewer line to FNI's scope to connect the sewer lines at 23rd and 24th Street.
 - Added service lines and cleanouts to FNI's scope.
 - FNI will submit an amendment for additional effect after 60% submittal.

PROJECT SCHEDULE, TASKS AND DELIVERABLES:

Submittal	Completion/Submittal Date	Revised Dates
Field Services	5/26/2023	6/14/2023
50% Design	8/21/2023	10/3/2023
100% Design	11/13/2023	1/8/2024
Signed & Sealed	2/14/2024	4/2/2024
Bid	2/28/2024	4/11/2023
Construction	2/20/2024 - 12/04/2024	4/25/2024-1/29/2025

UPCOMING ACTIVITIES:

- Internal weekly progress meetings
- 10/4/2023 - Existing utility meeting
- 60% Design Submittal meeting

ISSUES:

- Slopes of the sewer lines are very flat. A TCEQ variance may be required.
- Existing utilities like gas and water were not picked up survey the locations have not been confirmed.

ACTION ITEMS:

- NA

ADDITIONAL INFORMATION:

- NA



City Council Communication

Title: City Manager's Report. (John Naron)

Date: October 9, 2023 **From:**

INFORMATION:

Introduction of new City Manager John Naron.

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

None

STAFF CONTACTS:



City Council Communication

Title: Discuss and reconsider the previously adopted Economic Development Commission budget presented to the City of Hondo, City Council on September 11, 2023. (Councilmember Ytuarte & Councilmember Vela)

Date: October 9, 2023 **From:**

INFORMATION:

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

None

STAFF CONTACTS:



City Council Communication

Title: Consider amending the Economic Development Commission budget referencing the newly created Director of Marketing, Business Retention and Expansion, and Recruitment position. (Councilmember Ytuarte & Councilmember Vela)

Date: October 9, 2023

From:

INFORMATION:

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

None

STAFF CONTACTS:



City Council Communication

Title: Discuss and Consider awarding the sale of 100.763 acres of Airport Property associated with RFB 002-23 (Ryan Elder)

Date: October 9, 2023 **From:** Ryan Elder, Director of Aviation

INFORMATION:

The City solicited for bids associated with RFB 002-23 for the sale of 100.763 acres of airport property. The City received one (1) sealed bid for the property from Holland & Lee Properties, LLC for \$1,070,000, with an earnest money deposit of \$107,000. The surplus property release, sale and clean title transfer of the property will still be contingent on the review and approval from TxDOT and the FAA.

FINANCIAL IMPACT:

Revenue to the Airport fund of \$1,070,000, if approved by FAA for a surplus property release.

STAFF RECOMMENDATION:

Staff recommends awarding RFB 002-23 to Holland and Lee Properties, LLC for the sale of 100.763 acres of Airport property

MOTION:

Motion to approve the sale of 100.763 acres of Airport property from RFB 002-23 to Holland & Lee Properties, LLC at the purchase price of \$1,070,000.

ATTACHMENTS:

1. Holland&Lee-Bidder Response-100.763acred

STAFF CONTACTS:

Ryan Elder

COPY

HOLLAND & LEE PROPERTIES, LLC

**RESPONSE TO
REQUEST FOR BID
FOR PROPERTY SALE
RFB NO. 002-23**

TAB 1. Table of Contents

Contents

TAB 2. Introduction and Bid:

Introduction

Proposed Use

Property Management and Projected Impact

TAB 3. Bidder Biography and Other Information

TAB 4. Purchase Bid

TAB 5. Addendum Acknowledgment Form(s)

TAB 2. INTRODUCTION AND BID

Introduction

Holland & Lee Properties, LLC
Don Lee, CEO
Mark Holland, CFO/CLO
10003 NW Military Hwy, Ste. 2213
San Antonio, Texas 78231
(210) 690-1956

don@hondorailway.com
(210) 219-8585
mark@hollandsatx.com
(210) 210-862-2612

Sue Ann Reyes, City Secretary
1600 Avenue M
Hondo, Texas 78861

RE: RFB No. 002-23

Dear Ms. Reyes,

Holland & Lee Properties, LLC (the "Bidder"), owned equally by Don Lee and Mark Holland, hereby submit its offer to purchase the 100.763 acres at the west side of Hondo Railway, and South of the Prison, Hondo, Medina County, Texas 78861 (the "Property").

HOLLAND & LEE PROPERTIES, LLC
10003 NW MILITARY HWY, SUITE 2213
SAN ANTONIO, TEXAS 78231
(210) 690-1956

July 17, 2023

Sue Ann Reyes, City Secretary
1600 Avenue M
Hondo, Texas 78861

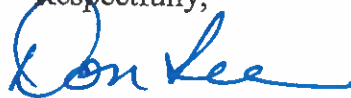
RE: RFB No. 002-23

Dear Ms. Reyes,

Holland & Lee Properties, LLC (the "Bidder"), owned equally by Don Lee and Mark Holland, hereby submits its offer to purchase the 100.763 acres at the west side of Hondo Railway, and South of the Prison, Hondo, Medina County, Texas 78861 (the "Property").

Thank you for your consideration.

Respectfully,



Don Lee, CEO

Proposed Use

Bidder proposes to develop the Property into rail served property to accommodate new business customers that have significant rail needs. Bidder estimates the value of the rail improvements to be in excess of \$1,000,000.

The prospective rail served customers that would locate/relocate their business to the subject Property should be labor intensive businesses similar to Bidder's current rail served customers which include the following:

	<u>Approximate # Employees</u>
• Martin Asphalt Company	20
• Boise Cascade Building Materials, LLC	100
• Jim H. Wilson, LLC	15
• Pilot Travel Centers, LLC	2
• South Texas Liquid Terminal, Inc.	23
• South Texas Ethanol Terminal, Inc.	4
• Hondo Bulk Commodities, LLC	11
• Rail Transloading Resources One, LLC	4
• Hondo Railway, LLC	6

Bidder's rail served customers employ or will employ approximately 185 individuals. The prospective new rail served customers should bring in excess of 100 jobs to the Hondo area.

Property Management and Projected Impact

Planned maintenance and upkeep of the Property will be similar to existing developed Holland & Lee Properties, LLC, property at Hondo, Texas with roads, utilities, security, platted lots, etc.

TAB 3. BIOGRAPHY AND OTHER INFORMATION

Holland & Lee Properties, LLC, was founded in 1983 by Don Lee and Mark Holland. The company's registered address is 10003 NW Military Highway, Suite 2213, San Antonio, Texas 78231. Holland & Lee Properties, LLC, has developed approximately 200 acres of property in Hondo, Texas. Holland & Lee Properties, LLC, does not have employees, but is involved in land development for rail served customers who provide jobs to the area.

TAB 4. PURCHASE BID

Holland & Lee Properties, LLC, submits a bid offer of One Million Seventy Thousand Dollars (\$1,070,000) with an earnest money deposit of One Hundred Seven Thousand Dollars (\$107,000) in the form of a cashier's check payable to the City of Hondo, and a letter from PlainsCapital Bank verifying that Holland & Lee Properties, LLC, Don Lee, and Mark Holland have sufficient funds to pay the full purchase price and develop the property.

PlainsCapitalBank
6565 Hillcrest Ave, Dallas TX 75205
(866) 762-8392

OFFICIAL CHECK - OFFICE COPY

A Declaration of Loss and a 90 day waiting period
will be requested before this check will be replaced
or refunded in the event it is lost, misplaced, or stolen.

3527000795

07/20/2023

Remitter
Holland and Lee Properties LLC

\$107,000.00
DOLLAR ONE ZERO SEVEN THOUSAND ZERO ZERO ZERO PERIOD ZERO ZERO

One Hundred Seven Thousand and 00/100ths Dollars

\$107,000.00

PAY TO THE
ORDER OF **City of Hondo**

Deposit

NON-NEGOTIABLE

THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD TO LIGHT TO VIEW

PlainsCapitalBank
6565 Hillcrest Ave, Dallas TX 75205
(866) 762-8392

OFFICIAL CHECK

A Declaration of Loss and a 90 day waiting period
will be requested before this check will be replaced
or refunded in the event it is lost, misplaced, or stolen.

3527000795

07/20/2023

Remitter
Holland and Lee Properties LLC

\$107,000.00
DOLLAR ONE ZERO SEVEN THOUSAND ZERO ZERO ZERO PERIOD ZERO ZERO

One Hundred Seven Thousand and 00/100ths Dollars

\$107,000.00

PAY TO THE
ORDER OF **City of Hondo**

Deposit



Nona Wolk
(AUTHORIZED SIGNATURE)
Nona Wolk 123304

⑈3527000795⑈ ⑆111322994⑆ 1100031341⑈



Michael L. Molak
Region Chairman

July 18, 2023

To Whom It May Concern:

Holland & Lee Properties, LLC, equally owned by Mark Holland and Don Lee, is a long-time valued customer of this bank. Holland & Lee Properties, LLC, Mark Holland, and Don Lee have sufficient funds to purchase 100.763 acres at the west side of Hondo Railway, and South of the Prison, Hondo, Medina County, Texas 78861.

Please feel free to contact me with any questions.

Best Regards,

A handwritten signature in blue ink that reads "Michael Molak".

Michael Molak
Region Chairman
PlainsCapital Bank
San Antonio

tel 210.541.8228 fax 877.409.2634
mmolak@plainscapital.com
www.plainscapital.com
70 North East Loop 410, Suite 100
San Antonio, Texas 78216

TAB 5. ADDENDUM ACKNOWLEDGMENT FORM(S)



City Council Communication

Title: Discuss and Consider responses from RFB 003-23 and awarding a lease of Airport BIG water rights for CY 2023 (Ryan Elder)

Date: October 9, 2023 **From:** Ryan Elder, Director of Aviation

INFORMATION:

The City solicited bids via RFB 003-23, to lease a portion or all of the available Airport Base Irrigation Groundwater (BIG) rights for CY 2023. The City received one (1) sealed bid from Constanzo Farm, Inc to lease 100AF of BIG rights for CY 2023. The airport currently has 237AF available of BIG rights at its disposal for lease. Leasing the 100AF to Constanzo farm for CY 2023 would leave the airport with 137AF available to lease.

FINANCIAL IMPACT:

Airport Fund to receive a revenue from the lease of 100AF @ \$115.50/AF = \$11,550.00

STAFF RECOMMENDATION:

Staff recommends awarding the 100AF of Airport BIG rights to Constanzo Farm, Inc at a lease rate of \$115.50/AF

MOTION:

Motion to approve the City Manager to execute an agreement with Constanzo Farm, Inc for the lease of 100AF of Airport BIG rights at a lease price of \$115.50/AF for the Calendar Year 2023.

ATTACHMENTS:

1. ConstanzoFarm-Bid_003-23

STAFF CONTACTS:

Ryan Elder

CONSTANZO FARM, Inc.

PO Box 446 Atascosa, TX 78002

Specializing in All Kinds of Vegetables in Season.

**Request for Bid for Airport Water
Rights Lease RFB No. 003-23**

ORIGINAL

CONSTANZO FARM, Inc.
PO Box 446 Atascosa, TX 78002
Specializing in All Kinds of Vegetables in Season.
210-365-6537 Michael Adamek

City of Hondo
Attn: Sue Ann Reyes
City Secretary 1600 Avenue M
Hondo, TX 78861

August 24, 2023

Request for Bid for Airport Water Rights Lease RFB No. 003-23
DUE: 09/18/2023

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- 3. Annual Lease Bid with 10% Payment**
- 4. Lease Term**
- 5. Addendum Acknowledgement Form**

CONSTANZO FARM, Inc.
PO Box 446 Atascosa, TX 78002
Specializing in All Kinds of Vegetables in Season.
210-365-6537 Michael Adamek

City of Hondo
Attn: Sue Ann Reyes
City Secretary 1600 Avenue M
Hondo, TX 78861

August 24, 2023

Request for Bid for Airport Water Rights Lease RFB No. 003-23
DUE: 09/18/2023

INTRODUCTION

Bidder's Contact Information:

Constanzo Farms, Inc.
PO Box 446
Atascosa, TX 78002

Michael Adamek
mtadamek@aol.com
210-365-6537

Constanzo Farms, Inc. bid submission for Edward's Aquifer Base Water rights. If awarded, water rights will be used to irrigate vegetable crops.

Constanzo Farms, Inc. Edward's Aquifer Permit Number: P100-333

CONSTANZO FARM, Inc.
PO Box 446 Atascosa, TX 78002
Specializing in All Kinds of Vegetables in Season.
210-365-6537 Michael Adamek

City of Hondo
Attn: Sue Ann Reyes
City Secretary 1600 Avenue M
Hondo, TX 78861

August 24, 2023

Request for Bid for Airport Water Rights Lease RFB No. 003-23
DUE: 09/18/2023

ANNUAL LEASE BID

Constanzo Farms, Inc. bids the following:

Amount of Water Rights:	100.00 Base Acre Feet
Amount Bid per acre foot:	\$115.50 / Acre Foot
Total Amount of Bid:	\$11,550.00
10% Bond included in Bid Package:	\$1,155.00 CK#33686

CONSTANZO FARM, Inc.
PO Box 446 Atascosa, TX 78002
Specializing in All Kinds of Vegetables in Season.
210-365-6537 Michael Adamek

City of Hondo
Attn: Sue Ann Reyes
City Secretary 1600 Avenue M
Hondo, TX 78861

August 24, 2023

Request for Bid for Airport Water Rights Lease RFB No. 003-23
DUE: 09/18/2023

LEASE TERM

Constanzo Farms, Inc. lease term:

Lease Term: 1 year (01/01/2023 – 12/31/2023)
Amount of Water Rights: 100.00 Base Acre Feet
Amount Bid per Acre Foot: \$115.50 / Acre Foot

CONSTANZO FARM, Inc.
PO Box 446 Atascosa, TX 78002
Specializing in All Kinds of Vegetables in Season.
210-365-6537 Michael Adamek

City of Hondo
Attn: Sue Ann Reyes
City Secretary 1600 Avenue M
Hondo, TX 78861

August 24, 2023

Request for Bid for Airport Water Rights Lease RFB No. 003-23
DUE: 09/18/2023

ADDENDUM ACKNOWLEDGMENT

Constanzo Farm, Inc. will comply with the "Revisions and Addenda", Section "D" of RFB No. 003-23.

Thank you for your consideration:



Michael Adamek
Constanzo Farms, Inc.
210-365-6537
mtadamek@aol.com



CONSTANZO FARM, INC.
PO BOX 446
ATASCOSA, TX 78002

TXN BANK
15996 South Front St. PO Box 100
LaCoste, TX 78039
88-916/1149

33686

9/11/2023

PAY TO THE
ORDER OF

CITY OF HONDO

\$ **1,155.00

One Thousand One Hundred Fifty-Five and 00/100 ***** DOLLARS

PROTECTED AGAINST FRAUD

CITY OF HONDO



[Signature]



MEMO

10% Bid Bond

⑈033686⑈ ⑆114909165⑆ ⑈4017 143 1⑈

CONSTANZO FARM, INC.

33686

CITY OF HONDO

9/11/2023

10% Bid Bond

1,155.00

Checking

10% Bid Bond

1,155.00