



REGULAR CITY COUNCIL MEETING

January 8, 2024 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 January 08, 2024 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: svelasquez@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, Pastor, St. Paul Lutheran.
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.
7. Public Works Report.

CONSENT

8. Discuss and consider approving the minutes from December 11, 2023. (Stephanie Velasquez)
9. Discuss and consider the 4th Quarter Investment Report for the Fiscal Year ended September 30, 2023, as presented. (Chris Hill)
10. Discuss and consider an Ordinance amending the City of Hondo Investment Policy as required by Chapter 2256 of the Texas Government Code; and setting an effective date. (Chris Hill)
11. Discuss and consider a Resolution approving the City of Hondo's participation in the Texas SmartBuy Membership Program. (Chris Hill)
12. Authorize the Chief of Police to enter into a MOU with Bluebonnet Children's Advocacy Center.
13. Discuss and consider making various appointments to boards and commissions. (Mayor McAnelly)
14. Discuss and consider support for Medina County's Inclusion in the Alamo Area Metropolitan Planning Organization. (Mayor McAnelly)

OTHER BUSINESS

15. Discuss and consider a resolution authorizing and approving publication and posting of a notice of intention to issue the city's combination tax and limited pledge revenue certificates of obligation in a maximum aggregate principal amount not to exceed \$11,300,000 and other matters in connection therewith. (John Naron and Chris Hill)

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)
 - a. Discuss and Consider Project Blue - Real Property Acquisition
 - b. Discuss personnel matters regarding finance and development services personnel changes.
17. Discuss and consider appropriate action on items resulting from Executive Session.
18. Adjourn.

ATTEST:

Stephanie Velasquez
Acting 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 830-426-3378.



City Council Communication

Title: City Manager's Report.

Date: January 8, 2024 **From:**

INFORMATION:

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

None

STAFF CONTACTS:



City Council Communication

Title: Public Works Report.

Date: January 8, 2024 **From:** Rene Saenz

INFORMATION:

Public Works Update.

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

1. Public Works Department end of year 2023

STAFF CONTACTS:

Public Works Department

City Council Update

Recap Fiscal Year 2022-2023

I. CIP Projects

1. Electric Reconductor Project along Hwy 90
2. AMI water meter change out
3. Rehabilitate the WWTP Clarifiers (CDBG)
4. Rehabilitate Spatz water well (offline since 2016).
5. Downtown Sidewalks rehabilitation (CDBG).
6. Construction of sewer line to Mumme's stone yard.
7. Chip Seal Program (Boerne Street)

II. Work Orders Completed per Division (Jan. 1 – Dec. 31, 2023)

Electric	2404
Water	2148
WWTP	1400
Streets	<u>596</u>
Total:	6,548

III. In the “Pipe-Line” for 2024-2025

1. Water/Sewer line infrastructure upgrades
2. 2nd half of Chip Seal (streets)
3. Ave. V (start up)
4. Ground Storage Tank rehabilitation (Downtown)
5. Continue vegetation program (Electric)
6. New sewer trunk line upgrade down 30th

7. Reconductor (electric), by airport area
8. Master Drainage Plan for entire City (stormwater/streets)
9. Downtown Sidewalk Project (Ave. K to Ave. N)
10. Street Classification and Maintenance Program to include Curbs.
11. Upgrade WWTP in its entirety
12. Additional CIP Projects planned



City Council Communication

Title: Discuss and consider approving the minutes from December 11, 2023. (Stephanie Velasquez)

Date: January 8, 2024

From:

INFORMATION:

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

1. MINUTES12.11

STAFF CONTACTS:

MINUTES
CITY OF HONDO
REGULAR CITY COUNCIL MEETING
DECEMBER 11, 2023 at 6:00 p.m.

1. Called the meeting to order.

Mayor McAnelly called the meeting to order at 6:02 p.m.

2. Quorum check.

Mayor John McAnelly, Council Member Brett Williams, Council Member Rachel Ramirez, Council Member John E. Villa.

ABSENT: Mayor Pro Tem Jose “Porky” Ytuarte, Council Member Bobby Vela.

Staff Present: City Manager John Naron, Chief Finance Officer Chris Hill, City Attorney Molly Solis, Director of Public Works Rene Saenz, Admin Assistant to City Manager Stephanie Velasquez, Human Resources Manager Michele Thacker, IT Manager Josh Rodriguez, Director of Public Information and Recreation Jamie Kindred, Director of Aviation Ryan Elder, Director of Parks and Facilities Len McVay, Director Economic Development Doug Dowler, Development Services Manager Uche Echeozo, EDC Director of Marketing Business Retention & Expansion Sean Patty.

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.

Addressing the City Council, Mr. Sylvester Gallardo expressed his frustration regarding the development of a property on Avenue P and 11th Street. He noted that his efforts to establish a small subdivision of entry-level homes began around two and a half years ago. However, he has faced significant challenges due to poor communication with the city's department heads and the city manager.

Mr. Gallardo highlighted the lack of responsiveness, mentioning that his engineer's inquiries often go through a third party, Freese and Nichols, and then back to the city, resulting in delays and repeated questions without progress. He provided examples of over a month's worth of unaddressed communications from department heads.

He brought this issue to the council's attention to underline the inefficiencies and obstacles in the city's development process. Mr. Gallardo expressed his desire to contribute to the city's growth, both commercially and residentially, through his development project. He mentioned that his plans include larger-than-average lots, around a third of an acre each

Mr. Gallardo concluded by reiterating his frustration with the stagnation and inefficiency in the process, highlighting the need for improvement to support both the city's growth and his development endeavors.

PRESENTATIONS

6. City Managers Report. (John Naron)

City Manager John Naron opened his remarks by expressing pride in the work accomplished by the city's directors and employees during his recent absence. He specifically highlighted a productive meeting between Rene from the Economic Development team and CPS, focusing on future growth. This meeting was notable for its demonstration of effective collaboration between the Economic Development department and Public Works, an aspect John sees as vital for future progress.

Naron emphasized the importance of communication in smoothing out city processes, aligning with the concerns raised by a previous speaker. He acknowledged that while improvements in processes and timing are necessary, these changes would require time to implement effectively.

Looking forward to the night's agenda, John discussed the importance of the upcoming presentation, particularly the discussion on infrastructure projects. He noted that a detailed report had been provided to the council as requested and clarified that the session was

intended for discussion rather than voting, aiming to solicit ideas and feedback from the council.

City Manager John Naron concluded by stressing the importance of using council meetings as a platform for productive exchange, gathering ideas and visions to inform actionable steps for the city. He expressed his eagerness to hear from the council and to apply their feedback in moving the city's projects and vision forward.

7. Public Works Report. (Rene Saenz)

Rene Saenz, the Public Works Director, presented an update on various ongoing projects:

Electrical Grid Classification Project: The city has initiated a comprehensive classification of the electrical grid, a project never undertaken before in Hondo. This includes identifying the types of wires (copper, aluminum) and the classification of poles, which carry not only electricity but also communications. Schneider Electric has been contracted for this task, which involves mapping, recording infrastructure, and handling reports for CPS and the state.

Street and Alley Projects: Progress is ongoing, with approximately 45% completion. The project started late due to overlapping with the chip seal project.

Chip Seal Project: Nearly complete at 99.9%, with only Bernie Street remaining. A mix-up led to a delay, but completion is expected soon, requiring three days of weather above 55 degrees. The project is under budget, leaving additional funds for future use.

Budget and Planning: The project came in under the original budget of \$2.7 million, with only \$2.3 million spent. However, due to weather conditions and year-end timing, paving has been postponed to the following year. Rene noted potential price increases and plans to discuss this with the council.

Water Infrastructure: The spec building has been demolished, and bids for the project have been received.

Rene Saenz concluded his report by emphasizing the department's ongoing efforts to improve city infrastructure and the challenges faced due to seasonal and budgetary constraints.

Water Infrastructure and Wastewater Treatment: Bids for the reconstruction of the water weld and the extension of the line to the golf course are under review. The department is awaiting approval from the Texas Water Development Board.

For the clarifier work at the wastewater treatment plant, funded through the Community Development Block Grant, bids have been received. A tentative recommendation letter is prepared and will be presented at the upcoming council meeting.

Director Saenz emphasized the department's commitment to improving city infrastructure, acknowledging the challenges posed by seasonal and budgetary constraints. He concluded his report with an assurance of continued diligence and transparency in the department's operations.

CONSENT

Council Member Villa moved to approve consent agenda items 8, 9, and 10; seconded by Council Member Williams. The motion carried by the following vote: AYE: Villa, Ramirez, Williams. NAY: None. ABSTAIN: None. ABSENT: Vela and Ytuarte.

8. Discuss and consider confirming Polly Edlund to the Medina County 9-1-1 Emergency Communications District Board of Managers. (Mayor McAnelly)
9. Discuss and consider the 4th Quarter Financial Budget Report for the Fiscal Year ended September 30, 2023, as presented. (Chris Hill)
10. Discuss and consider approving the minutes from November 27, 2023. (Stephanie Velasquez)

OTHER BUSINESS

11. Discuss and consider the ongoing issues with water and wastewater services outages related to the company installing the fiber optic lines. (Council Member Ytuarte and Williams)

City Manager John Naron addressed the council regarding the challenges and progress of ongoing infrastructure projects:

John Naron discussed his conversation with Rockport, the primary contractor overseeing local projects. Rockport has increased their workforce to expedite project completion, aiming for the end of February. However, this acceleration has presented challenges, as new crews are not fully familiar with local procedures, particularly regarding the city's ability to locate

and mark underground utilities promptly. The city's infrastructure work has affected 10 water and 11 sewer customers, including a significant incident of sewer backup into a resident's home. These situations, while unfortunate, have been instrumental in locating and mapping older utility lines in homes from the 50s, 60s, and 70s. As part of the repair process, cleanouts are being installed, which will simplify future maintenance.

Naron noted the efforts made to inform affected residents about the responsible parties for construction and how to seek compensation. He highlighted that the majority of residential lateral lines are situated 18 to 30 inches deep, coinciding with the contractors' drilling zone, leading to increased risk of service disruptions. Referencing incidents of similar nature across the United States, including a significant gas line explosion, Naron underscored the commitment to safety. Public Works Director Rene Saenz and his team are actively involved in ensuring compliance and safety on the job site.

Naron reassured the council of the ongoing efforts to guide contractors on the precise locations of water and sewer pipes, aiming to minimize disruptions and maintain safety standards.

In conclusion, City Manager John Naron emphasized the city's commitment to efficiently managing these infrastructure projects while addressing safety concerns and minimizing the impact on residents.

Councilman Villa brought up a question concerning the recent fiber optic issues caused by Rise Broadband. He specifically asked who would be responsible for covering the costs of the repairs needed due to these issues. He emphasized that he does not believe taxpayer money should be used to repair damage caused by the company undertaking this work.

In response to Councilman Villa's concerns about the use of taxpayer funds for fiber optic line repairs, Public Works Director Rene Saenz expressed strong agreement. He acknowledged the validity of the concern but highlighted the complexity of the issue due to existing legislation. Rene pointed out that numerous House and Senate bills offer substantial protection to telecommunications companies, which presents a challenge for both small and large cities seeking to address these issues.

Rene shared insights from a recent training he attended in Austin, where he raised this issue with representatives from various cities. The consensus was that there is limited legal recourse available to cities in these situations. Current laws allow telecommunications companies significant leeway, including the right to lay lines in city rights-of-way without obtaining a permit.

He emphasized that the city's primary approach has been to hold cordial meetings with these companies, striving to negotiate terms that minimize disruption. However, he

acknowledged the difficulty in persuading them to avoid the 'sweet spot' of 18 to 30 inches underground, where most city utilities are located.

Rene also explained the presence of various flags (yellow, red, etc.) seen around the city, noting that these mark different utilities like gas, telephone, and other telecommunications lines, further complicating the excavation and repair process.

City Attorney Molly Solis addressed the council regarding the agreement with Rise Broadband and the related repair costs. She reminded the council that the city has an existing agreement with Rise Broadband, which was negotiated prior to the start of the project. Under this agreement, Rise Broadband, or any subcontractor operating under them, is responsible for installations.

City Attorney Molly Solis emphasized that the agreement includes provisions for submitting damage claims. This process allows the city to recoup expenses incurred from repairs due to damages caused by Rise Broadband's operations. She suggested that the city should gather cost estimates of the repairs to start submitting these claims.

Regarding individual property owners affected by the issues, Molly noted that they could file claims through their own insurance. These insurance providers might then pursue subrogation against RISE Broadband and their contractors. However, she clarified that the city cannot guarantee the extent of recovery that homeowners might achieve.

City Attorney Molly Solis also touched upon the issue of sewer backups into homes, stating that typically, the city is not liable for such incidents. While the installation of backflow preventers is beneficial, it does not alleviate the immediate burden on homeowners affected by backups. She concluded by noting that while the city might not be responsible for these specific damages, it could assist homeowners in obtaining the necessary information to pursue their own claims.

Councilman Brett Williams brought up several issues concerning the current infrastructure projects. He noted that contractors are using local water for drilling and questioned if they are paying for this resource. He highlighted the significant mess created at these water retrieval sites, particularly the mud spread onto roads, which he pointed out is potentially illegal under SW3P regulations. Williams also expressed concern about a specific area on 462, just north of their location, where excessive mud and a nearby fire hydrant suggest contractors might be using water from that spot. Additionally, he raised safety issues, including an incident where a mini excavator obstructed traffic, creating a hazardous situation. Williams emphasized the need for these violations to be reported to appropriate authorities and called for increased accountability to address the ongoing issues and enforce compliance.

12. Discuss and consider the potential issuance of certificates of obligation, including timing and fiscal impact of the proposed financing. (John Naron and Chris Hill)

City Manager John Naron addressed the council to provide detailed information on various city projects, as requested in a previous live session. He presented this information in a summarized form with a line-item budget style for clearer understanding. Starting with the airport, Naron mentioned that Ryan (Director of Aviation) obtained preliminary bids for fixing the concrete, with an aim to include engineering at a total cost of \$250,000. This revised approach not only reduced the initially requested amount but also redirected the focus to a higher priority project than initially proposed. Naron also indicated his intention to have an open discussion on other infrastructure items, acknowledging some agreement but noting the importance of discussing specific items like the fair hall project.

Councilman Brett Williams commended the detailed presentation on city projects, appreciating the effort by the City Manager and his staff. He raised a concern about the baseball field project, suggesting a focus on upgrading existing facilities rather than building new ones. Williams also mentioned the need for reevaluating the scope of some projects to ensure they align with the town's needs, emphasizing the importance of due diligence in budgeting and planning.

City Manager John Naron acknowledged the concerns raised by Councilman Williams regarding the baseball field project. He mentioned his discussion with Chris about the flexibility in the project's approach, emphasizing that the letter of intent could be adapted to either focus on developing new fields or rehabilitating the existing ones.

Naron proposed the idea of forming a committee, comprising individuals deeply involved in the local baseball community, to guide the project. This committee would have a budget of \$400,000 and access to necessary resources, including the opportunity to consult with contractors, receive bids, and explore various possibilities for the fields.

He highlighted the benefits of this approach, noting that it would not only allow citizens to have a significant say in the project, thereby fostering a sense of ownership, but also alleviate some of the burdens from the council by delegating focused attention to the committee. John expressed optimism that this could be an effective strategy moving forward.

Councilman Villa raised a concern regarding the budget for the proposed debt capital project, specifically addressing the 'miscellaneous allowance' line item. He noted that the allocated amount for miscellaneous expenses appeared to be quite substantial and called for further explanation or justification for this significant allocation.

In response to Councilman Villa's query regarding the miscellaneous allowance in the debt capital project budget, Public Works Director Rene Saenz provided insight into the current challenges in securing stable quotes due to the COVID-19 pandemic. He explained that quotes are frequently changing, often valid for only a week, necessitating a contingency in the budget.

Saenz elaborated that this allowance could cover unforeseen costs such as mobilization changes or additional requirements from regulatory bodies like TXDOT. For instance, if TXDOT alters their process, necessitating different submissions or additional engineering work, this allowance ensures that these unexpected costs can be met without hindering the project.

He emphasized the importance of this contingency fund, clarifying that it's a precautionary measure to manage overruns. Saenz reassured the council that any unused portion of this allowance would remain unspent, but its inclusion is crucial for flexible and responsive project management under current unpredictable market conditions.

Councilman Williams mentioned that he wants to better understand how the city will manage to pay for all the proposed projects. He shared his concerns about whether the city can afford these costs and what the financial picture will look like.

13. Discuss and consider authorizing the City Manager to execute a lease agreement with ARAS MRO at the South Texas Regional Airport. (Ryan Elder)

Director of Aviation Ryan Elder presented a new business that is interested in our airport. Their initial plan is to lease a space exclusively for aircraft storage and parking, marking the first phase of their engagement. They are also considering future developments, potentially constructing multiple MRO (Maintenance, Repair, and Overhaul) hangars for heavy aircraft maintenance. Such an expansion would not only align with but also enhance our current aerospace operations. In our discussions, we've identified their needs and agreed on leasing some ramp space to help them establish their presence and potentially expand with additional hangars. The proposed lease agreement is for one year, with the possibility of extending for a second year.

Mayor McAnelly discussed the lease agreement, pointing out that while we don't expect any construction right now, the agreement allows for it. If the lessee does build anything, they will pay for it, and at the end of the lease, whatever they build will belong to the city.

Ryan Elder clarified the construction plans associated with the current leasehold. He explained that any construction would be limited to temporary structures, similar to the canopy-style setups seen with Republic. These would primarily serve as covers on the ramp space, potentially for engines or similar equipment. Elder emphasized that this would not involve the construction of permanent hangars, as those are not permitted in the ramp area. The lessee's future expansion plans, which are considerably larger, are being considered for a different location, and this would necessitate a separate agreement when it comes to fruition.

Council member Villa made a motion to approve authorizing the City Manager to execute a lease agreement with ARAS MRO at the South Texas Regional Airport.; seconded By Council Member Ramirez. The motion carried by the following vote: AYE: Villa, Ramirez, Williams. NAY: None. ABSTAIN: None. ABSENT: Ytuarte, Vela.

EXECUTIVE SESSION

14. 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. Discuss and consider Range Project. (Ryan Elder)

The City Council of the City of Hondo convened into regular session at 06:59 p.m.

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

The City Council and the City of Hondo reconvened out of regular session at 07:34 p.m.

Council Member Ramirez made a motion to authorize City Manager to negotiate a lease agreement with Hangar 6X LLC for the law enforcement training facility; seconded by Council Member Villa. The motion carried by the following vote: AYE: Ramirez, Villa, Williams. NAY: None. ABSTAIN: None. ABSENT: Vela, Ytuarte.

16. Adjourn (7:35 p.m.)

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

JOHN McANELLY, JR., MAYOR

ATTEST:

Stephanie Velasquez
Acting City Secretary/Admin



City Council Communication

Title: Discuss and consider the 4th Quarter Investment Report for the Fiscal Year ended September 30, 2023, as presented. (Chris Hill)

Date: January 8, 2024 **From:** Chris Hill, Chief Finance Officer

INFORMATION:

In an effort to keep the City Council, staff and public informed of the receipt of quarterly interest earned on the City of Hondo's Investments, the 4th Quarter Investment Report for the Fiscal Year ending September 30, 2023, is presented for review.

FINANCIAL IMPACT:

The City increased earnings very significantly this fiscal year by investing in TexPool Prime, US Treasuries and High-rate CDs. The quarterly earnings for the 4th quarter ended September 30, 2023, was **\$220,918**, for the 3rd quarter ended June 30 was **\$200,767** and the quarter ended on March 31, 2023, was **\$202,475** for a total of **\$624,160** in the last 9 months. The quarter ended in December 2022 prior to the new investment strategy was **\$50,294**. YTD earnings for FY 2022/2023 is **\$674,454**.

The quarterly investment reports will be reviewed by the City of Hondo external auditor during the annual financial audit.

STAFF RECOMMENDATION:

The City Staff recommends approval/acceptance of the 4th Quarter Investment Report for the 3-month period ended September 30, 2023, as presented.

MOTION:

Move to approve the 4th Quarter Investment Report for the fiscal year ending September 30, 2023.

ATTACHMENTS:

1. Sept 30 2023 Quarter Investment report signed

STAFF CONTACTS:

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

John Naron
City Manager
jnaron@hondo-tx.org

City of Hondo
Investment Inventory Report
4th Quarter Report
September 30, 2023



Security	Owner	Avg. Rate/ Yield	Next Maturity	Original Amt.	Ending Balance	Ending Market	QTD Earnings
Water Rights - Owned (Fund 3)	Fund 03	0.00%		\$ 199,540.60	\$ 199,540.60	\$ 199,540.60	
Investment Fund - General	TXN	1.00%	N/A	495,670.50	499,384.14	499,384.14	\$ 3,713.64
Investment Fund - Water & Wastewater	TXN	1.00%	N/A	25,789.13	25,982.35	25,982.35	\$ 193.22
Investment Fund - Sanitation	TXN	1.00%	N/A	9,383.71	9,454.01	9,454.01	\$ 70.30
Investment Fund - Perpetual Care	TXN	1.00%	N/A	6,466.09	6,514.53	6,514.53	\$ 48.44
Investment Fund - General Street Capital Projects	TXN	1.00%	N/A	23,852.83	24,031.54	24,031.54	\$ 178.71
Investment Fund - ARPA	TXN	1.00%	N/A	9,660.34	9,732.72	9,732.72	\$ 72.38
Investment Fund - EDC	TXN	1.00%	N/A	45,438.56	45,778.99	45,778.99	\$ 340.43
Texpool - General Fund	Texpool	5.56%	N/A	4,250,000.00	4,416,204.58	4,416,204.58	\$ 60,557.33
Texpool - Electric	Texpool	5.56%	N/A	1,500,000.00	1,552,333.24	1,552,333.24	\$ 21,286.41
Texpool - Water & Wastewater	Texpool	5.56%	N/A	2,375,000.00	2,471,207.92	2,471,207.92	\$ 33,886.51
Texpool - General Street Capital Projects	Texpool	5.56%	N/A	1,875,000.00	1,952,976.76	1,952,976.76	\$ 26,780.25
CD Investment - EDC	CD - TXN	5.06%	1/15/2024	2,200,000.00	2,227,563.07	2,227,563.07	\$ 27,563.07
CD Investment - General Capital Projects	CD - TXN	5.06%	1/15/2024	1,100,000.00	1,113,821.41	1,113,821.41	\$ 13,821.41
CD Investment - ARPA	CD - TXN	5.06%	1/15/2024	900,000.00	911,275.79	911,275.79	\$ 11,275.79
CD Investment - Water and Wastewater	CD - TXN	5.06%	1/15/2024	500,000.00	506,224.46	506,224.46	\$ 6,224.46
CD Investment - Sanitation	CD - TXN	5.06%	1/15/2024	300,000.00	303,758.60	303,758.60	\$ 3,758.60
CD Investment - General Fund	CD - TXN	5.25%	11/3/2023	500,000.00	502,229.45	502,229.45	\$ 2,229.45
CD Investment - Water and Wastewater	CD - TXN	5.25%	11/3/2023	750,000.00	753,384.06	753,384.06	\$ 3,384.06
CD Investment - Perpetual Care Fund	CD - TXN	5.25%	11/3/2023	500,000.00	502,229.45	502,229.45	\$ 2,229.45
CD Investment - General Capital Projects	CD - TXN	5.25%	11/3/2023	750,000.00	753,304.30	753,304.30	\$ 3,304.30
TOTAL Investments and Interest Earnings				\$ 18,116,261.16	\$ 18,587,391.37	\$ 18,587,391.37	\$ 220,918.21

WEIGHTED AVERAGE MATURITY (Interest Bearing Only)	BOOK VALUE	DAYS TO MAT.
Texpool Prime	\$ 10,392,723	37
TXN CD (No penalty early withdrawal)		

Fund Totals of Investments	
General Fund	29.15%
Perpetual Care	2.74%
Gen. Street Cap Proj.	20.68%
Water & Wastewater	20.21%
EDC	12.23%
Sanitation	1.69%
ARPA	4.96%
Electric	8.35%
INVESTMENT TOTALS	\$ 18,587,391.37

This report is in compliance with the City's Investment Policy Section V, and the Reporting and Texas Government Code Section 2256.023.

Chris Hill
Christopher Hill, Chief Financial Officer



City Council Communication

Title: Discuss and consider an Ordinance amending the City of Hondo Investment Policy as required by Chapter 2256 of the Texas Government Code; and setting an effective date. (Chris Hill)

Date: January 8, 2024 **From:** Chris Hill, Chief Finance Officer

INFORMATION:

The City is required by Chapter 2256 of the Texas Government Code to review the Investment Policy as part of the Public Funds Investment Act annually. Currently, TexPool Prime Account is earning a rate of 5.56% compared to most current CD rate of 5.25% or approximately .30% higher earnings. TexPool accounts are AAA rated while maintaining safety and liquidity. The Investment Policy Maximum Limit % for Investment Pools has been increased from 50% to 75%.

FINANCIAL IMPACT:

None

STAFF RECOMMENDATION:

The City Staff recommends approval of the City Investment Policy.

MOTION:

Move to approve Ordinance 1280-01-24.

ATTACHMENTS:

1. OrdinanceInvestmentPolicy 2024
2. Investment Policy 2024

STAFF CONTACTS:

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

John Naron
City Manager
jnaron@hondo-tx.org

ORDINANCE NO. 1280-01-24

**AN ORDINANCE AMENDING THE CITY OF
HONDO INVESTMENT POLICY AS REQUIRED BY
CHAPTER 2256 OF THE TEXAS GOVERNMENT
CODE; AND SETTING AN EFFECTIVE DATE.**

WHEREAS, in accordance with the Public Funds Investment Act, Chapter 2256, Tex Government Code, the City Council of the City of Hondo, Texas adopted an investment policy by Ordinance No. 275-15 on March 9, 2015 amended May 14, 2018 and September 28, 2020 and February 14, 2022 and October 24, 2022: and

WHEREAS, the investment policy must primarily emphasize safety of principal and liquidity and also address investment diversification, yield, and maturity and the quality and capability of investment management; and

WHEREAS, the City has completed its review of the Investment Policy as required by Chapter 2256, attached is the amended Investment Policy, which complies with the Public Funds Investment Act, and authorizes the investment of city funds in safe and prudent investments.

WHEREAS, the governing body of an investing entity shall review its investment policy and investment strategies not less than annually. The governing body shall adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the investment policy or investment strategies.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF HONDO, TEXAS THAT:

SECTION 1. The City Council of the City of Hondo, Investment Policy attached hereto as “**Exhibit A**” complies with the requirements of the Public Funds Investment Act and is hereby amended and adopted as the Investment Policy of the City of Hondo effective on the date this ordinance is adopted.

SECTION 2. AMENDMENTS. Section VI. Investments. E. FINANCIAL INSTRUMENTS
Maximum allowable percentages of the total portfolio for investments are stated as follows and all of the following are authorized: Investment Type 1. Investment Pools Maximum Limit 75%.

SECTION 3. CHANGES. The City of Hondo, The Investment Policy, as amended, shall remain in full force and effect, save and except as amended by this ordinance.

SECTION 4. All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict with all remaining portions not conflicting being saved from repeal herein.

SECTION 5. EFFECTIVE DATE: This Ordinance shall be effective immediately upon the passage hereof for Fiscal Year Ended September 30, 2023 and going forward.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HONDO, TEXAS, THIS 8TH DAY OF JANUARY, 2024.

JOHN MCANELLY, MAYOR

ATTEST:

STEPHANIE VELASQUEZ
ACTING CITY SECRETARY

EXHIBIT “A”

CITY OF HONDO INVESTMENT POLICY

City of Hondo, Texas Investment Policy

**Adopted by the City Council
Of the City of Hondo
On March 9, 2015, by
Ordinance No. 275-15**

**Amended by the City Council
On April 24, 2017 by
Ordinance No. 1122-04-17**

**Amended by the City council
On May 14, 2018 by
Ordinance No. 1169-05-18**

**Amended by City Council by
Ordinance No. 1237-09-20**

**Amended by City Council by
Ordinance No. 1253-02-22**

**Amended by City Council by
Ordinance No. 1266-10-22**



I. **POLICY**

It is the policy of the City of Hondo, Texas (the "City") to administer and invest its funds in a manner which will preserve the principal and maintain the liquidity through limitations and diversification while meeting the daily cash flow requirements of the City. The City will invest all available funds in conformance with legal and administrative guidelines, seeking to optimize interest earnings to the maximum extent possible.

The purpose of this investment policy is to comply with all statutes governing the investment of the City's funds, including the Public Funds Investment Act, Chapter 2256 of the Texas Government Code (the "Act"), which requires the City to adopt a written investment policy regarding the investment of its funds and funds under its control. The Investment Policy addresses the methods, procedures and practices that must be exercised to ensure effective and judicious fiscal management of the City's funds. This policy will be reviewed annually pursuant to Section 2256.005 of the Act.

II. **SCOPE**

The City will strive to earn a return on funds invested at the highest investment return possible after taking in consideration the primary goals of preservation of principal and liquidity of funds invested, consistent with the policy objectives described below. This investment policy applies to the investment activities of the government of the City.

FUNDS INCLUDED The City's funds, which are sometimes pooled together, constitute the investment portfolio, include all financial assets of all funds managed by the City, including but not limited to receipts of tax revenues, charges for services, bond proceeds, interest income, loans and funds received by the City where the City performs a custodial function. These funds are accounted for in the City's Annual Financial Report (AFR) and include:

General Fund
Special Revenue Funds
Debt Service Funds
Capital Projects Funds
Enterprise Funds

Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

III. **OBJECTIVES**

SAFETY The primary objective of the City's investment activity is the preservation of capital and the protection of investment principal in the overall portfolio. Each investment transaction shall seek first to ensure that capital losses are avoided, whether they are from securities defaults or erosion of market value. The City will strive to minimize credit risk by limiting investments to the safest types of investments, prequalifying the financial institutions and broker/dealers with which the City conducts business, and diversify the investment portfolio so that potential losses on individual issuers will be minimized. To minimize interest rate risk, the City will ladder the portfolio and match investments with future cash requirements and invest operating funds in shorter, more liquid securities and investments.

LIQUIDITY The City's investment portfolio will remain sufficiently liquid to enable the City to meet operating requirements that might be reasonably anticipated. Liquidity shall be achieved by matching investment maturities with forecasted cash flow requirements and by investing in securities with active secondary markets. Because all possible cash demands cannot be anticipated, a portion of the portfolio may be invested in shares of money market mutual funds or local government investment pools that offer same day liquidity.

PUBLIC TRUST All participants in the investment process shall seek to act responsibly as custodians of the public trust. Investment Officials shall avoid any transaction that might impair public confidence in the City's ability to govern effectively. The governing body recognizes that in a diversified portfolio, occasional measured losses due to market volatility are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented.

YIELD (Optimization of Interest Earnings) The City's cash management portfolio shall be designed with the objective of regularly meeting or exceeding the average rate of return on U.S. Treasury Bills at a maturity level comparable to the City's weighted average maturity in days. The investment program shall seek to augment returns above this threshold consistent with risk limitations identified herein and prudent investment principles.

INVESTMENT STRATEGY The City maintains a commingled portfolio for investment purposes which incorporates the specific uses and the unique characteristics of the funds in the portfolio. The investment strategy has as its primary objective assurance that anticipated liabilities are matched and adequate investment liquidity provided. The City shall pursue conservative portfolio management strategy. This may be accomplished by creating a laddered maturity structure with some extension for yield enhancement. The maximum dollar weighted average maturity of 2 years or less will be calculated using the stated final maturity date of each security.

IV. RESPONSIBILITY AND CONTROL

Oversight Responsibility for the investment activity of the City shall rest with the City Manager. The City Manager will designate investment officer(s), receive and review quarterly reporting, approve and provide for investment officer training, approve broker/dealers, and review and cause to be adopted the Investment Policy and Strategy at least annually.

DELEGATION Management responsibility for the investment program is hereby delegated to the Chief Finance Officer, who shall establish written procedures for the operation of the investment program, consistent with this investment policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions.

SUBORDINATES All persons involved in investment activities will be referred to as "Investment Officers." No person shall engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Chief Finance Officer. The Chief Finance Officer shall be responsible for all transactions undertaken, and shall establish a system of controls to regulate the activities of Subordinate Investment Officers. All investment officers, including the Chief Finance Officer, will demonstrate competence in the execution of the city's investments. All Investment Officers will insure compliance with the investment program with ongoing training and evaluation by management.

PRUDENCE Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived. Investment Officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of

personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

INDEMNIFICATION The Chief Finance Office and the other Investment Officer(s), acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for a specific investment's credit risk or market price changes, provided that these deviations are reported immediately and the appropriate action is taken to control adverse developments.

ETHICS DISCLOSURE AND CONFLICTS OF INTEREST Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution and management of the investment program, or which could impair their ability to make impartial investment decisions. Employees and Investment Officers shall disclose to the City Manager any material interests in financial institutions that conduct business with the City, and shall further disclose any personal financial or investment positions that could be related to the performance of the City's investment portfolio. Employees and Investment Officers shall refrain from undertaking personal investment transactions with the same individual with which business is conducted on behalf of the City.

An Investment Officer who has a personal business relationship with an organization seeking to sell an investment to the City shall file a statement disclosing that personal business interest. An Investment Officer who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship. A statement required under subsection 2256.005(i) of the Act must be filed with the Texas Ethics Commission and the governing body of the City.

TRAINING Pursuant to Section 2256.008 of the Act, the Investment Officers shall attend 10 hours of investment training within 12 months after taking office or assuming duties, and 10 hours every succeeding two years that begins on the first day of the fiscal year, which is October 1st, and consists of the two consecutive fiscal years after that date. The investments training shall be provided from an independent source as approved by the City Council to insure the quality and capability of investment management in compliance with the Act. For the purposes of this policy, an "independent source" has been defined by the City Council as a professional organization, an institute of higher learning or any other sponsor other than a Business Organization with whom the City may engage in investment transactions. Training shall be in accordance with the Act and shall include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with statutes governing the investment of public funds.

V. REPORTING

Investment reports shall be prepared quarterly and be signed and submitted by the Investment Officers, in a timely manner. These reports will be submitted to the City Manager and City Council. This report shall describe in detail the investment position of the City, disclose the market value and book value of each fund group as well as each separate investment, and state the maturity date of each security and accrued interest for the reporting period. The report shall include all information as required by Section 2256.023 of the Act. It must also express compliance of the portfolio to the investment strategy contained in the City's Investment Policy and the Act.

MONITORING The market price of each investment shall be obtained monthly from a source such as the Wall Street Journal newspaper, the City's custodial bank, a reputable brokerage firm or security pricing service and reported on the investment reports. Investments with minimum rating requirements will be monitored for rate changes and liquidation of such investments will be determined at such time.

Monitoring credit ratings – The Investment Officer shall monitor, on no less than a monthly basis, the credit rating on all authorized investments in the portfolio based upon independent information from a nationally recognized rating agency. If any security falls below the minimum rating required by Policy, the Investment Officer shall notify the City Manager of the loss of rating, and liquidate the investment within one week.

Monitoring FDIC Status for Mergers and Acquisitions – The Investment Officer shall monitor, on no less than a weekly basis, the status and ownership of all banks issuing brokered CDs owned by the City based upon information from the FDIC. If any bank has been acquired or merged with another bank in which brokered CDs are owned, the Investment Officer or Advisor shall immediately liquidate any brokered CD which places the City above the FDIC insurance level.

VI. INVESTMENTS

ACTIVE PORTFOLIO MANAGEMENT The City intends to pursue active versus passive portfolio management philosophy. That is, securities may be sold before they mature if market conditions present an opportunity for the City to benefit from the trade.

AUTHORIZED INVESTMENTS The following are authorized investments as further defined by the Act. Only those investments listed in subsections B, D and E of this section are authorized at this time.

- A. Obligations, including letters of credit, of the United States or its agencies and instrumentalities; direct obligations of this state or its agencies and instrumentalities; other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this state or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; and obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent. (Section 2256.009 (a) of the Act)

The following are not authorized investments under Section 2256.009 (b) of the Act:

- obligations whose payment represents the coupon payment on the outstanding principal balance of the underlying mortgage-backed security collateral and pays not principal (Interest only bonded);
 - obligations whose payment represents the principal stream of cash from the underlying mortgage-backed security collateral and pays no interest (Principal only bonds);
 - collateralized mortgage obligations that have a final stated maturity date of greater than 10 years; and
 - collateralized mortgage obligations, the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.
- B. Fully collateralized certificates of deposit issued by a depository institution or an approved broker that has its main office or branch office in Texas, selected from a list adopted by the City, and guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor; secured by obligations authorized by Section 2256.010 of the Act, or secured in accordance with Chapter 2257 or any other manner and amount provided by law for deposits of the City.

- C. FDIC insured, brokered certificates of deposit securities from a bank in any US state, in an amount not to exceed FDIC insurance, delivered versus payment to the City safekeeping agent, not to exceed one year to maturity. Before purchase, the Investment Officer must verify the FDIC status of the bank on www.fdic.gov to assure that the bank is FDIC insured.
- D. AAA-rated, or an equivalent rating, no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission; having a dollar-weighted average stated maturity of 90 days or fewer; and includes in its investment objectives the maintenance of a stable net asset value of \$1 for each share. (Section 2256.014 of the Act) The Fund must 1) be registered with and regulated by the Securities and Exchange Commission 2) provide the City with a prospectus and other information required by the Securities and Exchange Act of 1934 (15 U.S.C. Section 80a-1 et seq.) and 3) comply with federal SEC Rule 2a-7;

The City is not authorized by Section 2256.014 (c) of the Act to:

- invest in the aggregate more than 15 percent of its monthly average fund balance, excluding bond proceeds and reserves in other funds held for debt service, in mutual funds described in the Act (Section 2256.014);
 - invest any portion of bond proceeds, reserves and funds held for debt service, in mutual funds described in the Act (Section 2256.014); or
 - invest its funds or funds under its control, including bond proceeds and reserves and other funds held for debt service, in any one mutual fund described in the Act (Section 2256.014) in an amount that exceeds 10 percent of the total assets of the mutual fund.
- E. AAA-rated, or an equivalent rating by at least one nationally recognized rating service, constant dollar, investment pools as authorized by the City Council and as further defined by the Act, which invests in eligible securities as authorized by Section 2256.016 of the Act.

EXISTING INVESTMENTS The Investment Officer is not required to liquidate investments that were authorized investments at the time of purchase. Any investments currently held that do not meet the guidelines of this policy shall be reviewed to determine the ability to liquidate. An investment that requires a minimum rating under this subchapter does not qualify as an authorized investment during the period the investment does not have the minimum rating. An entity shall take all prudent measures that are consistent with its investment policy to liquidate an investment that does not have the minimum rating. If the investment cannot be liquidated because of material adverse change in the value since the time of purchase, and holding the investment to maturity does not negatively affect disbursements or cash flow, a recommendation of holding said investment to maturity is acceptable.

MAXIMUM MATURITIES The maximum stated maturity, from the date of purchase, for any individual investment may not exceed three (3) years and the maximum dollar-weighted average maturity for the pooled fund group (investment portfolio) may not exceed 2 years.

DIVERSIFICATION It is the policy of the City to diversify its investment portfolios. Assets held in the pooled investment portfolio shall be diversified to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, specific issuer or specific class of securities. Diversification strategies shall be determined and revised periodically by the City Manager.

FINANCIAL INSTRUMENTS Maximum allowable percentages of the total portfolio for investments are stated as follows and all of the following are authorized:

	Investment Type	Maximum Limit
1.	Investment Pools	75%
2.	Money Market Accounts	10%

3.	Certificates of Deposit	100%
4.	U.S. Government Securities	40%
5.	U.S. Agency Securities	40%

VII. SELECTION OF FINANCIAL INSTITUTIONS AND BROKER DEALERS

SELECTION OF FINANCIAL INSTITUTIONS Depositories shall be selected through the City's banking services procurement process, which shall include a formal request for proposal (RFP) issued every five (5) years. In selecting depositories, the services available, service costs, and credit worthiness of institutions shall be considered, and the Director of Finance shall conduct a comprehensive review of prospective depositories' credit characteristics and financial history. The depository contract will provide for collateral if balance exceeds FDIC Insurance amounts.

The City shall select financial institutions from which the City may purchase certificates of deposit in accordance with the Act and this policy and will have a written depository agreement with the selected institution, which was approved by resolution of the Bank's Board if collateral is required. The Investment Officer shall monitor the fiscal condition of financial institutions where certificates of deposit are held.

AUTHORIZED FINANCIAL BROKER/DEALERS AND INSTITUTIONS The Investment Officer shall maintain a list of broker/dealers and financial institutions authorized to provide investment services. These may include primary dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule). All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must submit: audited financial statements, proof of National Association of Security Dealers certification, and proof of state registration.

Before engaging in investment transactions with a financial institutions or broker/dealers, the Investment Officer shall have received, from a Qualified Representative of said firm, a signed Certification Form. (Exhibit B) This form shall attest that the individual responsible for the City's account with that firm has (1) received and reviewed the investment policy of the City; and (2) acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the City and the organization that are not authorized by the City's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards. Investment Officers of the City may not acquire or otherwise obtain any authorized investment described in the investment policy from a person who has not delivered a signed Certification Form. The City Manager shall at least annually review, revise, and recommend to City Council a list of qualified broker/dealers and other financial institutions that are authorized to engage in investment transactions with the City. (Exhibit A)

COMPETITIVE BIDDING All investment transactions must be competitively transacted and executed with broker/dealers or financial institutions that have been authorized by the City. The City will obtain at least three competitive offers. Exception: New issues will not be required to be competitively transacted as all broker/dealers would show the same price and yield.

VIII. COLLATERAL

COLLATERALIZATION OF PUBLIC DEPOSITS Collateralization requirements are governed by the Texas Government Code Chapter 2257 (Public Funds Collateral Act). All bank deposits, certificates of deposit, and repurchase agreements shall be secured by pledged collateral. In order

to anticipate market changes and provide a level of security for all funds, the required minimum collateral level will be a market value equal to no less than 102% of the deposits. Collateral levels should be monitored and maintained by the financial institution. Repurchase agreements shall be documented by specific agreement noting the collateral pledged in each agreement and should be monitored daily. Collateral shall be reviewed monthly to assure the market value of the securities pledged equals or exceeds the related bank balances.

Collateral shall always be held in the City's name by an independent third party with whom the City has a current custodial agreement. Evidence of the pledged collateral shall be maintained by a written agreement. A safekeeping receipt must be supplied to the City for any transaction involving sales/purchases/maturities of securities and/or underlying collateral, which the City will retain. The right of collateral substitution is granted provided the substitution has prior approval of the City and is followed by the delivery of an original safekeeping receipt to the City, and replacement collateral is received prior to the release of original collateral.

COLLATERAL DEFINED The City shall accept only the following securities as collateral:

- A. FDIC insurance coverage;
- B. United States Treasuries and Agencies;
- C. Obligations, including letters of credit, of the United States or its agencies and instrumentalities.
- D. Security issued by a public entity as defined and permitted under the Texas Government Code Chapter 2257 (Public Funds Collateral Act).

SUBJECT TO AUDIT All collateral shall be subject to inspection and audit by the Director of Finance or the City's independent auditors.

IX. SAFEKEEPING AND CUSTODY

SAFEKEEPING AGREEMENT All securities owned by the City shall be held in the City's designated third party safekeeping. The third party custodian shall be required to issue safekeeping receipts to the City listing each specific security, description, maturity, cusip number yield and/or coupon, market value and other pertinent information. Each safekeeping receipt shall clearly indicate that the instrument is held for the City. All safekeeping arrangements shall be documented by the Investment Officer.

DELIVERY VERSUS PAYMENT All investment transactions shall be executed on a delivery versus payment basis. That is, funds shall not be wired or paid until verification has been made that the collateral was received by the Trustee. The collateral shall be held in the name of the City. The Trustee's records shall assure the notation of the City's ownership of or explicit claim on the securities. The original copy of all safekeeping receipts shall be delivered to the City.

X. MANAGEMENT AND INTERNAL CONTROLS

The Director of Finance shall establish a system of internal controls, which shall be reviewed by an independent auditor. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees or Investment Officers of the City.

Controls and managerial emphasis deemed most important that shall be employed where practical are:

- A. Control of collusion

- B. Separation of duties
- C. Separation of transaction authority from accounting and record keeping
- D. Custodian safekeeping receipts records management
- E. Avoidance of physical delivery securities
- F. Clear delegation of authority to subordinate staff members
- G. Documentation on investment bidding events
- H. Written confirmation of transactions for investments and wire transfers
- I. Reconciliation and comparisons of security receipts with the investment subsidiary records
- J. Compliance with investment policies
- K. Accurate and timely reports
- L. Validation of investment maturity decisions with supporting cash flow data
- M. Adequate training and development of Investment Officers
- O. Review of financial condition of all brokers, dealers and financial institutions
- P. Staying informed about market conditions, changes, and trends that require adjustments in investment strategies
- Q. Monitor credit ratings
- R. Monitor FDIC status for mergers and acquisitions for brokered CD's

COMPLIANCE AUDIT The City shall perform, in conjunction with its annual financial audit, a compliance audit of management controls on investments and adherence to the entity's established investment policies. The audit shall include a formal review of the quarterly investment reports by an independent auditor and the results reported to the governing body by the independent auditor. Also, the governing body shall review its investment policy and investment strategy not less than annually and adopt a written instrument by ordinance or resolution stating that it has reviewed the investment policy and strategy, and recorded any changes made to them.

City of Hondo
Approved List of Brokers/Dealers and Investment Pools

Brokers/Dealers

None at this time

Investment Pools

TexPool

LOGIC Investment Pool

TexStar Pool

Any AAA rated Texas Government Pool

TEXAS PUBLIC FUNDS INVESTMENT ACT CERTIFICATION FORM
As required by Texas Government Code 2256.005 (k-l)

CITY OF HONDO, TEXAS

This certification is executed on behalf of the City of Hondo, Texas (the Investor) and _____ (the Seller) pursuant to the Public Funds Investment Act, Chapter 2256, Government Code, Texas Codes Annotated (the Act) in connection with investment transactions conducted between the Investor and Dealer.

The Undersigned Qualified Representative of the Seller hereby certifies on behalf of the Seller that:

1. The Qualified Representative is duly authorized to execute this Certification on behalf of the Seller, and
2. The Qualified Representative has received and reviewed the Investment Policy furnished by the Investor, and
3. The Seller has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Seller and the Investor that are not authorized by the entity's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the entity's entire portfolio or requires an interpretation of subjective investment standards.

Qualified Representative

Signature

Name (Printed):

Title:

Date:

**City of Hondo, Texas
Investment Strategy Statement**

The City of Hondo, Texas (the "City") will strive to administer and invest its pooled funds at the highest investment return possible while always taking into account the primary goals of preservation of principal and liquidity of funds invested consistent with the City's investment policy.

The City's funds, which are pooled together and constitute the investment portfolio, include all financial assets of all funds managed by the City, including but not limited to receipts of tax revenues, charges for services, bond proceeds, interest incomes, loans and funds received by the City where the City performs a custodial function.

The City will never invest its funds in a security that is deemed unsuitable to the financial requirements of the City. Maturities will be staggered in a manner that meets the cash flow needs of the City.

The primary investment objective is the preservation and safety of principal. Each investment transaction shall seek first to ensure that principal losses are avoided, whether they are from security defaults or erosion of market value.

The City's investment portfolio will remain sufficiently liquid to enable the City to meet operating requirements that might be reasonably anticipated. Liquidity shall be achieved by matching investment maturities with forecasted cash flow requirements and by investing in securities with active secondary markets.

The City shall always maintain a highly diversified investment portfolio in order to reduce the amount of credit and market risk exposed to the City's portfolio.

After first considering safety and liquidity, the City's investment portfolio shall be designed with the objective of regularly exceeding the average rate of return on U.S. Treasury Bills at a maturity level comparable to the City's weighted average maturity in days. The City shall seek to augment returns above this threshold consistent with risk limitations identified in the City's investment policy and prudent investment principles.



City Council Communication

Title: Discuss and consider a Resolution approving the City of Hondo's participation in the Texas SmartBuy Membership Program. (Chris Hill)

Date: January 8, 2024 **From:** Chris Hill, Chief Finance Officer

INFORMATION:

The City's membership in the Texas SmartBuy Membership Program has expired. Thus, for the City to utilize the program and purchase items with the program at negotiated savings, a new Resolution must be passed.

FINANCIAL IMPACT:

Savings on future purchases.

STAFF RECOMMENDATION:

Staff recommends to approve Resolution to participate in the Texas SmartBuy Program.

MOTION:

Move to approve Resolution 418-24.

ATTACHMENTS:

1. ResolutionTXSmartBuy

STAFF CONTACTS:

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

John Naron
City Manager
jnaron@hondo-tx.org



Texas SmartBuy Membership Program

Resolution 418-24

State of Texas, County of MEDINA
(County Entity Located In)

Whereas, the Texas Comptroller of Public Accounts is authorized to provide purchasing services for local governments pursuant to §§271.082 and 271.083 of the Local Government Code.

Whereas, the CITY COUNCIL
(Enter Board of Directors, City Council, Commissioner's Court, School Board, etc..)

of CITY OF HONDO
(Enter Name of Qualified Applicant/Entity), is a:

(Check One of the Following)

- | | |
|--|--|
| ☐ Appraisal District | ☐ Charter/Academy School |
| ☐ Community Supervision/Corrections Department | ☐ Council of Governments/Planning Commissions |
| ☐ County | ☐ Education Service Center |
| ☐ Fire Prevention District | ☐ Hospital District |
| ☐ Judicial District | ☐ Junior/Community College |
| ☐ Library District | ☐ Mental Health/Mental Disability Organization |
| ☒ Municipality | ☐ School District |
| ☐ State-funded Assistance Organization | ☐ Texas Rising Star Care Provider |
| ☐ Special District | ☐ Utility District |
| ☐ Emergency Service | ☐ Drainage |
| ☐ Housing | ☐ Municipal |
| ☐ Political Subdivision | ☐ Special |
| ☐ Port or Transportation Authority | |
| ☐ Workforce Development Board | |

defined as an entity qualified to participate in the Texas SmartBuy Membership Program of the Texas Comptroller of Public Accounts pursuant to §271.081 of the Local Government Code.

JOHN NARON, CITY MANAGER

Primary Contact and Title _____ and

CHRIS HILL, CHIEF FINANCE OFFICER

Secondary Contact and Title _____

is/are authorized to execute all documentation for CITY OF HONDO pertaining to its participation in the
(Entity Name)

Texas Comptroller of Public Accounts Cooperative Purchasing Program; and

Whereas, CITY OF HONDO acknowledges its obligation to pay annual participation fees established by the
(Entity Name)
Texas Comptroller of Public Accounts.

Now, Therefore Be it Resolved, that request be made to the Texas Comptroller of Public Accounts to approve

CITY OF HONDO for participation in the Texas Comptroller of Public Accounts Cooperative Purchasing Program.
(Entity Name)

Adopted this 8TH day of JANUARY, 2024 by CITY OF HONDO
(Entity Name)

By: _____
Signature of Chair

Signature of Primary Contact

Signature of Secondary Contact

JOHN MCANELLY, MAYOR
Printed Name and Title of Chair

JOHN NARON, CITY MANAGER
Printed Name and Title of Primary Contact

CHRIS HILL, CHIEF FINANCE OFFICER
Printed Name and Title of Secondary Contact



Glenn Hegar
Texas Comptroller of Public Accounts



City Council Communication

Title: Authorize the Chief of Police to enter into a MOU with Bluebonnet Children's Advocacy Center.

Date: January 8, 2024 **From:** Justin Soza

INFORMATION:

The MOU and working protocols between Bluebonnet Children's Advocacy Center and the participants have to be regularly updated to ensure proper services are being given to survivors.

The Multidisciplinary team (MDT) is the foundation of Bluebonnet Children's Advocacy Center. Bluebonnet Children's Advocacy Center works in collaboration to protect and enhance the quality of life for abused and neglected children in Medina, Real, and Uvalde Counties.

The purpose of the interagency collaboration is to coordinate intervention to reduce potential trauma to children and families and improve services, while preserving and respecting the rights and obligations of each agency to pursue their respective mandates. The collaborative response of Bluebonnet Children's Advocacy Center's multidisciplinary response is based on a team approach.

This interagency collaboration starts at the initiation and is continued through understanding and exploring case issues. Insight from each MDT representative provides the environment for a coordinated, comprehensive, compassionate, and professional response. The joint response will also facilitate effective quality assurance.

The collaborative approach will foster needed education, support and treatment for children and their non-offending caregivers that may enhance their willingness to participate and their ability to be effective witnesses. Multidisciplinary team interventions, particularly when provided in a neutral, child-friendly CAC setting, are associated with less anxiety, fewer interviews, increased support, and more appropriate and timely referrals for needed services.

FINANCIAL IMPACT:

NONE

STAFF RECOMMENDATION:

Allow the Chief of Police to execute the MOU with Bluebonnet Children's Advocacy Center.

MOTION:

I make a motion to authorize the Chief of Police to execute the MOU with Bluebonnet Children's Advocacy Center.

ATTACHMENTS:

1. Signature Page MOU- Working Protocols December 2023
2. Working Protocols December 2023

3. MOU - Decemeber 2023

STAFF CONTACTS:

Chief Soza

Bluebonnet Children's Advocacy Center

Memorandum of Understanding

(Submit with a copy of current fully executed MOU and Working Protocols)

Note: This form is meant for the execution of the MOU and Working Protocols for all partners.

Name: _____

Position/Title: _____

Agency: _____

I have read and fully comprehend the attached Memorandum of Understanding for the Bluebonnet Children's Advocacy Center program. My signature below indicates that I hereby pledge my support to the continued development and operation of the Bluebonnet Children's Advocacy Center. I understand that my signature, as presented will be added to the current MOU. I further understand that the MOU, along with the multidisciplinary team's Working Protocols/Guidelines, must be reviewed and fully re-executed by all parties, at a minimum, every three years.

Signature: _____

Date: _____

Bluebonnet Children's Advocacy Center

Working Protocols with Guidelines

1. MISSION STATEMENT

Bluebonnet Children's Advocacy Center's mission is to protect and enhance the quality of life for abused and neglected children in Medina, Uvalde and Real Counties.

2. AGENCY ROLE AND COMMITMENT

Agency partners of *Bluebonnet Children's Advocacy Center* (also known as the BCAC) have signed a memorandum of *understanding of collaboration* in the *investigation and prosecution of child abuse cases*. Each agency retains their *individual department roles and follows department procedures*. As a result, they have *voluntarily* committed to make inclusion of the *children's advocacy program* part of *their procedure* in order to:

Minimize the re-victimization of alleged abuse and neglect victims and nonoffending family members through the investigation, assessment, intervention, and prosecution processes; and Maintain a cooperative team approach to facilitate successful outcomes in the criminal and child protection systems through shared fact finding and strong, collaborative case development.

CORE AGENCY ROLE DESCRIPTIONS

1. **BLUEBONNET CHILDREN'S ADVOCACY CENTER (BCAC)** - The role of the BCAC involves conducting objective forensic interviews with children because of an investigation of child abuse sexual abuse, severe physical abuse or child witness to a crime. The BCAC also conducts forensic interviews for adult victims of abuse that their mental capacity is functioning 17 years of age or below. The BCAC will also ensure the child, adult victim, and non-offending caregiver receive victim support and advocacy, therapy services, Rainbow Room services, community resource referrals, and assistance with the Crime Victim's Compensation application. Multidisciplinary Team (MDT) meetings will be scheduled, coordinated, and conducted by BCAC.

2. **LAW ENFORCEMENT (LE)** - The role of LE in investigating allegations of child abuse is that of an objective fact finder. LE will make every reasonable effort to: thoroughly investigate an allegation of child abuse, preserve information and evidence that will identify the offender and forward the case to the proper court. Child abuse cases occurring within city limits will be investigated by the appropriate LE agency to that county unless otherwise requested.

3. **TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES (TDFPS)** - The primary goal of TDFPS in child abuse allegations is to protect children at risk of abuse or neglect within the family. Through laws and standards outlined in the Texas Family Code and TDFPS regulations, this goal is met through investigations of the allegations, assessment of the family's strengths, needs and provisions of services as needed to the child and family.

4. Health and Human Services Commission (HHSC) - The primary goal of HHSC in Provider Investigations is to protect children and adults with disabilities from abuse, neglect and exploitation in State- operated and/or contracted programs and investigate those allegations.

5. PROSECUTORS (DISTRICT AND COUNTY ATTORNEYS) - The role of the District Attorney's office is to prosecute child abuse when the offender is an adult. The DA's office also provides guidance to LE and TDFPS during investigations, evaluates results, and prosecutes appropriate cases in District Court. The role of the County Attorney's Office is to prosecute child abuse cases when the offender is a juvenile. The CA's office also provides guidance to LE and TDFPS during investigations, evaluates results, and prosecutes appropriate cases in County Court.

6. MEDICAL EVALUATION AND TREATMENT - The primary focus of the medical personnel is to ensure that child and non-offending family members have trauma informed care. The medical personnel may also consult with MDT members in efforts to corroborate child's statement and assist in the child's healing process.

AGENCY RESPONSIBILITIES

1. BLUEBONNET CAC WILL:

- Schedule all forensic interviews referred by law enforcement and TDFPS, by contacting the family advocate on the designated cellphone.
- After hours, weekends and holidays forensic interviews are scheduled by contacting the family advocate on the designated cellphone.
- Respond to TDFPS for cases related to a report of abuse that is made by a professional reporter and that alleges sexual abuse of a child; or the type of case outlined in these protocols; or a child fatality in which there are surviving children in the deceased child's home or under the supervision of the caregiver. This is done by contacting the family advocate on the designated cellphone during regular and after business hours.
- Provide trained forensic interviewers to conduct legally sound, non-duplicative, non-leading neutral interviews
- Allows for real-time observation of forensic interviews by MDT partners
- Receipt, review and document DFPS Reports
- Coordinate with TDFPS and LE to schedule forensic interviews with alleged child victims/witnesses
- Notify Prosecutors of name, date, and time of interviews by e-mail
- Provide electronically recorded forensic interviews
- Provide victim advocacy and support to support non-offending caregiver
- Provide trauma informed therapy for referrals for child and non-offending family members
- Assist families with completion of Crime Victim's Compensation Applications
- Coordinate, participate, prepare, and strengthen all MDT activities, meetings/staffing's and trainings

- Maintain case tracking and reporting

2. LAW ENFORCEMENT WILL:

- Make referrals to BCAC on sexual abuse, severe physical abuse, witness to violence/other crimes, and child fatality cases with surviving children in the home.
- Make TDFPS and other MDT partners aware of abuse cases
- Refer child to a medical evaluation based off the Medical Evaluations: Guidelines for Texas Children's Advocacy Centers. (see attachment)
- Transport or make arrangements for transportation for the child and non-offending family to the BCAC
- Attend, participate, be prepared for MDT meetings as scheduled and keep the team informed on cases
- Share information and input with other team members involved in the MDT

3. TDFPS WILL:

- Make referrals to BCAC on sexual abuse, severe physical abuse, witness to violence/other crimes, and child fatality cases with surviving children in the home.
- Refer child to a medical evaluation based off the Medical Evaluations: Guidelines for Texas Children's Advocacy Centers. (see attachment)
- Make LE aware of cases of abuse, witness to violence/other crimes, and child fatality cases with surviving children in the home.
- Make arrangements for transportation for the child and non-offending family to the BCAC
- Attend, participate, be prepared for MDT meetings as scheduled and keep the team informed on cases.
- Share information and input with other team members involved in the MD

4. PROSECUTION WILL:

- Attend, participate, and be prepared for MDT meetings as scheduled
- Keep BCAC informed of cases as they move through the legal system
- Make referrals to the center as needed.

5. MEDICAL WILL:

- Provide medical evaluation and/treatment when a referral is made
- Attend, (or in rare circumstances use alternative means) to participate, be prepared for MDT meetings as scheduled
- Share information and input with other team members involved in the MDT

6. MENTAL HEALTH WILL:

- Provide mental health evaluation and/treatment when a referral is made
Attend, participate, be prepared for MDT meetings as scheduled
- Share information and input with other team members involved in the
MDT

3. TARGET POPULATION

The Bluebonnet Children's Advocacy Center provides services to children ages 0 to 17 and their non-offending family members who are alleged victims of abuse and or exposure to violence in Medina, Uvalde, and Real Counties. Courtesy services may be provided to agencies in surrounding counties on a case by case basis.

4. OPERATIONAL GUIDELINES

(INTAKE PROCESS, SCHEDULING PROCESS, PRE-INTERVIEW/INTAKE PROCESS, FORENSIC INTERVIEW COMPONENT, POST-INTERVIEW PROCESS, VIDEORECORDING PROCEDURES, RECORDS RETENTION POLICY)

INTAKE PROCESS

By utilizing the Bluebonnet CAC, partner agencies agree to abide by these guidelines:

A. CASES INITIATED BY TDFPS

1. The BCAC will receive DFPS Reports. The BCAC staff will review and evaluate the reports to determine appropriate action per the Working Protocols.
2. The DFPS reports will be tracked and monitored until it is determined to be closed by the BCAC staff.

B. CASES INITIATED BY LE

1. The BCAC will receive direct and local referrals from law enforcement. The BCAC staff will review and evaluate the reports to determine appropriate action per the Working Protocols.

SCHEDULING PROCESS

By utilizing the Bluebonnet CAC, partner agencies agree to abide by these guidelines:

A. CASES INITIATED BY TDFPS

1. Upon assignment of a case of child abuse to an investigative worker, the worker is responsible to notify LE and to schedule an appointment for services at the BCAC by contacting the appropriate BCAC employee at the designated cellphone number. This includes after-hours weekends and holidays. The investigative worker must provide the following information at the time of scheduling: name of child and of non-offending family members, age of child, race, sex, disabilities, name of and

relationship to alleged perpetrator (if known), and law enforcement involvement, and brief description of situation.

2. If a medical exam is known to be necessary at the time, the TDFPS Investigator will make the determination that an exam is needed using the Medical Evaluation Guidelines for Texas Children's Advocacy Centers (see attachment) and will schedule the exam. In the event that there are emergency medical needs the child should immediately be taken to Christus Children's Hospital of San Antonio. This includes cases of suspected physical abuse and maltreatment.

3. DFPS should inform the BCAC staff immediately, if the family requires a Spanish speaking interviewer and one is available from the BCAC staff, If a Spanish speaking interviewer is not available then the BCAC staff will outreach CAC's in neighboring counties for assistance. If deaf or other language services are needed the BCAC staff will outreach to ChildSafe in Bexar County for assistance.

4. BCAC staff will coordinate the forensic interview appointment with other involved agencies (LE, DA, CA) by phone or e-mail. It is strongly advised that all involved agencies attend the appointment at BCAC.

5. TDFPS will inform non-offending caregiver that the BCAC has a policy of not allowing adult alleged perpetrators at BCAC. If an adult AP comes to BCAC, LE will have them leave the property.

6. Juvenile alleged perpetrators are only on site at BCAC if there is an investigation where that child is the victim. This interview will be scheduled when no other victim is on site.

B. CASES INITIATED BY LE

1. Upon assignment of a case of child abuse to an investigative officer, the officer is responsible to notify TDFPS if necessary and to schedule an appointment for services at the BCAC by contacting the designated BCAC employee at the designated cellphone number. This includes after-hours weekends and holidays. The investigative officer must provide the following information at the time of scheduling: name of the child and of non-offending family members, age of child, race, sex, disabilities, name of and relationship to alleged perpetrator (if known), TDFPS involvement, and brief description of situation.

2. If a medical exam is known to be necessary at the time, the LE officer will make the determination that an exam is needed using the Medical Evaluation Guidelines for Texas Children's Advocacy Centers (see attachment) and will schedule the exam. In the event that there are emergency medical needs the child should immediately be taken to Christus Children's Hospital of San Antonio. This includes cases of suspected physical and maltreatment.

3. LE should inform the BCAC staff immediately, if the family requires a Spanish speaking interviewer and one is available from the BCAC staff, If a Spanish speaking interviewer is not available then the BCAC staff will outreach CAC's in neighboring counties for assistance. If deaf or other language services are needed the BCAC staff will outreach to ChildSafe in Bexar County for assistance.

4. BCAC staff will coordinate the forensic interview appointment with other involved agencies (TDFPS, DA, CA) by phone or e-mail. It is strongly advised that all involved agencies attend the appointment at the BCAC.

5. LE will inform non-offending caregiver that the BCAC has a policy of not allowing adult alleged perpetrators at the BCAC. If an adult AP comes to BCAC, LE will have them leave the property.
6. Juvenile alleged perpetrators are only on site at BCAC if there is an investigation where that child is the victim. This interview will be scheduled when no other victim is on site.

C. COURTESY INTERVIEWS

1. The BCAC will provide courtesy services (forensic interviews, case managements services, therapy referrals, etc.) to outside counties on a case by case basis. Interviews will be recorded according to established procedures.
2. All cases must be referred by TDFPS, LE, DA, or CA.
3. All children to be interviewed must be accompanied by a LE officer or TDFPS worker.
4. Multi-session forensic interviews will be scheduled on a case by case basis for courtesy counties.
5. Mobile equipment use will not be scheduled for courtesy counties.

5. PRE-INTERVIEW/INTAKE PROCESS

1. Once the child(ren) and non-offending caregiver arrive at BCAC, they will be greeted by BCAC staff or volunteers and will be encouraged to engage in activities to make them feel comfortable and build trust.
2. BCAC forensic interviewer and staff will meet with the non-offending caretaker to explain the forensic interview process, roles of everyone in the investigation, complete intake paperwork, and answer any question the non-offending caretaker may have at that time.
3. BCAC staff or volunteers will engage children in age appropriate activities during this time.
4. BCAC staff or volunteers will meet with the non-offending caregiver while the child is being interviewed and answer any questions they may have. The non-offending caregiver will be given a packet of information including:
 - a. General information on Child Advocacy Centers, recommended responses, judicial process, and counseling needs
 - b. Crime Victim's Compensation application
 - c. Texas Vine program
 - d. Therapist (in-house trauma informed care providers) and other referrals in their area
 - e. Victim's rights
5. BCAC staff or volunteer will assist the client with completing the Crime Victim's Compensation Application and will emphasize the importance of seeking counseling services for themselves and their family.

6. BCAC forensic interviewer and case team in attendance will discuss the case and plan the interview. Case team will bring a history of family and/or suspect and brief the interviewer on this investigation. Multi-session forensic interviewer and case team will discuss what went well, what did not go well, and make changes in the future.

FORENSIC INTERVIEW COMPONENT

Bluebonnet Children's Advocacy Center conducts three types of forensic interviews. The type of forensic interview utilized will be a team decision based on what will work to best meet the needs of the child and the cases, including:

Forensic Interview (FI): A developmentally-sensitive and legally sound method of gathering factual information regarding allegations of abuse and exposure to violence. This interview is conducted by a competently-trained, neutral professional utilizing research and practice-informed techniques as part of a larger investigative process.

Subsequent Interview (S): An interview to supplement completed forensic interview, will be scheduled as needed.

The acceptance criteria for a Forensic Interview are alleged child victims ages 3-17 of sexual abuse, severe physical abuse, witness to violence/other crimes, and child fatality cases with surviving children in the home. The BCAC also accepts adult victims of abuse that their mental capacity is functioning 17 years of age and below.

All alleged victims must be able to communicate verbally or with the assistance of a professional interpreter (ex. American Sign Language).

Multi-Session Forensic Interview (MSFI): One forensic interview completed over multiple sessions for children and cases with special considerations.

1. The forensic interviews and subsequent interviews will be conducted by a professional who has completed Child Advocacy's Centers of Texas (CACTX) Core Curriculum training or attended the Semi-Structured Narrative Process (Block 1) and working towards completing the Child Advocacy's Centers of Texas Core Curriculum training.

2. Multi-Session Forensic Interviews will be conducted by a professional who meets the prerequisites outlined by CACTX and who successfully complete the CACTX MSFI training. CACTX's prerequisites for the Multi-Session Forensic Interviewer are working relationship with the multidisciplinary team and has been an interviewer for at least one year. The same forensic interviewer will conduct all sessions of a the Multi-Session Forensic Interview.

3. The decision for the type of forensic interview the child receives is a case team decision. The case team is the Department of Family and Protective Services (CPI/CCL/APS) and Law Enforcement Investigators assigned to the case along with the BCAC for an interviewer, BCAC family advocate and prosecutor. Children referred to BCAC for an interview that have one or more of the MSFI indicators or those who, due to their reluctance or the case specific dynamics, cannot complete the traditional forensic interview will be scheduled for a MSFI.

Multi-Session Forensic Interview indicators are:

- Children with communication, intellectual, social/emotional, and/or physical disabilities

- Children who have suffered extreme trauma
- Child victims of human trafficking
- Children from a diverse cultural background
- Pre-school aged children

The type of interview conducted for each child will be a unanimous decision made by the case team.

4. The BCAC will determine the appropriately trained forensic interviewer depending on the type of interview needed (SXAB, PHAB, Risk), and the interviewer experience and skills.
5. The forensic interviewer will only have contact with the individual being interviewed briefly before the interview for introductions and explain the forensic interview, during the interview, and after the interview to say good-bye to ensure neutrality.
6. Only the forensic interviewer and the person being interviewed will be allowed in the interview room during the forensic interview. In the case that a child does not speak English a translator will be utilized. In these cases, the interviewer will give the translator specific instructions to translate exactly what the child and the interviewer are saying. The interviewer will also have the translator sign a confidentiality agreement.
7. The forensic interviewer will use the semi structured narrative process with all forensic interviews and subsequent interviews.
8. Forensic interviewer will use aids during the interview when needed. The forensic interviewer will be trained on best practice for the use of the aids and will apply the best practice when utilizing the aids. Forensic interview aids can include anatomical drawings and anatomical dolls.
9. It is determined prior to the start of the interview if there is evidence that may need to be introduced. It is the decision of all MDT partners if that evidence is appropriate for introduction. As trained when introducing evidence during the forensic interview, the evidence must be acknowledged immediately upon introductions. This evidence must be sanitized prior to sharing with victim.
10. Individuals allowed in the observation room include the case: LE, appropriate BCAC staff, The Department of Family and Protective Services (CPI, CCL, APS), prosecuting attorney's and medical personnel. All investigating agencies should be present to ensure their informational needs are met. No forensic interview or multi-session forensic interview session will be conducted without at least one member of the case team present. Parents and/or caregivers of the individual being interviewed will not be allowed in the interview room or observation room.
11. Private attorneys must obtain permission from the prosecuting attorney to be present in the observation room during the forensic interview.
12. The forensic interviewer will communicate with the case team viewing the interview before closing the interview for any additional questions or clarification during a traditional interview. These communications can be through the two-way earpiece or a break that the forensic interviewer steps out into the observation room; the type of two-way communication will be at the discretion of the

forensic interviewer and case team. If the forensic interviewer believes the interview is becoming a MSFI the interviewer will step out of the interview room to the observation room to communicate with the case team regarding the progress of the interview and an opportunity to make a unanimous team decision on the type of interview needed for the child and case.

13. Subsequent interviews can be conducted when an additional outcry of abuse is made by the alleged victim after the initial interview is completed or when available information indicates that the investigation will be adversely affected without further interview. The decision to conduct additional interviews with the same alleged victim will be a unanimous case team decision.

14. If there are possible multiple victims in one case, all individuals will be interviewed separately following the Forensic Interview guidelines listed herein.

15. The forensic interview will be recorded electronically. Each successive session of a multi-session forensic interview will be recorded electronically. The recordings will be identified separately and labeled accordingly. The recordings will be distributed at the conclusion of the traditional interview, subsequent interview or the completion of the Multi-Session forensic interview.

16. After hours/weekend/holiday interviews will only be scheduled for emergency situations. In the case that an emergency interview is needed, the Family Advocate will contact the forensic interviewer on their cell phone. Emergency interviews include: child abduction, fatality, and any case where the child being interviewed immediate safety is in danger. BCAC will respond to all emergency interviews in pairs to ensure the safety of everyone onsite.

17. Multi-Session Forensic Interviews will be conducted on a case-by-case basis for investigations in courtesy counties.

POST-INTERVIEW PROCESS

1. Post-interview session staffing case team will discuss what information was obtained in the forensic interview, the next steps in the investigation, and the information that should be shared with the non-offending caregiver(s).

2. MSFI case team will discuss the date and time of the next successive session.

3. The case team will meet with the non-offending caregiver(s) to discuss the next steps in the investigation process.

4. MSFI case team will remind the non-offending caregiver(s) the reason their child is being scheduled for more than one interview session, what they should and should not say to the child between the successive sessions. Case team will also inform the caregiver of the date and time of the next successive session.

5. A comfort item will be given to the child at the conclusion of the forensic interview no matter the type of forensic interview by a BCAC volunteer or staff member. The forensic interviewer will not give the child a comfort item. If there is a sibling group and it is decided that one child needs a multi-session forensic interview then all the siblings will receive a comfort item once all interviews are completed to include the MSFI.

RECORDING PROCEDURES

1. Forensic interviews will be conducted at the BCAC. There may be situations where the interview cannot take place at the BCAC, and those situations will be discussed by and left to the discretion of the MDT.
2. Mobile equipment will be utilized in locations where a confidentiality agreement between BCAC and the neutral location is established. At these locations, mobile recording equipment will be used and operated by the forensic interviewer.
3. The use of technology for remote live observation of the forensic interview and the use of tele-forensic interviews is not in use at the BCAC.
4. Two copies of the interview will be recorded while the interview is being conducted and they will be signed over to the investigating agency upon completion. In the event both TDFPS and LE are present one will be signed over to the TDFPS investigator and one will be signed over to the LE investigative officer. Each agency will take full responsibility of the recorded interviews.
5. Recorded interviews used as evidence in a law enforcement investigation are the sole property of the prosecuting attorney as stated in Section 264.408(d) of the Texas Family Code. Once the interview is recorded at the BCAC, the recorded copy will be signed over to the investigating officer assigned to the case, and he/she will maintain the recorded copy until it is signed over to the prosecuting attorney. Recorded interviews completed when the investigating officer is not present will be held at the BCAC for no longer than 72 hours. After that time, the prosecuting attorney will be contacted to claim the recorded forensic interview. All recorded interviews are maintain on the recording device for 14 days, and then it is deleted automatically by the maintaining device.
6. BCAC forensic interviewer will be responsible for operating the recording equipment used for forensic interviews at the BCAC.

6. THE VICTIM SUPPORT & ADVOCACY PROCESS

1. BCAC staff or volunteer will serve as family's advocates while on site.
2. Advocate will greet and orient child and non-offending family when they arrive for the forensic interview.
3. While the child is interviewed, a trained family advocate will work in the following capacity:
 - a. Provide children and families with information on the CAC model and the coordinated multidisciplinary response;
 - b. Dynamics of abuse;
 - c. Crime Victims Compensation;
 - d. Victim's Rights;
 - e. Effects of Trauma;
 - f. Family needs assessment;
 - g. The forensic interview process;
 - h. Civil/Criminal justice process; and

i. Sexual assault exams.

4. A trained family advocate will work to provide crisis intervention and will provide support in all stages of the investigation. One form of support provided is counseling. Advocate will inform family of the benefits of counseling and provide information on BCAC's contract therapist or a referral list of counselors where the family lives.
5. BCAC staff will routinely follow up with non-offending caregiver to educate, help them with anticipated possible stressors, provide accurate, up-to-date information and ensure continued access to rights and services. Follow up will be done within 48 hours, 1 month, 3 months, 6 months, and 9 months after the forensic interview. Additional follow up calls will be made for cases staffed at MDT meetings and on an as needed basis.
6. As an advocate builds rapport with a family, they can communicate with the family in regard to the case. When needed, advocate can inform family of updates and assess feelings in regard to the investigation/prosecution.
7. Family advocacy services are available to families at the BCAC throughout the life of the case when they receive support through the local multidisciplinary process, and/or referred from other CACTX's organizations. This will include therapy, and other services available through the BCAC.
8. BCAC staff will enter information about each case into CACTX's case tracking system.
9. The BCAC and MDT communicate relevant client information verbally to ensure confidentiality and in accordance with applicable state and federal laws.

7. THE MEDICAL EVALUATION AND TREATMENT PROCESS

1. The purposes of the medical evaluation in suspected child abuse case included:
 - a. To help ensure the health, safety, and well-being of the child;
 - b. Diagnose, document and address medical conditions that resulted or could have resulted from abuse;
 - c. Differentiate medical findings that are indicative of abuse from those which may be explained by other medical conditions;
 - d. Diagnose, document, and address medical conditions unrelated to abuse
 - e. Document the overall appearance of the child;
 - f. Assess the child for any developmental, emotional, or behavioral problems needing further evaluation and treatment and, in coordination with the MDT make referrals as necessary; and
 - g. Reassure and educate the child and non-offending caregiver(s).
2. Children will obtain medical treatment through the Christus Children's Hospital of San Antonio.
3. LE and TDFPS will continue to schedule children for a Sexual Assault Forensic Exam (SAFE) and physical exams at Christus Children's Hospital of San Antonio with the forensic Nurse Examiner program (abuse within 120 hours) and Children's Hospital of San Antonio Center for Miracles (abuse occurring

more than 120 hours ago) when members of the case team deem a child is in need of medical care for suspected abuse, possible injury or illness resulting for the abuse or unmet medical needs.

4. Information will be shared within the case team as exams are scheduled to prevent multiple exams of a child.

5. In the event of an emergency medical need the child is immediately taken to Children's Hospital of San Antonio. This includes cases of suspected physical abuse and maltreatment.

6. FISCAL RESPONSIBILITY: The Office of the Attorney General is responsible and is directly billed for all SAFE exams. If physical abuse exam or SAFE exam has not been referred by the MDT, the patient may be responsible for medical costs per the policy of the medical provider.

7. Medical documentation is owned by Christus Children's Hospital of San Antonio and is shared as requested by the case team.

8. Findings of the medical evaluation should be shared with and explained to the MDT in a routine and timely manner to ensure case decisions can be made effectively.

9. A trained health care provider participates in case team review so that children's health care needs can be assessed, monitored and taken into account as the MDT case team makes decisions.

10. All cases of victims of alleged abuse who receive medical services from a non-MDT medical provider are reviewed by the designated MDT provider.

11. Medical services are considered priority in situations involving the scheduling of a forensic interview for an alleged victim.

8. THE MENTAL HEALTH EVALUATION AND TREATMENT PROCESS

1. Families who are clients of the Bluebonnet CAC will receive a list of therapists in their area including BCAC's contract therapist. If the families select the BCAC contracted therapist for services, they will receive services free of charge. All children, caregivers and family members are eligible for mental health services. These referrals will give Bluebonnet Children's Advocacy Center's clients access to specialized trauma-focused mental health services either on-site or off-site at an appropriate agency.

2. Files will be kept at the BCAC for each contract therapeutic agency including contracts between BCAC and therapeutic entity, resumes, required training records, and proof of liability insurance (for individual counselors).

3. Mental health treatment is a clinical process designed to assess and mitigate the long-term adverse impacts of trauma or other diagnosable mental health conditions. Every effort is made by therapists to maintain clear boundaries around the roles of the therapist and the purpose of therapy.

4. When services are provided to youth with problematic sexual behaviors, those appointments will be scheduled at times when no other child is receiving services at the BCAC. This will ensure the physical and psychological safety and well-being of all children receiving services at the BCAC.

5. The mental health professional applying the intake and assessment tools will determine the best modality for treatment based on the clients needs.

6. Mental health information will only be shared at the MDT case review according to all provisions about the sharing of mental health information to ensure client confidentiality and mental health records are protected in accordance with state and federal laws. Records pertaining directly to an investigation of child abuse can be exempt from HIPPA and does not require caregiver consent for release. The BCAC

maintains a log of disclosures of medical and mental health treatment information per HIPPA regulations.

7. Mental health services will be made available to non-offending caregivers/family on-site or off-site at an appropriate agency.

8. Mental health professionals will be members of the multidisciplinary team and will serve as clinical consultant to the MDT and monitor and share with the MDT the child and caregivers' engagement, progress, and completion. Professionals will attend scheduled case review meetings so that a child's treatment needs can be assessed, and the child's mental health can be monitored and considered as the MDT makes decisions.

9. Professionals who provide mental health for BCAC will participate in ongoing training and peer review. Therapists need to participate in ongoing education in the field of child abuse, trauma, clinical practice and/or cultural applications consisting of a minimum of 8 contact hours every 2 years.

9. CASE REVIEW/CASE STAFFING PROCESS

Case Review is an informed and collaborative decision-making process with input from all multidisciplinary members based on the needs of the case. The case review process is designed to have consistent contact and communication through a regularly scheduled formal process. These meetings allow professionals to share information and observations about cases and make effective and cooperative decisions.

MDT STAFFING PROCEDURES

1. Bluebonnet Children's Advocacy Center's multidisciplinary team meetings will be held on the third Tuesday of the month at 9:30 am for Uvalde and Real counties, and the first Thursday of the month at 9:00am for Medina County. The meetings will be held at the BCAC office according to county. Uvalde and Real counties will be held in Uvalde, and Medina County in Hondo.

2. Attendees at the case review meeting will be all MDT Partners associated with the case or their departments representative. The minimum MDT Partners required to actively participate are: law enforcement, child protection, prosecution, medical, mental health, victim support and advocacy, forensic interviewing, and the Children's Advocacy Center.

3. Cases to be staffed include cases seen at the BCAC since last meeting as well as any active cases still under investigation. Cases that must be staffed are those where an outcry was made during a forensic interview. Cases to be staffed will also include and children's cases that involve abuse/neglect, regardless if a forensic interview was conducted or not.

4. MDT members can add a case to the staffing list and must contact BCAC staff at least 3 working days before the scheduled MDT staffing to get the case(s) on the list.

5. BCAC staff and primarily the MDT Coordinator will be responsible for creating the list of cases and maintaining case note information for the team. BCAC staff and primarily the MDT Coordinator will also be responsible for distributing the case staffing list, via email, a week prior to the MDT meeting.

6. A BCAC employee and primarily the MDT Coordinator will be the primary facilitator for the case review meeting.

7. All MDT members as well as individuals attending the meetings and participating in a temporary capacity are required to sign a confidentiality agreement at the start of each meeting to ensure client confidentiality.

8. Case review process includes but is not limited to: monitor interviews and provide input, discuss process of investigation, review medical exams, provide info to aide prosecutor, discuss treatment needs of families, discuss scheduling of criminal and civil proceedings, discuss support and non- offending family members, consider relevant child development issues and assess ability of children to participate in court proceedings, and overall support for professionals working child abuse cases, provide feedback to BCAC on improvements for agency and promotion of communication between agencies.
9. BCAC staff will complete the case note tracking document for each case reviewed. The document identifies items needing review, follow-up, and the responsible party. The identified follow-up items will be discussed at the next scheduled case review.
10. BCAC staff will outreach responsible agency partners quarterly to obtain case disposition on those cases not reviewed formally in case review.
11. All MDT partner members are responsible for completing follow-up tasks in a timely manner.

10.THE PROCESS FOR CASE TRACKING

1. Bluebonnet Children's Advocacy Center will utilize the Children's Advocacy Centers of Texas's most current system available, or an equivalent program, through the final disposition of the case.
2. BCAC staff or volunteers will use the case tracking system to report statistical information to CACTX, the Attorney General's office and on an as needed basis. Information tracked can include:
 - a. Demographic information on child, non-offending caregiver(s)/family;
 - b. Demographic information on alleged perpetrator;
 - c. Type(s) of abuse;
 - d. Relationship of alleged perpetrator to child;
 - e. Services provided to child and non-offending caregiver/family;
 - f. MDT involvement and outcomes;
 - g. Charges filed and case disposition in criminal court;
 - h. Child protection outcomes; and
 - i. Status/outcome of medical and mental health referrals.
3. MDT partner agencies may access case specific information and aggregate data for quality assurance, quality improvement, funding, and research purposes. Partner agencies request this information from any BCAC staff member.
4. MDT partner agencies will work to notify BCAC staff with case specific information and dispositions. Dispositions will be gathered in Case Review from law enforcement agencies and Protective Services. BCAC staff will reach out to prosecutors regularly to gather dispositions of cases sent from Case Review,

11.THE PROVISION FOR CONFLICT RESOLUTION

1. Each member of the MDT will respect the opinions of the other team members. If conflict or disagreement arises as to the investigation, interview, or follow-up during the course of the case, all efforts will be made to resolve the conflict in a professional manner.
2. If a conflict between members of the MDT cannot be resolved, the Executive Director of the BCAC will schedule a meeting with the heads of the partner agencies involved in the conflict and each partner agency will resolve the issue with their agency personnel.
3. If the conflict involves BCAC staff, the BCAC Executive Director and BCAC Executive Board members will meet with heads of the partner agencies and each partner agency will resolve the issue with their agency personnel.

12. THE PROVISION FOR CONFIDENTIALITY

The Bluebonnet CAC will ensure confidentiality of records by adhering to section 264.408 Texas Family Code USE OF INFORMATION AND RECORDS: CONFIDENTIALITY AND OWNERSHIP in the Texas Family Code as stated below:

- A. The files, reports, communications, and working papers used or developed in providing service under this chapter are confidential and not subject to public release under Chapter 552 Government Code, and may only be disclosed for purposes consistent with this chapter. Disclosure may be to:
 - a. The department, department employees, law enforcement agencies, prosecuting attorneys, medical professionals, and other state agencies that provide services to children and families; and
 - b. The attorney for the child who is the subject of the records and a court-appointed volunteer advocate appointed for the child under Section 107.031.
- B. Information related to the investigation of a report of abuse or neglect under Chapter 261 and services provided as a result of an investigation is confidential as provided by Section 261.201.
- C. The TDFPS, a law enforcement agency, and a prosecuting attorney may share with the Center information that is confidential under Section 261.201 as needed to provide services under this chapter. Confidential information shared with or provided to a center remains the property of the agency that shared or provided to information to the center.
- D. A recorded interview of a child made at the center is the property of the prosecuting attorney, and the recorded interview can be shared with other agencies under a written agreement. These recordings are made available to these agencies for up to 14 days, and then they are scheduled/deleted from our recording system.
- E. All State and Federal confidentiality laws will be followed in connection with this agreement.

13. ASSURANCE TO PARTNER AGENCIES

All DFPS Reports are received through the most current case management system provided by CACTX. The children's advocacy center's role in reviewing the reports is to review and identify DFPS Reports within the case acceptance criteria as defined by the children's advocacy center's Working Protocol, and facilitate children's advocacy center/multidisciplinary team services related to case investigation, assessment, and

intervention. In addition, we understand that the children's advocacy center's access to the DFPS Reports shall not be construed to change, reduce, or expand the authority or jurisdiction of the children's advocacy center or any multidisciplinary team partner agency as it relates to initiating and conducting investigations, assessments, and/or interventions.

14. MODIFICATION'S IN PROTOCOL AGREEMENT

The BCAC Protocol Agreement shall be reviewed and modified as determined by the signatories of this Agreement through the execution of a modified Agreement. All appropriate agencies will be notified of all modifications. The agreement may be modified for the following reasons:

1. To confirm new statuses, rules, and regulations, or departmental policies which may conflict with any provision of this agreement,
2. To better meet the needs of families and children in the provision of child abuse related services.
3. To improve the procedures set forth in this agreement.
4. To add or delete agencies as signatories to the agreement.
5. For such other purposes as the signatories agree.
6. Must be re-executed at a minimum of every three years, or on an significant change to the working protocol or on a change of a signatory of a participating agency.

While each of the partner agencies has specific responsibilities with regard to the investigation, prosecution, medical, and therapeutic treatment of cases of child sexual and physical abuse, we do hereby acknowledge that the multi-disciplinary team approach through the institution and operation of a Children's Advocacy Center in Medina, Uvalde and Real Counties, Texas will serve to enhance the individual efforts of each agency and will unify our community, through these respective agencies and through public support and awareness, in our continuing campaign to ensure the protection and preservation of the children of Medina, Uvalde and Real Counties.

As partners, hereby pledge our personal cooperation as well as the cooperation of any and all designated representatives of our respective agencies to the successful operation of the Bluebonnet Children's Advocacy Center. Our signatures on the Memorandum and Working Protocols signature page indicate that we hereby pledge our support to the continued development and operation of the Children's Advocacy Center in our Community. This agreement can be terminated by any party without cause by giving written notice to the other parties.

Bluebonnet Children's Advocacy Center

Memorandum of Understanding

The Multidisciplinary team (MDT) is the foundation of Bluebonnet Children's Advocacy Center. Bluebonnet Children's Advocacy Center works in collaboration to protect and enhance the quality of life for abused and neglected children in Medina, Real, and Uvalde Counties.

The purpose of the interagency collaboration is to coordinate intervention to reduce potential trauma to children and families and improve services, while preserving and respecting the rights and obligations of each agency to pursue their respective mandates. The collaborative response of Bluebonnet Children's Advocacy Center's multidisciplinary response is based on a team approach.

This interagency collaboration starts at the initiation and is continued through understanding and exploring case issues. Insight from each MDT representative provides the environment for a coordinated, comprehensive, compassionate, and professional response. The joint response will also facilitate effective quality assurance.

The collaborative approach will foster needed education, support and treatment for children and their non-offending caregivers that may enhance their willingness to participate and their ability to be effective witnesses. Multidisciplinary team interventions, particularly when provided in a neutral, child-friendly CAC setting, are associated with less anxiety, fewer interviews, increased support, and more appropriate and timely referrals for needed services.

The Bluebonnet Children's Advocacy Center and their partner agencies agree to cooperate in:

1. Minimizing the re-victimization of alleged abuse and neglect victims and nonoffending family members through the investigation, assessment, intervention, and prosecution processes; and
2. Maintaining a cooperative team approach to facilitate successful outcomes in the criminal and child protection systems through shared fact finding and strong, collaborative case development
3. A multidisciplinary team that encompasses law enforcement, district and county attorneys, the Texas Department of Family Protective Services, medical professionals and mental health professionals. The multidisciplinary team will meet once a month and come prepared to share their experience and expertise;

4. Facilitate prosecution of perpetrators through effective fact finding and strong case development. This will be achieved through coordinated, joint investigations by the Texas Department of Family Protective Services, law enforcement, and prosecution;

5. Investigators will work to have a joint development of investigative strategies. Partner agencies will make efforts to minimize duplicative efforts and mixed messages to the victims and their non-offending family members;

6. Specialized medical forensic examination referrals to trained professionals will be made by law enforcement or the Texas Department of Family Protective Services. Multidisciplinary team members will have a case staffing regarding referrals;

7. Mental health services and referrals will be provided. Professionals will be trained in the child abuse field and will provide specialized assessments and treatment;

8. Bluebonnet Children's Advocacy Center and partner agency members will provide and attend specialized training that applies to their respective mandates in child abuse.

While each of the undersigned agencies has specific responsibilities with regard to the investigation, prosecution, medical and therapeutic treatment of child abuse and child witnesses to violent crime cases, we do hereby acknowledge that the multi-disciplinary team approach through the institution and operation of Bluebonnet Children's Advocacy Center in Medina, Real, and Uvalde Counties, Texas will serve to enhance the individual efforts of each agency and will unify our community, through these respective agencies, and through public support and awareness, in our continuing campaign to ensure the protection and preservation of the children of Medina, Real, and Uvalde Counties.

We, the undersigned, hereby pledge our personal cooperation as well as the cooperation of any and all designated representatives of our respective agencies to the successful operation of the Bluebonnet Children's Advocacy Center. Our signatures below indicate that we hereby pledge our support to the continued development and operation of the Bluebonnet Children's Advocacy Center in our Community. This agreement can be terminated by any party without cause by giving written notice to the other parties. The memorandum of understanding must be re-executed: (1) at least every three years; (2) on a significant change to the memorandum of understanding; or (3) on a change of a signatory of a participating agency. All State and Federal confidentiality laws will be followed in connection with this agreement.



City Council Communication

Title: Discuss and consider making various appointments to boards and commissions. (Mayor McAnelly)

Date: January 8, 2024 **From:** Mayor John McAnelly, Mayor

INFORMATION:

The Mayor recommends the appointment to the Hondo Public Advisory Board of Leah Bowser for a two-year term.

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

None

STAFF CONTACTS:



City Council Communication

Title: Discuss and consider support for Medina County's Inclusion in the Alamo Area Metropolitan Planning Organization. (Mayor McAnelly)

Date: January 8, 2024

From:

INFORMATION:

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

1. LETTER.JUDGE

STAFF CONTACTS:

City of Hondo
1600 Avenue M
Hondo, Texas 78861
830.426.3380



January 04, 2024

Honorable Keith Lutz Medina County Judge
1300 Avenue M, Room 250
Hondo, Texas 78861

RE: Support for Medina County's Inclusion in the Alamo Area Metropolitan Planning Organization

Dear Judge Lutz and Medina County Commissioners Court:

This letter shall serve as the City of Hondo support for Medina County's inclusion in the Alamo Area Metropolitan Planning Organization (AAMPO). More specifically the City of Hondo supports the inclusion of its full city limits within the AAMPO. The City of Hondo recognizes the benefits of being within the MPO and fully supports any efforts by Medina County to include themselves within the organization. Medina County and the cities that fall within its boundaries must continue to progress and find funding sources previously unavailable or afforded to them. The AAMPO will positively impact the ability for the County and the City of Hondo to address transportation concerns on its Federal and State managed roads.

Sincerely,

John McAnelly, Jr.
Mayor



City Council Communication

Title: Discuss and consider a resolution authorizing and approving publication and posting of a notice of intention to issue the city's combination tax and limited pledge revenue certificates of obligation in a maximum aggregate principal amount not to exceed \$11,300,000 and other matters in connection therewith. (John Naron and Chris Hill)

Date: January 8, 2024

From: Chris Hill, Chief Finance Officer, John Naron, City Manager

INFORMATION:

Proposed Debt Issuance for 2023/2024 Capital Projects (See attached for project information). No proposed increase in Property Tax Rates. Proforma for all Funds is attached. Option B Resolution also provided without Fair Hall or Parks Projects.

FINANCIAL IMPACT:

\$11,300,000 or \$10,500,000 without Fair Hall and Parks Projects.

STAFF RECOMMENDATION:

Staff recommends approving a Resolution authorizing and approving publication and posting of a notice of intention to issue debt.

MOTION:

Move to approve the City's Notice of Intention Resolution 419-24 or 419B-24.

ATTACHMENTS:

1. HONDO CITY OF_2023_TRIA PROFORMAS for NOI JAN082024
2. 2024 PROJECT PORTFOLIO DRAFT
3. HONDO CITY OF_2024_CO_TIMETABLE
4. HONDO NOI Resolution 419-24
5. HONDO NOI OPTION B

STAFF CONTACTS:

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

John Naron
City Manager
jnaron@hondo-tx.org

City of Hondo, Texas Airport Fund Proforma December 13, 2023									
FYE (9/30)	Revenues ⁽¹⁾	Operating Expenditures ⁽²⁾	Available for Debt Service	Existing Debt Service	Certificates of Obligation, Series 2024			New Total Debt Service	Surplus/ (Deficiency)
					Principal	Interest ⁽³⁾	Total		
2022	\$ 1,116,441	\$ 945,312	\$ 171,129	\$ 16,839				\$ 16,839	\$ 154,290
2023	1,116,441	945,312	171,129	16,615				16,615	154,514
2024	1,116,441	945,312	171,129	16,373				16,373	154,756
2025	1,116,441	945,312	171,129	16,113	\$ 5,000	\$ 14,511	\$ 19,511	35,624	135,505
2026	1,116,441	945,312	171,129	25,741	10,000	9,600	19,600	45,341	125,788
2027	1,116,441	945,312	171,129	25,252	10,000	9,200	19,200	44,452	126,678
2028	1,116,441	945,312	171,129	-	10,000	8,800	18,800	18,800	152,329
2029	1,116,441	945,312	171,129	-	10,000	8,400	18,400	18,400	152,729
2030	1,116,441	945,312	171,129	-	10,000	8,000	18,000	18,000	153,129
2031	1,116,441	945,312	171,129	-	10,000	7,600	17,600	17,600	153,529
2032	1,116,441	945,312	171,129	-	10,000	7,200	17,200	17,200	153,929
2033	1,116,441	945,312	171,129	-	10,000	6,800	16,800	16,800	154,329
2034	1,116,441	945,312	171,129	-	10,000	6,400	16,400	16,400	154,729
2035	1,116,441	945,312	171,129	-	15,000	5,900	20,900	20,900	150,229
2036	1,116,441	945,312	171,129	-	15,000	5,300	20,300	20,300	150,829
2037	1,116,441	945,312	171,129	-	15,000	4,700	19,700	19,700	151,429
2038	1,116,441	945,312	171,129	-	15,000	4,100	19,100	19,100	152,029
2039	1,116,441	945,312	171,129	-	15,000	3,500	18,500	18,500	152,629
2040	1,116,441	945,312	171,129	-	15,000	2,900	17,900	17,900	153,229
2041	1,116,441	945,312	171,129	-	15,000	2,300	17,300	17,300	153,829
2042	1,116,441	945,312	171,129	-	15,000	1,700	16,700	16,700	154,429
2043	1,116,441	945,312	171,129	-	15,000	1,100	16,100	16,100	155,029
2044	1,116,441	945,312	171,129	-	20,000	400	20,400	20,400	150,729
Total				\$ 116,932	\$ 250,000	\$ 118,411	\$ 368,411	\$ 485,343	

⁽¹⁾ Revenues based upon audited 2022 financials.

⁽²⁾ Operating Expenditures based upon audited 2022 financials. Excludes depreciation and includes transfers out.

⁽³⁾ Preliminary, subject to change. Interest rate calculated to be 4.00% for illustrative purposes only.

City of Hondo, Texas Electric Utility Fund Proforma December 13, 2023									
FYE (9/30)	Revenues ⁽¹⁾	Operating Expenditures ⁽²⁾	Available for Debt Service	Existing Debt Service	Certificates of Obligation, Series 2024			New Total Debt Service	Surplus/ (Deficiency)
					Principal	Interest ⁽³⁾	Total		
2022	\$ 9,518,345	\$ 9,041,511	\$ 476,834	\$ 56,100				\$ 56,100	\$ 420,734
2023	9,518,345	9,041,511	476,834	84,526				84,526	392,308
2024	9,518,345	9,041,511	476,834	84,073				84,073	392,761
2025	9,518,345	9,041,511	476,834	82,442	\$ 10,000	\$ 31,944	\$ 41,944	124,387	352,447
2026	9,518,345	9,041,511	476,834	110,458	20,000	21,200	41,200	151,658	325,176
2027	9,518,345	9,041,511	476,834	113,051	20,000	20,400	40,400	153,451	323,383
2028	9,518,345	9,041,511	476,834	26,392	20,000	19,600	39,600	65,992	410,842
2029	9,518,345	9,041,511	476,834	30,494	20,000	18,800	38,800	69,294	407,541
2030	9,518,345	9,041,511	476,834	-	25,000	17,900	42,900	42,900	433,934
2031	9,518,345	9,041,511	476,834	-	25,000	16,900	41,900	41,900	434,934
2032	9,518,345	9,041,511	476,834	-	25,000	15,900	40,900	40,900	435,934
2033	9,518,345	9,041,511	476,834	-	25,000	14,900	39,900	39,900	436,934
2034	9,518,345	9,041,511	476,834	-	25,000	13,900	38,900	38,900	437,934
2035	9,518,345	9,041,511	476,834	-	30,000	12,800	42,800	42,800	434,034
2036	9,518,345	9,041,511	476,834	-	30,000	11,600	41,600	41,600	435,234
2037	9,518,345	9,041,511	476,834	-	30,000	10,400	40,400	40,400	436,434
2038	9,518,345	9,041,511	476,834	-	30,000	9,200	39,200	39,200	437,634
2039	9,518,345	9,041,511	476,834	-	30,000	8,000	38,000	38,000	438,834
2040	9,518,345	9,041,511	476,834	-	35,000	6,700	41,700	41,700	435,134
2041	9,518,345	9,041,511	476,834	-	35,000	5,300	40,300	40,300	436,534
2042	9,518,345	9,041,511	476,834	-	35,000	3,900	38,900	38,900	437,934
2043	9,518,345	9,041,511	476,834	-	40,000	2,400	42,400	42,400	434,434
2044	9,518,345	9,041,511	476,834	-	40,000	800	40,800	40,800	436,034
Total				\$ 587,537	\$ 550,000	\$ 262,544	\$ 812,544	\$ 1,400,081	

⁽¹⁾ Revenues based upon audited 2022 financials and excludes Transfers In.

⁽²⁾ Operating Expenditures based upon audited 2022 financials. Excludes depreciation and includes transfers out.

⁽³⁾ Preliminary, subject to change. Interest rate calculated to be 4.00% for illustrative purposes only.

Hondo, City of
Tax Rate Impact Analysis
December 13, 2023

FYE (9/30)	Taxable Assessed Valuation ⁽¹⁾	Growth Rate	Existing Debt	Certificates of Obligation, Series 2024 ⁽²⁾			Less: Other Supporting Revenue ⁽³⁾	New Net Total Debt Service	Adopted M&O Rate ⁽⁴⁾	Required I&S Tax Rate ⁽⁵⁾	Total Tax Rate
				Principal	Interest	Total					
2023	\$ 427,346,902		\$ 630,037					\$ 630,037	\$ 0.2894	\$ 0.1476	\$ 0.4370
2024	467,685,346	9.44%	707,390					707,390	0.2857	0.1513	0.4370
2025	502,761,747	7.50%	763,357	\$ 15,000	\$ 46,456	\$ 61,456	\$ 16,500	808,312	0.2762	0.1608	0.4370
2026	540,468,878	7.50%	824,118	30,000	30,800	60,800	16,000	868,918	0.2762	0.1608	0.4370
2027	559,385,289	3.50%	826,744	30,000	29,600	59,600	-	886,344	0.2762	0.1584	0.4346
2028	578,963,774	3.50%	803,061	30,000	28,400	58,400	-	861,461	0.2762	0.1488	0.4250
2029	599,227,506	3.50%	803,172	30,000	27,200	57,200	-	860,372	0.2762	0.1436	0.4198
2030	620,200,469	3.50%	378,840	35,000	25,900	60,900	-	439,740	0.2762	0.0709	0.3471
2031	641,907,485	3.50%	385,173	35,000	24,500	59,500	-	444,673	0.2762	0.0693	0.3455
2032	641,907,485	0.00%	381,049	35,000	23,100	58,100	-	439,149	0.2762	0.0684	0.3446
2033	641,907,485	0.00%	381,641	35,000	21,700	56,700	-	438,341	0.2762	0.0683	0.3445
2034	641,907,485	0.00%	376,866	40,000	20,200	60,200	-	437,066	0.2762	0.0681	0.3443
2035	641,907,485	0.00%	381,726	40,000	18,600	58,600	-	440,326	0.2762	0.0686	0.3448
2036	641,907,485	0.00%	271,100	40,000	17,000	57,000	-	328,100	0.2762	0.0511	0.3273
2037	641,907,485	0.00%	269,125	45,000	15,300	60,300	-	329,425	0.2762	0.0513	0.3275
2038	641,907,485	0.00%	271,925	45,000	13,500	58,500	-	330,425	0.2762	0.0515	0.3277
2039	641,907,485	0.00%	269,500	45,000	11,700	56,700	-	326,200	0.2762	0.0508	0.3270
2040	641,907,485	0.00%	271,850	50,000	9,800	59,800	-	331,650	0.2762	0.0517	0.3278
2041	641,907,485	0.00%	268,975	50,000	7,800	57,800	-	326,775	0.2762	0.0509	0.3271
2042	641,907,485	0.00%	-	55,000	5,700	60,700	-	60,700	0.2762	0.0095	0.2856
2043	641,907,485	0.00%	-	55,000	3,500	58,500	-	58,500	0.2762	0.0091	0.2853
2044	641,907,485	0.00%	-	60,000	1,200	61,200	-	61,200	0.2762	0.0095	0.2857
Total			\$ 9,265,648	\$ 800,000	\$ 381,956	\$ 1,181,956	\$ 32,500	\$ 10,415,104			

⁽¹⁾ Tax Year 2023 (Fiscal Year 2024) Preliminary Taxable Assessed Value ("TAV") per Medina CAD.

⁽²⁾ Preliminary, subject to change. Interest rate calculated to be 4.00% for illustrative purposes only.

⁽³⁾ Represents other legally allowable funds transferred annually as shown to pay for general funded projects. The transfer is structured to help the City manage its tax rate annually at the current rate of 43.7 cents.

⁽⁴⁾ Assumes the adoption of the voter approval M&O rate as shown in the attached Truth-In-Taxation Model based upon growth assumptions.

⁽⁵⁾ Tax collections assumed to be 100%.

City of Hondo, Texas Water and Sewer Fund Proforma December 13, 2023									
FYE (9/30)	Revenues ⁽¹⁾	Operating Expenditures ⁽²⁾	Available for Debt Service	Existing Debt Service	Certificates of Obligation, Series 2024			New Total Debt Service	Surplus/ (Deficiency)
					Principal	Interest ⁽³⁾	Total		
2022	\$ 5,410,166	\$ 2,967,829	\$ 2,442,337	\$ 623,293				\$ 623,293	\$ 1,819,044
2023	5,410,166	2,967,829	2,442,337	621,707				621,707	1,820,630
2024	5,410,166	2,967,829	2,442,337	570,384				570,384	1,871,953
2025	5,410,166	2,967,829	2,442,337	573,692	\$ 195,000	\$ 563,011	\$ 758,011	1,331,703	1,110,634
2026	5,410,166	2,967,829	2,442,337	529,827	340,000	373,400	713,400	1,243,227	1,199,110
2027	5,410,166	2,967,829	2,442,337	530,641	355,000	359,500	714,500	1,245,141	1,197,196
2028	5,410,166	2,967,829	2,442,337	446,688	370,000	345,000	715,000	1,161,688	1,280,649
2029	5,410,166	2,967,829	2,442,337	447,926	385,000	329,900	714,900	1,162,826	1,279,512
2030	5,410,166	2,967,829	2,442,337	448,537	400,000	314,200	714,200	1,162,737	1,279,600
2031	5,410,166	2,967,829	2,442,337	448,580	415,000	297,900	712,900	1,161,480	1,280,857
2032	5,410,166	2,967,829	2,442,337	448,092	435,000	280,900	715,900	1,163,992	1,278,345
2033	5,410,166	2,967,829	2,442,337	446,979	450,000	263,200	713,200	1,160,179	1,282,158
2034	5,410,166	2,967,829	2,442,337	450,364	470,000	244,800	714,800	1,165,164	1,277,174
2035	5,410,166	2,967,829	2,442,337	447,980	490,000	225,600	715,600	1,163,580	1,278,757
2036	5,410,166	2,967,829	2,442,337	355,074	510,000	205,600	715,600	1,070,674	1,371,663
2037	5,410,166	2,967,829	2,442,337	-	530,000	184,800	714,800	714,800	1,727,537
2038	5,410,166	2,967,829	2,442,337	-	550,000	163,200	713,200	713,200	1,729,137
2039	5,410,166	2,967,829	2,442,337	-	575,000	140,700	715,700	715,700	1,726,637
2040	5,410,166	2,967,829	2,442,337	-	595,000	117,300	712,300	712,300	1,730,037
2041	5,410,166	2,967,829	2,442,337	-	620,000	93,000	713,000	713,000	1,729,337
2042	5,410,166	2,967,829	2,442,337	-	645,000	67,700	712,700	712,700	1,729,637
2042	5,410,166	2,967,829	2,442,337	-	670,000	41,400	711,400	711,400	1,730,937
2043	5,410,166	2,967,829	2,442,337	-	700,000	14,000	714,000	714,000	1,728,337
Total				\$ 7,389,763	\$ 9,700,000	\$ 4,625,111	\$ 14,325,111	\$ 21,714,874	

⁽¹⁾ Revenues based upon audited 2022 financials and excludes Transfers In.

⁽²⁾ Operating Expenditures based upon audited 2022 financials. Excludes depreciation and includes transfers out.

⁽³⁾ Preliminary, subject to change. Interest rate calculated to be 4.00% for illustrative purposes only.

⁽⁴⁾ Preliminary, subject to change. Interest rate calculated to be 4.00% for illustrative purposes only. Anticipated to be a TWDB financing at subsidized interest rates. Project may be eligible for 0% interest loan and grants which are not considered herein.



PROPOSED DEBT CAPITAL PROJECTS 2023/2024

Department	Fund	Description	Debt
PARKS	GENERAL	PARKS PROJECTS	\$400,000
FAIR HALL	GENERAL	FAIR HALL RENOVATION	\$400,000
	GENERAL	TOTAL	\$800,000
ELECTRIC	ELECTRIC	AIRPORT RE-CONDUCTOR PROJECT	\$550,000
	ELECTRIC	TOTAL	\$550,000
WATER	UTILITY WTR	DOWNTOWN GROUND STORAGE TANK	\$750,000
WATER	UTILITY WTR	WELL #2 ELECTRICAL UPGRADE	\$250,000
WATER	UTILITY WTR	WATER RIGHTS PURCHASE	\$1,500,000
WASTEWATER	UTILITY WTR	WEST SIDE TRUNK MAIN	\$7,200,000
	UTILITY WTR	TOTAL	\$9,700,000
AIRPORT	AIRPORT	AIRPORT IMPROVEMENTS	\$250,000
	AIRPORT	TOTAL	\$250,000
		TOTAL PROJECTS	\$11,300,000

PROJECT NAME	30 TH STREET TRUNK LINE
PROJECT #	24-001
ESTIMATED COST	\$7,200,000.00
COST BASED ON	KSA OPC

Many of the collection system improvements identified in the 2010 Sanitary Sewer Evaluation Study have been completed. One of the exceptions is the 30th Street Trunk Main, which is still at capacity. It is surcharged at ordinary conditions and experiences overflows. Although the updated calculations completed as part of this infrastructure review indicate capacity remaining in the WWTP, it is assumed that this trunk main will limit development on the west side of the City including the industrial areas around the airport.

KSA estimated the upgrade costs of this line based on the upgrade beginning at Manhole **A13** on Carter Street (the point at which the **12** inch for AIN ends) all the way to the intersection of 30th and Avenue E. We have also assumed a **24** inch line from start to finish.

Description	Quantity	Unit	Unit Price	Total
Mobilization, Insurance, and Bonds (10%)	1	LS	\$742,000.00	\$ 742,000.00
Barricades, Signs, and Traffic Handling	1	LS	\$ 15,000.00	\$ 15,000.00
Care of Water During Construction	1	LS	\$ 40,000.00	\$ 40,000.00
Stormwater Pollution Prevention	1	LS	\$ 20,000.00	\$ 20,000.00
Miscellaneous Allowance	1	AL	\$250,000.00	\$ 250,000.00
Gravity Sewer Line and Manhole Testing	1	LS	\$ 35,000.00	\$ 35,000.00
Tie-in System	2	LS	\$ 15,000.00	\$ 30,000.00
24-in-115 Gravity Sewer Line (Less than 20-ft Trench)	12950	LF	\$ 300.00	\$ 3,885,000.00
Barbed Wire Fence Repair	200	LF	\$ 15.00	\$ 3,000.00
Open Cut and repair Gravel Drive	500	SY	\$ 40.00	\$ 20,000.00
Asphalt Street Repair	7228	SY	\$ 35.00	\$ 252,980.00
48-in Manholes	37	EA	\$ 15,000.00	\$ 555,000.00
30-in Bore & Casing	200	LF	\$ 800.00	\$ 160,000.00
Reconnect Services	60	EA	\$ 2,500.00	\$ 150,000.00
Hydromulch	1.72	AC	\$ 3,500.00	\$ 6,020.00
Erosion Control Matting	8333	SY	\$ 5.00	\$ 41,665.00
Filter Fabric Fence	7500	LF	\$ 4.00	\$ 30,000.00
Clearing and Grubbing	2.3	AC	\$ 5,500.00	\$ 12,650.00
Foundation Material for Trench	50	CY	\$ 50.00	\$ 2,500.00
Excavation Safety	1	LS	\$ 20,000.00	\$ 20,000.00
Trench Safety	13000	LF	\$ 2.00	\$ 26,000.00
			Total	\$ 6,296,815.00
			Construction Contingencies (14.5%)	\$ 913,038.18
			Opinion of Probable Cost	\$ 7,209,853.18

Figure 1: Map of the 30th Street Trunk



PROJECT NAME	DOWNTOWN GROUND STORAGE TANK REHAB
PROJECT #	24-002
ESTIMATED COST	\$750,000.00
COST BASED ON	FREESE AND NICKOLS OPC AND STAFF SOURCED BIDS

Critical maintenance and upgrades to a water storage tank that currently fails to meet standards of the Texas Commission on Environmental Quality (TCEQ). Key issues with the tank include extensive rusting, holes in the roof, absence of cathodic protection (a technique used to control the corrosion of a metal surface), and severely rusted roof beams.

This tank has consistently failed inspections and has been a proposed item for the Capital Improvement Plan (CIP) for three consecutive cycles, yet it remains unaddressed. The urgency of funding this project stems from the potential risks it poses. Non-compliance with TCEQ regulations is a primary concern, but more critically, there is a tangible risk of drinking water contamination.

Given the severity of these issues, this project is deemed the most crucial for the water division in this year's budget. Delaying or overlooking this project could lead to significant health and safety hazards, as well as legal and regulatory repercussions.

SAFETY CONDITIONS



Safety Rails

Safety rails installed and in good condition.



Tank Access

Tank access is proper size and configuration. Heavy rusting along the seams and panels around hatch.

EXTERIOR COATING CONDITIONS



Exterior Wall Coatings

Fair Condition, some signs of rusting. 7-10 mils of paint



Exterior Roof Coating

Poor condition. Numerous holes around hatches and vents.



Vent

Vent are in poor condition. Rusting out at base, allowing water and debris to enter tank.



Overflow

Overflow is compliant with current standards.



Exterior Coating: Roof

Poor Condition. The roof buckles and moves because beams are in poor condition.



Exterior Roof

Poor Condition. Low spots around hatch, numerous exterior rust areas

Description	Quantity	Unit	Unit Price	Total
Ground Storage Tank Painting				
Blast and Paint Tank Exterior	7428	SF	\$ 12.00	\$ 89,136.00
Blast and Paint Tank Interior	9451	SF	\$ 13.00	\$ 122,863.00
Dehumidication and Containment	1	LS	\$ 35,000.00	\$ 35,000.00
Safety Procedures and Waste Stablization	1	LS	\$ 10,000.00	\$ 10,000.00
Ground Storage Tank Repair Exterior				
Remove 24" Manhole and Install 36" Manhole	1	LS	\$ 20,000.00	\$ 20,000.00
Recoat Exterior Piping and Valves	1	LS	\$ 5,000.00	\$ 5,000.00
Remove and Replace Exterior Ladder System	40	LF	\$ 250.00	\$ 10,000.00
Remove and Replace Exterior Ladder Safety Device	1	LS	\$ 8,000.00	\$ 8,000.00
Remove 2 each 12" Vents and Replace with 24"Vent	1	LS	\$ 30,000.00	\$ 30,000.00
Remove and Replace 30" Square Interior Access Hatch with 42"Square Hatch	1	LS	\$ 30,000.00	\$ 30,000.00
Install Gate and Guardrail around New 42" Interior Access Hatch	1	LS	\$ 6,000.00	\$ 6,000.00
Install New 36" Square Hatch over New Overflow Weir	1	LS	\$ 15,000.00	\$ 15,000.00
Light Abrasive Blast of Concrete Foundation and Provide Non-Shrink Grout at Spalls, honeycombs, and cracks	1	LS	\$ 5,000.00	\$ 5,000.00
Concrete Repair of Foundation	1	LS	\$ 1,500.00	\$ 1,500.00
Install Guardrail around Tank perimeter	170	LF	\$ 250.00	\$ 42,500.00
Miscellaneous Electrical	1	LS	\$ 8,000.00	\$ 8,000.00
Miscellaneous Welding	40	MH	\$ 236.00	\$ 9,440.00
Install Sample Tap	1	EA	\$ 800.00	\$ 800.00
Roof Cp Handhole Repairs	11	EA	\$ 400.00	\$ 4,400.00
Ground Storage Tank Repair - Interior				
Replace Rafters	30	EA	\$ 1,500.00	\$ 45,000.00
Replace Shell Clip for Rafters Including Hardware	30	EA	\$ 500.00	\$ 15,000.00
Interior Shell Pit Welding	1	LS	\$ 7,500.00	\$ 7,500.00
Repair Tank Floor as Determined by Inspection	1	LS	\$ 10,000.00	\$ 10,000.00
Miscellaneous Roof Repairs	20	EA	\$ 400.00	\$ 8,000.00
Remove and Replace Interior Ladder System	31	LF	\$ 400.00	\$ 12,400.00
Install Interior Ladder System Safety Features	1	LS	\$ 6,000.00	\$ 6,000.00
Internal Overflow Repairs	1	LS	\$ 9,000.00	\$ 9,000.00
Repair Crows Nest Support	1	LS	\$ 12,000.00	\$ 12,000.00
Ground Storage Tank Piping Improvements				
Modify Inlet Piping and install 12" Gate Valve	1	LS	\$ 12,000.00	\$ 12,000.00
Replace Butterfly Valve on Outlet Piping	1	LS	\$ 12,000.00	\$ 12,000.00
Replace Drain Gate Valve, Including Installing New Drain Nozzle	1	LS	\$ 12,000.00	\$ 12,000.00
Replace Overflow Pipe Flap Valve	1	LS	\$ 8,000.00	\$ 8,000.00
			SubTotal	\$ 621,539.00
			Contingency	\$ 125,000.00
			Total	\$ 746,539.00

PROJECT NAME	WELL SITE #2 ELECTRICAL UPGRADE
PROJECT #	24-003
ESTIMATED COST	\$250,000.00
COST BASED ON	STAFF ESTIMATE - WITHOUT BIDS

The funding request for the **Well Site # 2 (Golf Course Well)** project is driven by the critical need to update the antiquated electrical system, which is over 50 years old. The current system's age not only makes it unreliable but also poses a significant challenge in sourcing parts for repairs. This site plays a vital role in the city's water supply infrastructure, especially during emergencies. It serves as one of the primary backup sources for water distribution to crucial areas, including the city, the prison, and the industrial park.

In the event of a system failure at this site, and if it cannot be promptly restored, the risk escalates significantly. Should another site simultaneously experience downtime or a major leak occur, it could result in a substantial loss of water supply to a large portion of the city. This scenario could lead to severe consequences, potentially affecting residential areas, critical facilities, and industrial operations.

Therefore, the urgency of this funding request is underscored by the need to ensure the reliability and resilience of the city's water supply system, particularly in emergency situations. The upgrade of the electrical system at Well Site # 2 is not just a matter of maintenance; it's a crucial step in safeguarding the city's water security and preventing a potential water crisis.

JOB SPECIFICATIONS

277/480 Volts – 3 Ph 4 wire

600-amp MCB – with 3 phase Ammeter and Voltmeter with selector (or a Power Meter)

NEMA 1A

42K AIC

3 – Size 4 FVNR starters 50 Hp – with MCP, CPT, Phase Failure Relay, ETM, Timer, HOA, Red/Green Pilot Lights, Delay Start Timer

1 – 125 Hp Red Voltage Solid State Starter with Iso Contactor and By-pass Contactor (for FVNR Start)- Severe Duty-MCP – Delay Start Timer, ETM, Red and Green Pilot lights and HOA.

1 – 40 a/ 3 pole Feeder (Xfmr Feeder)

1 –30 KVA Xfmr

1 – Lighting Panel – 30 Circuit – 100 amp

New Construction • Maintenance • Voice & Data

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Regulated by The Texas Department of Licensing and Regulation, P.O. Box 12157, Austin, Texas 78711, 1-800-803-9202, 512-463-6599; website: www.license.state.tx.us/complaints.

1 – 30 amp/ 3 pole Feeder Bkr – SPD Feeder

1 – 160 kA SPD

6 – 12" Space for Future

PROJECT NAME	WATER RIGHTS PURCHASE
PROJECT #	24-004
ESTIMATED COST	\$1,500,000.00
COST BASED ON	CURRENT FLUCTUATING MARKET RATES

The Edwards Aquifer Authority (EAA) regulates the use of water from the aquifer to ensure sustainable use and to protect endangered species that live in the aquifer system. Entities must have rights to legally draw water from the aquifer. As the region's population and economic activities grow, the demand for water increases. Purchasing water rights is essential for cities and businesses to secure their water supply. The EAA allows for the market based transfer of water rights, enabling entities that need more water to purchase rights from those who have excess. The cost of water rights can be significant and varies based on demand, availability, and regulatory conditions. The city will use the requested funds for the purchase of water rights

Without restrictions, the city can use **2,645.919 AF** of water. There are 5 stages of drought that can restrict the amount of water available. At current market rate we believe that we can hire a consultant to help us with the purchase of an additional **200 AF** of water.

PROJECT NAME	Airport Re-Conductor Project
PROJECT #	24-005
ESTIMATED COST	\$550,000
COST BASED ON	STAFF SOURCED BIDS

Companies are interested in the industrial area near the airport. As we continue to grow and attract new business this project will be vital to insure the city's ability to provide power. Current lines are in poor condition and over 2 miles of old copper infrastructure need to be replaced with ACSR wire to support future growth.

JOB SPECIFICATIONS

2 mile reconduct

Replace 66 poles

Add new anchors and guides at every junction and take off

Lights transformers, capacitor banks transferred

PROJECT NAME	NEW BASEBALL FIELDS
PROJECT #	24-006
ESTIMATED COST	\$400,000.00
COST BASED ON	STAFF SOURCED BIDS

Staff has put forward a proposal for the construction of two new fields in the vicinity of the recreation center, adjacent to the existing practice fields. These fields are designed to meet Little League standards and will feature several key amenities:

1. **Turf Infields:** The infields of the proposed fields will be equipped with high-quality turf, ensuring a consistent playing surface and reduced maintenance.
2. **Backstops and Dugouts:** Each field will have backstops to protect spectators and dugouts for the teams, providing a professional and safe environment for the players.
3. **Sprinkler System:** An integrated sprinkler system will be installed for efficient maintenance of the grass outfields, ensuring they remain in top condition.
4. **Aluminum Bleachers:** Spectator seating will be provided through durable aluminum bleachers, offering comfortable viewing for games and events.
5. **Grass Outfields:** The outfields will be natural grass, providing an authentic playing experience and aesthetic appeal.
6. **Fencing:** Chain link fence, with a safety barrier on top, will be installed by staff.

Additionally, the existing red barn near the proposed field location will undergo renovation to serve as a multifunctional facility. This renovation will include:

- **Restrooms:** Modern, accessible restrooms to accommodate players and spectators.
- **Concession Stands:** The facility will house concession stands capable of serving up to four fields, enhancing the overall experience for visitors.

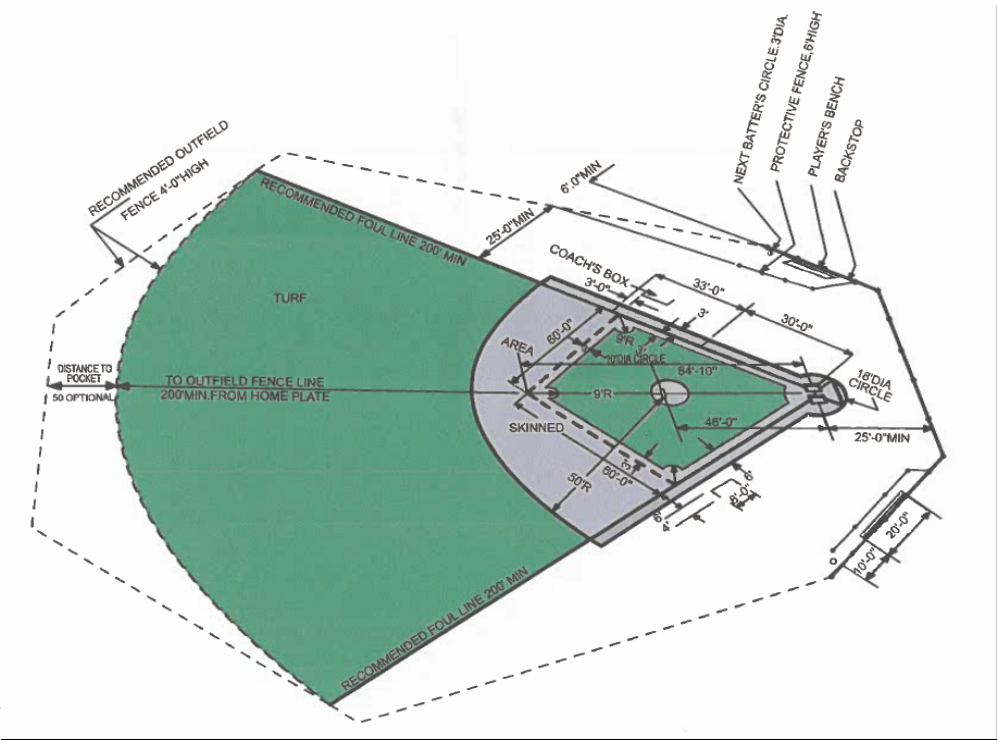
As part of this project, the old concession stand currently in use will be demolished to make way for these new, improved facilities. This development aims to enhance the local sports infrastructure, support youth activities, and provide a community space for various events.

Description	Total
Complete infield with tuff, sand, bases, and pitcher's mound	\$110,362.00
Fence, dugouts, and backstop	\$115,000.00
Bleachers	\$5,000.00
Outfield sprinkler system + hydro mulch	\$68,000.00
Renovate red barn (restrooms, concession)	\$77,000.00
	\$375,362.00

Figure 1: Proposed Location



Figure 2: Little League Baseball Field Dimensions



PROJECT NAME	Fair Hall
PROJECT #	24-007
ESTIMATED COST	\$400,000
COST BASED ON	STAFF SOURCED BIDS

The Fair Hall in Hondo, a cherished venue for community events, is poised for a significant remodel. Staff is evaluating bids for two main ceiling options: a modern drop-down ceiling and a similarly priced spray foam ceiling, each offering distinct benefits in aesthetics, insulation, and acoustics. However, to fully realize the council's vision for the hall, additional funding may be necessary, particularly if the renovation work is outsourced rather than conducted in-house, underscoring the need for careful budgetary planning to ensure the project's success and the hall's continued appeal and functionality. Please see the pictures below.



Description	Total
Remove Garage Doors and Enclose	\$ 11,500.00
Remove two garage doors and enclose walls	
Match existing t-11 plywood and insulate between walls	
Purchase R Panel match color as close as possible to exterior.	
Get wall ready to paint on the interior	
Paint Walls In Fair Hall Area	\$ 17,500.00
Prime all t1-11 walls	
Prep walls for paint. Fill in all holes and seams. Caulk trim as needed	
Paint all walls in Fair Hall 10.5 high	
Paint exposed purlin	
Men's and Women's Restroom	\$ 72,000.00
Women's	
Patch concrete that is chipped and toilets that will be removed and plumbing capped off	
Apply a non slip paint and paint flooring in restroom	
5 new restroom stalls commercial grade	
remove two stalls	
leave a changing room on the end	
can lighting and vent fan needs to be added in restroom	
2 new granite counterops with under mount sinks added	
sinks to be ADA with one ADA restroom stall	
Patch walls and Ceilings	
Men's	
Patch concrete that is chipped and toilets that will be removed and plumbing capped off	
Apply a non slip paint and paint flooring in restroom	
Install 3 new toilet stalls	
5 urinals for men's restroom plumbed in and installed	
Leave a changing room on the end	
Can lighting and vent fan needs to be added in restroom	
2 new granite counterops with under mount sinks added	
sinks to be ADA with one ADA restroom stall	
Patch walls and ceiling	
Drop Ceiling	\$ 146,850.00
Install new ceiling grid in entire fair hall reception area	
Lights for drop ceiling (210)	
Wiring for switches and Lighting	
HVAC	\$ 200,000.00
10 Ton unit (4)	
5 Ton unit (1)	
Total	\$ 447,850.00

PROJECT NAME	Airport Concrete Repair
PROJECT #	24-006
ESTIMATED COST	\$250,000
COST BASED ON	STAFF SOURCED BIDS

The concrete ramp and apron areas at the airport, crucial for operations, are currently in dire need of maintenance and repair. Particularly, the panels near the fuel area are in the poorest condition, with 17 of them requiring full replacement. After a thorough review of the airport's funding and budget, it has been concluded that addressing this project would yield the highest benefit. Importantly, it can be undertaken without imposing an excessive financial burden on the airport's budget, making it a feasible and necessary improvement.



Description	Quantity	Unit	Unit Price	Total
Installation	888	SQYD	\$ 155.00	\$ 137,640.00
Demo	8000	SQFT	\$ 4.00	\$ 32,000.00
Mobilization	1	N/A	\$ 4,000.00	\$ 4,000.00
Engineering	1	N/A	\$ 35,000.00	\$ 35,000.00
			Total	\$ 208,640.00
			Construction Contingencies (15.0)	\$ 31,296.00
			Opinion of Probable Cost	\$ 239,936.00

\$11,300,000*
CITY OF HONDO, TEXAS (THE "CITY")
COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION,
SERIES 2024 (THE "OBLIGATIONS")

December							January							February							March						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1	2		1	2	3	4	5	6					1	2	3						1	2
3	4	5	6	7	8	9	7	8	9	10	11	12	13	4	5	6	7	8	9	10	3	4	5	6	7	8	9
10	11	12	13	14	15	16	14	15	16	17	18	19	20	11	12	13	14	15	16	17	10	11	12	13	14	15	16
17	18	19	20	21	22	23	21	22	23	24	25	26	27	18	19	20	21	22	23	24	17	18	19	20	21	22	23
24	25	26	27	28	29	30	28	29	30	31				25	26	27	28	29			24	25	26	27	28	29	30
31																					31						

Monday, November 27, 2023	SAMCO Capital Markets, Inc. ("SAMCO") briefs City Council on the Certificates of Obligation, Series 2023
Monday, December 11, 2023	SAMCO sends Request for Information to the City
Monday, December 18, 2023	The City sends back completed RFI
Monday, January 8, 2024	City Council authorizes the Notice of Intention Resolution ("NOI") to issue the Obligations
Tuesday, January 9, 2024	City posts NOI to the City's formal internet website (at least 45 days prior to ordinance adoption)
Thursday, January 11, 2024	First publication of the NOI in City's paper of record (at least 46 days prior to ordinance adoption)
Monday, January 15, 2024	First draft of the Notice of Sale ("NOS") and the Preliminary Official Statement ("POS") sent to McCall, Parkhurst & Horton L.L.P., Bond Counsel to the City, for review and comments
Thursday, January 18, 2024	Second publication of the NOI in the City's paper of record
Monday, January 22, 2024	Comments due on the first draft of the NOS/POS
Wednesday, January 24, 2024	Second draft of NOS/POS sent to City, Bond Counsel and Rating Agency
Week of February 5, 2024	Hold Rating Call with the City and Rating Agency
Monday, February 12, 2024	Comments due on the second draft of the NOS/POS
Wednesday, February 14, 2024	Post NOS/POS to the Municipal Advisory Council
Monday, February 19, 2024	Post the NOS/POS to SAMCO website and email link to potential purchasers
	Rating and Insurance due back
Monday, February 26, 2024	Bids due at 12:00 PM (Noon) Central Time;
	6:00 p.m. City Council authorizes the issuance of the Obligations at a competitive sale.
Wednesday, March 27, 2024	Obligations Closing; Funds wired to the City's depository bank

**Preliminary; subject to change.*

RESOLUTION NO. _419-24

**AUTHORIZING AND APPROVING PUBLICATION AND POSTING OF
NOTICE OF INTENTION TO ISSUE CITY OF HONDO, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE
CERTIFICATES OF OBLIGATION IN A MAXIMUM AGGREGATE
PRINCIPAL AMOUNT NOT TO EXCEED \$11,300,000 AND
PROVIDING AN EFFECTIVE DATE**

* * * * *

WHEREAS, the City Council (the *Governing Body*) of the City of Hondo, Texas (the *City*) has determined that it is advisable and necessary to issue and sell one or more series of certificates of obligation (the *Certificates*), the interest on which may or may not be included in the gross income of the holders thereof for purposes of federal income taxation, in an aggregate amount not to exceed \$11,300,000 as provided pursuant to the provisions of the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code, Section 271.041 through 271.064, for the purpose of paying contractual obligations of the City to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) constructing street improvements (including utilities repair, replacement, and relocation), curbs, gutters, and sidewalk improvements, including drainage improvements and landscaping incidental thereto, (2) designing, acquiring, constructing, renovating, improving, equipping, repairing, enlarging, and/or extending the City's facilities, including the City's existing Fair Hall and airport, as well as necessary capital maintenance and utilities relocation, drainage, and landscaping necessary or incidental thereto, (3) designing, acquiring, constructing, renovating, improving, equipping, repairing, enlarging, and/or extending the City's utility system, including the acquisition of various water rights, (4) acquiring, purchasing, constructing, renovating, improving, equipping, repairing, enlarging and/or extending City community parks and recreation facilities that are generally accessible to the public and is part of the City's park system, (5) purchasing real property, materials, supplies, equipment, information technology, machinery, landscaping, land, and rights of way for authorized needs and purposes related to the aforementioned capital improvements, and (6) the payment of professional services related to the acquisition, design, construction, project management, and financing of the aforementioned projects; and

WHEREAS, prior to the issuance of the Certificates, the Governing Body is required to publish notice of its intention to issue the Certificates in a newspaper of general circulation and, if the City maintains an Internet website, post such notice of intention on the City's Internet website, such notice stating: (i) the time and place the City Council tentatively proposes to pass the resolution authorizing the issuance of the Certificates; (ii) the purposes for which the Certificates are to be issued; (iii) the manner in which the City Council proposes to pay the Certificates; (iv) the then-current principal amount of all outstanding ad valorem debt obligations of the City; (v) the then-current combined principal and interest required to pay all outstanding ad valorem debt obligations of the City on time and in full, which may be based on the City's expectations relative to the interest due on any variable rate ad valorem debt obligations; (vi) the

maximum principal amount of the Certificates to be authorized; (vii) the estimated interest rate for the Certificates to be authorized or that the maximum interest rate for the Certificates may not exceed the maximum legal interest rate; and (viii) the maximum maturity date of the Certificates to be authorized; and

WHEREAS, the Governing Body hereby finds and determines that such documents pertaining to the sale of the Certificates should be approved, and the City should proceed with the giving of notice of intention to issue the Certificates in the time, form, and manner provided by law; and

WHEREAS, the Governing Body hereby finds and determines that the adoption of this Resolution is in the best interests of the residents of the City; **NOW, THEREFORE**,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HONDO, TEXAS:

SECTION 1. The City Secretary is hereby authorized to cause to be published notice of the Governing Body's intention to issue the Certificates in one or more series (the interest on which on which may or may not be included in the gross income of the holders thereof for purposes of federal income taxation) and in aggregate amount not to exceed \$11,300,000 for the purpose of paying contractual obligations of the City to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) constructing street improvements (including utilities repair, replacement, and relocation), curbs, gutters, and sidewalk improvements, including drainage improvements and landscaping incidental thereto, (2) designing, acquiring, constructing, renovating, improving, equipping, repairing, enlarging, and/or extending the City's facilities, including the City's existing Fair Hall and airport, as well as necessary capital maintenance and utilities relocation, drainage, and landscaping necessary or incidental thereto, (3) designing, acquiring, constructing, renovating, improving, equipping, repairing, enlarging, and/or extending the City's utility system, including the acquisition of various water rights, (4) acquiring, purchasing, constructing, renovating, improving, equipping, repairing, enlarging and/or extending City community parks and recreation facilities that are generally accessible to the public and is part of the City's park system, (5) purchasing real property, materials, supplies, equipment, information technology, machinery, landscaping, land, and rights of way for authorized needs and purposes related to the aforementioned capital improvements, and (6) the payment of professional services related to the acquisition, design, construction, project management, and financing of the aforementioned projects. The Certificates will be payable from the levy of an annual ad valorem tax, within the limitations prescribed by law, upon all taxable property within the City and additionally from a pledge of and lien on certain revenues derived from the operation of the City's municipally owned combined utility system. The notice hereby approved and authorized to be published shall read substantially in the form and content of Exhibit A attached hereto, which notice is incorporated herein by reference as a part of this Resolution for all purposes.

SECTION 2. The City Secretary shall cause the notice described in Section 1 to be published in a newspaper of general circulation in the City, once a week for two (2) consecutive weeks, the date of the first publication shall be at least forty-six (46) days prior to the date stated therein for passage of the Resolution authorizing the issuance of the Certificates. Additionally,

the City Secretary shall cause the notice described in Section 1 to be posted continuously on the City's website for at least forty-five (45) days prior to the date stated therein for passage of the Resolution authorizing the issuance of the Certificates.

SECTION 3. The City Secretary is directed to maintain a copy of this Resolution in the City's official records in a manner that will allow any member of the general public to review this Resolution during the normal business hours of the City during the period beginning thirty (30) days after the adoption hereof and ending on the date of issuance of the Certificates.

SECTION 4. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

SECTION 5. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 6. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this Resolution would have been enacted without such invalid provision.

SECTION 7. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 8. The City Council hereby finds that the statements set forth in the recitals of this Resolution are true and correct, and the City Council hereby incorporates such recitals as a part of this Resolution.

SECTION 9. This Resolution shall become effective immediately upon passage.

* * *

PASSED AND ADOPTED on the 8th day of January, 2024.

CITY OF HONDO, TEXAS

Mayor

ATTEST:

City Secretary

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EXHIBIT A

CITY OF HONDO, TEXAS NOTICE OF INTENTION TO ISSUE COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION

NOTICE IS HEREBY GIVEN that the City Council of the City of Hondo, Texas will convene at its regular meeting place in the City Council Chambers at 1600 Avenue M., Hondo, Texas 78861 at 6:00 P.M., Hondo, Texas time, on February 26, 2024 (in the event the City Council will be unable to meet at the above-specified location, the City will post information on its website for attending the meeting by telephone, teleconference, or other electronic means as well as any additional information regarding the meeting should the time, date, or location change), and during such meeting, the City Council will consider the passage of a Resolution and take such actions as may be deemed necessary to authorize the issuance of one or more series of certificates of obligation (the interest on which may or may not be included in the gross income of the holders thereof for purposes of federal income taxation) in an aggregate principal amount not to exceed \$11,300,000 for the purpose or purposes of paying contractual obligations of the City to be incurred for making permanent public improvements and for other public purposes, to wit: (1) constructing street improvements (including utilities repair, replacement, and relocation), curbs, gutters, and sidewalk improvements, including drainage improvements and landscaping incidental thereto, (2) designing, acquiring, constructing, renovating, improving, equipping, repairing, enlarging, and/or extending the City's facilities, including the City's existing Fair Hall and airport, as well as necessary capital maintenance and utilities relocation, drainage, and landscaping necessary or incidental thereto, (3) designing, acquiring, constructing, renovating, improving, equipping, repairing, enlarging, and/or extending the City's utility system, including the acquisition of various water rights, (4) acquiring, purchasing, constructing, renovating, improving, equipping, repairing, enlarging and/or extending City community parks and recreation facilities that are generally accessible to the public and is part of the City's park system, (5) purchasing real property, materials, supplies, equipment, information technology, machinery, landscaping, land, and rights of way for authorized needs and purposes related to the aforementioned capital improvements, and (6) the payment of professional services related to the acquisition, design, construction, project management, and financing of the aforementioned projects (collectively, the "Projects"), and for paying all or a portion of the legal, financial and engineering fees in connection with the Projects and the costs of issuance related to such hereinafter defined Certificates. Each series of certificates (together, the "Certificates") will be payable from the levy of an annual ad valorem tax, within the limitations prescribed by law, upon all taxable property within the City and, additionally, from a pledge of and lien on certain revenues derived from the operation of the City's municipally owned combined utility system. In accordance with Section 271.049, as amended, Texas Local Government Code, (i) the current principal amount of all of the City's outstanding public securities secured by and payable from ad valorem taxes is \$13,034,000; (ii) the current combined principal and interest required to pay all of the City's outstanding public securities secured by and payable from ad valorem taxes on time and in full is \$15,602,730.32; (iii) the estimated combined principal and interest required to pay the Certificates to be authorized on time and in full is \$16,688,022.22; (iv) the maximum interest rate for the Certificates may not exceed the maximum legal interest rate; and (v) the maximum maturity date of the Certificates to be authorized is February 1, 2044. The Certificates are to be issued, and this notice is given, under and pursuant to the provisions of the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code Section 271.041 through Section 271.064, and Chapter 1502, Texas Government Code, as amended, and the City's Home Rule Charter.

/s/ Stephanie Velasquez

City Secretary

City of Hondo, Texas

RESOLUTION NO. 419B-24

**AUTHORIZING AND APPROVING PUBLICATION AND POSTING OF
NOTICE OF INTENTION TO ISSUE CITY OF HONDO, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE
CERTIFICATES OF OBLIGATION IN A MAXIMUM AGGREGATE
PRINCIPAL AMOUNT NOT TO EXCEED \$10,500,000 AND
PROVIDING AN EFFECTIVE DATE**

* * * * *

WHEREAS, the City Council (the *Governing Body*) of the City of Hondo, Texas (the *City*) has determined that it is advisable and necessary to issue and sell one or more series of certificates of obligation (the *Certificates*), the interest on which may or may not be included in the gross income of the holders thereof for purposes of federal income taxation, in an aggregate amount not to exceed \$10,500,000 as provided pursuant to the provisions of the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code, Section 271.041 through 271.064, for the purpose of paying contractual obligations of the City to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) constructing street improvements (including utilities repair, replacement, and relocation), curbs, gutters, and sidewalk improvements, including drainage improvements and landscaping incidental thereto, (2) designing, acquiring, constructing, renovating, improving, equipping, repairing, enlarging, and/or extending the City's facilities, including the City's existing airport, as well as necessary capital maintenance and utilities relocation, drainage, and landscaping necessary or incidental thereto, (3) designing, acquiring, constructing, renovating, improving, equipping, repairing, enlarging, and/or extending the City's utility system, including the acquisition of various water rights, (4) purchasing real property, materials, supplies, equipment, information technology, machinery, landscaping, land, and rights of way for authorized needs and purposes related to the aforementioned capital improvements, and (5) the payment of professional services related to the acquisition, design, construction, project management, and financing of the aforementioned projects; and

WHEREAS, prior to the issuance of the Certificates, the Governing Body is required to publish notice of its intention to issue the Certificates in a newspaper of general circulation and, if the City maintains an Internet website, post such notice of intention on the City's Internet website, such notice stating: (i) the time and place the City Council tentatively proposes to pass the resolution authorizing the issuance of the Certificates; (ii) the purposes for which the Certificates are to be issued; (iii) the manner in which the City Council proposes to pay the Certificates; (iv) the then-current principal amount of all outstanding ad valorem debt obligations of the City; (v) the then-current combined principal and interest required to pay all outstanding ad valorem debt obligations of the City on time and in full, which may be based on the City's expectations relative to the interest due on any variable rate ad valorem debt obligations; (vi) the maximum principal amount of the Certificates to be authorized; (vii) the estimated interest rate for the Certificates to be authorized or that the maximum interest rate for the Certificates may not

exceed the maximum legal interest rate; and (viii) the maximum maturity date of the Certificates to be authorized; and

WHEREAS, the Governing Body hereby finds and determines that such documents pertaining to the sale of the Certificates should be approved, and the City should proceed with the giving of notice of intention to issue the Certificates in the time, form, and manner provided by law; and

WHEREAS, the Governing Body hereby finds and determines that the adoption of this Resolution is in the best interests of the residents of the City; **NOW, THEREFORE**,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HONDO, TEXAS:

SECTION 1. The City Secretary is hereby authorized to cause to be published notice of the Governing Body's intention to issue the Certificates in one or more series (the interest on which on which may or may not be included in the gross income of the holders thereof for purposes of federal income taxation) and in aggregate amount not to exceed \$10,500,000 for the purpose of paying contractual obligations of the City to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) constructing street improvements (including utilities repair, replacement, and relocation), curbs, gutters, and sidewalk improvements, including drainage improvements and landscaping incidental thereto, (2) designing, acquiring, constructing, renovating, improving, equipping, repairing, enlarging, and/or extending the City's facilities, including the City's existing airport, as well as necessary capital maintenance and utilities relocation, drainage, and landscaping necessary or incidental thereto, (3) designing, acquiring, constructing, renovating, improving, equipping, repairing, enlarging, and/or extending the City's utility system, including the acquisition of various water rights, (4) purchasing real property, materials, supplies, equipment, information technology, machinery, landscaping, land, and rights of way for authorized needs and purposes related to the aforementioned capital improvements, and (5) the payment of professional services related to the acquisition, design, construction, project management, and financing of the aforementioned projects. The Certificates will be payable from the levy of an annual ad valorem tax, within the limitations prescribed by law, upon all taxable property within the City and additionally from a pledge of and lien on certain revenues derived from the operation of the City's municipally owned combined utility system. The notice hereby approved and authorized to be published shall read substantially in the form and content of Exhibit A attached hereto, which notice is incorporated herein by reference as a part of this Resolution for all purposes.

SECTION 2. The City Secretary shall cause the notice described in Section 1 to be published in a newspaper of general circulation in the City, once a week for two (2) consecutive weeks, the date of the first publication shall be at least forty-six (46) days prior to the date stated therein for passage of the Resolution authorizing the issuance of the Certificates. Additionally, the City Secretary shall cause the notice described in Section 1 to be posted continuously on the City's website for at least forty-five (45) days prior to the date stated therein for passage of the Resolution authorizing the issuance of the Certificates.

SECTION 3. The City Secretary is directed to maintain a copy of this Resolution in the City's official records in a manner that will allow any member of the general public to review this Resolution during the normal business hours of the City during the period beginning thirty (30) days after the adoption hereof and ending on the date of issuance of the Certificates.

SECTION 4. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

SECTION 5. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 6. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this Resolution would have been enacted without such invalid provision.

SECTION 7. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 8. The City Council hereby finds that the statements set forth in the recitals of this Resolution are true and correct, and the City Council hereby incorporates such recitals as a part of this Resolution.

SECTION 9. This Resolution shall become effective immediately upon passage.

* * *

PASSED AND ADOPTED on the 8th day of January, 2024.

CITY OF HONDO, TEXAS

Mayor

ATTEST:

City Secretary

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EXHIBIT A

CITY OF HONDO, TEXAS NOTICE OF INTENTION TO ISSUE COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION

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/s/ Stephanie Velasquez

City Secretary

City of Hondo, Texas



City Council Communication

Title: 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)

Date: January 8, 2024 **From:**

INFORMATION:

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

None

STAFF CONTACTS:



City Council Communication

Title: Discuss and Consider Project Blue - Real Property Acquisition

Date: January 8, 2024 **From:** Justin Soza

INFORMATION:

The propose of this discussion is for the consideration of purchasing the property located at 3002 Ave Q, Hondo, Texas, formerly known as Hondo Nursing and Rehabilitation, for the purpose of remodeling it into a permanent police station.

This proposal is in the preliminary stage and is intended for discussion. The location and structure of the property present a potential opportunity to develop a more suitable and strategically positioned police station. This initiative could address our current and future operational needs effectively.

The purchase and subsequent remodeling of this property warrant a detailed analysis of costs, feasibility, and long-term benefits. I believe this proposal merits thoughtful consideration and discussion by the council.

FINANCIAL IMPACT:

The property at 3002 Ave Q, Hondo, Texas, previously functioning as Hondo Nursing and Rehabilitation, is currently listed for sale at \$400,000. To transform this facility into a fully operational police station, an additional estimated cost of \$3 million is anticipated for necessary renovations.

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

None

STAFF CONTACTS:

Chief Soza



City Council Communication

Title: Discuss personnel matters regarding finance and development services personnel changes.

Date: January 8, 2024

From:

INFORMATION:

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

None

STAFF CONTACTS:



City Council Communication

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

Date: January 8, 2024 **From:**

INFORMATION:

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

None

STAFF CONTACTS: