

MINUTES
REGULAR CITY COUNCIL MEETING
Monday, August 26, 2024 @ 6:00PM
City Council Chambers, 1600 Avenue M Hondo, Texas

1. Call to order.

Mayor McAnelly called the meeting to order at 6:00 p.m.

2. Quorum check.

Mayor John McAnelly Jr., Councilman Brett Williams, Councilman Joe Claire, Mayor Pro Tem Jose “Porky” Ytuarte, Council Woman Rachel Ramirez, Councilman John E. Villa

Absent: None

Staff Present: City Manager John Naron, City Attorney Richard Lindner, Chief Finance Officer Chris Hill, City Secretary Rebekah Dolphus, IT Manager Josh Rodriguez, IT Support Specialist Pauline Martinez, Human Resources Manager Michele Thacker, Assistant Finance Director Olivia Hancock

3. Invocation by Pastor Steve Peyton, New Fountain Methodist Church.

4. Pledge of Allegiance.

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

Indalecio Gonzalez III, 1101 29th Street, Hondo, TX 78861

- Concerns of livestock in the City limits and why State Law can overrule local Ordinance.

- Keeping citizens informed about changes to Law.

CONSENT

The Consent Agenda is considered self-explanatory and will be enacted by the Council with one motion. There will be no separate discussion of these items unless they are removed from the Consent Agenda upon the request of the Mayor or a Council member.

Councilman Villa moved to approve item 6 on the Consent agenda; seconded by Council Woman Ramirez. Motion passes unanimously.

6. Consideration and approval of the August 12, 2024 Regular City Council minutes. (Rebekah Dolphus, City Secretary)

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OTHER BUSINESS

7. Public Hearing on the Proposed Property Tax Rate for Fiscal Year 2024-2025. (Chris Hill, Chief Finance Officer and John Naron, City Manager)

Public Hearing Opened @ 6:08 p.m.

- No public comments

Public Hearing Closed @ 6:10 p.m.

8. Discuss and consider Ordinance 1293-08-24 OF THE CITY COUNCIL OF THE CITY OF HONDO, TEXAS, MAKING APPROPRIATIONS FOR THE SUPPORT OF THE CITY OF HONDO, TEXAS FOR FISCAL YEAR BEGINNING OCTOBER 1, 2024 AND ENDING SEPTEMBER 30, 2025; APPROPRIATING MONEY TO THE SINKING FUND TO PAY PRINCIPAL AND INTEREST DUE ON THE CITY'S INDEBTEDNESS; AND ADOPTING THE ANNUAL BUDGET OF THE CITY OF HONDO FOR THE 2024-2025 FISCAL YEAR AND SETTING AN EFFECTIVE DATE. (Chris Hill, Chief Finance Officer and John Naron, City Manager)

Mr. Hill presented the total budget of \$28,233,376 for all funds, reflecting a \$314,433 decrease from last year due to non-recurring capital projects. The budget includes a 3% salary increase, amounting to \$218,000. There was an additional \$45,000 allocated to the TML insurance pool, higher than expected. However, medical insurance costs only increased by 1.5%, significantly lower than the anticipated 14%.

Council Woman Ramirez moved to approve Ordinance 1293-08-24; seconded by Councilman Claire. The motion carried by the following vote: AYE: Councilman Claire and Council Woman Ramirez NAY: Councilman Williams and Councilman Ytuarte ABSTAIN: Councilman Villa. In a tie-breaking vote, Mayor McAnelly cast an AYE vote, resulting in the motion passing 3-2.

9. Discuss and consider Ordinance 1294-08-24 OF THE CITY COUNCIL OF THE CITY OF HONDO, TEXAS, SETTING THE AD VALOREM TAX RATE OF \$0.4800 CENTS PER \$100.00 VALUATION FOR THE MAINTENANCE AND OPERATIONS AND DEBT SERVICE OF THE MUNICIPAL GOVERNMENT OF THE CITY OF HONDO FOR THE 2024-2025 FISCAL YEAR; PROVIDING WHEN TAXES SHALL BECOME DUE AND WHEN SAME SHALL BECOME DELINQUENT IF NOT PAID. (Chris Hill, Chief Finance Officer John Naron, City Manager)

Mr. Hill presented the proposed \$0.48 tax rate, with \$0.317 for M&O and \$0.163 for I&S, including a \$0.043 unused increment recovery. The rate is below the Voter Approval Rate of \$0.4948. Mr. Williams suggested alternatives to raising taxes, but Mr. Hill emphasized that new developments must be on the tax roll by January 1, and sales tax is declining, leading to fund transfers. Mayor McAnelly noted the budget already draws from the fund balance, and Mr. Naron warned that fund transfers are unsustainable with growing deferred maintenance. Mr. Ytuarte and Mr. Williams expressed concern over repeated tax increases, and Mr. Hill highlighted the City previously dropped rates before growth. Mr. Villa mentioned an additional \$43 per \$100K in property value, equating to \$146/year for the average homestead.

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Councilman Claire moved to adopt Ordinance 1294-08-24 and that the tax rate be increased by the adoption of a tax rate of \$0.48 cents per \$100.00 valuation, which is effectively a 9.84% increase in the tax rate; seconded by Council Woman Ramirez. The motion carried by the following vote: AYE: Councilman Claire, Council Woman Ramirez, and Councilman Villa NAY: Councilman Williams and Councilman Ytuarte. Motion passes 3-2.

10. Discuss and consider Resolution 431-24 OF THE CITY COUNCIL OF THE CITY OF HONDO, TEXAS RATIFYING THE PROPERTY TAX RATE INCREASE REFLECTED IN THE CITY'S ADOPTED FISCAL YEAR 2024-2025 BUDGET, WHICH IS A BUDGET THAT WILL REQUIRE RAISING MORE REVENUE FROM PROPERTY TAXES THAN IN THE PREVIOUS YEAR; AND PROVIDING AN EFFECTIVE DATE. (Chris Hill, Chief Finance Officer and John Naron, City Manager)

Council Woman Ramirez moved to adopt Resolution 431-24; seconded by Councilman Claire. The motion carried by the following vote: AYE: Councilman Claire, Council Woman Ramirez, and Councilman Villa NAY: Councilman Williams and Councilman Ytuarte. Motion passes 3-2.

11. Discuss and consider Ordinance 1295-08-24 OF THE CITY OF HONDO, TEXAS, AMENDING APPENDIX A, "FEE SCHEDULE" OF THE CODE OF ORDINANCES OF THE CITY OF HONDO BY AMENDING PERTINENT SECTIONS TO REFLECT CURRENT FEES, INCREASED FEES, DELETED FEES, AND NEW FEES; PROVIDING A REPEALER CLAUSE; PROVIDING FOR SEVERABILITY AND SETTING AND EFFECTIVE DATE. (Chris Hill, Chief Finance Officer and John Naron, City Manager)

Councilman Williams moved to adopt Ordinance 1295-08-24; seconded by Councilman Villa. Motion passes unanimously.

12. Discuss and consider action on Resolution No. 432-24, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HONDO, TEXAS, APPROVING AN AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT CIVIL ENGINEERING SUPPORT SERVICES WITH KSA ENGINEERING; EXTENDING THE TERM OF THE AGREEMENT; APPROVING A TASK ORDER FOR ENGINEERING SERVICES RELATED TO 2024 WATER MASTER PLAN, AND SETTING AN EFFECTIVE DATE. (John Naron, City Manager)

Councilman Ytuarte moved to adopt Resolution 432-24; seconded by Councilman Villa. Motion passes unanimously.

13. Discuss and consider action on a request from the City Council of the City of Hondo, TX to submit an application amending the zoning ordinance from R2 to R3 in the area of Avenue P to Avenue U and 14th Street to 18th Street.

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Mr. Echeozo explained that the process is beginning to move the proposal to the Planning and Zoning Commission for review. Mr. Claire questioned the purpose and how it benefits citizens. The Mayor clarified that R3 zoning allows for manufactured housing and duplexes, while R2 does not. Mr. Ytuarte supported allowing R3 housing options, arguing that people who cannot afford traditional homes should have the freedom to choose what they can afford without restrictions. Mr. Williams expressed that while he is okay with mobile homes, he is not in favor of allowing duplexes and quadplexes.

Councilman Ytuarte moved to approve the application from the City Council of the City of Hondo to amend the zoning from R2 to R3 in the area of Avenue P to Avenue U and 14th Street to 18th Street and send to Planning and Zoning Commission for consideration; seconded by Councilman Villa. The motion carried by the following vote: AYE: Councilman Williams, Councilman Ytuarte, Council Woman Ramirez, and Councilman Villa NAY: Councilman Claire. Motion passes 4-1.

14. Adjourn.

Councilman Villa moved to adjourn; seconded by Councilman Williams. Motion passes unanimously.

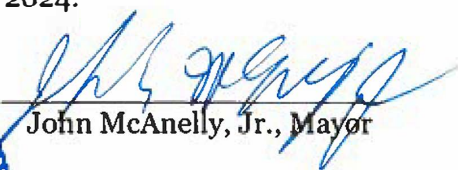
Meeting adjourned at 7:09 p.m.

PASSED AND APPROVED THIS 14th DAY OF OCTOBER 2024.

ATTEST:



Rebekah Dolphus, City Secretary



John McAnelly, Jr., Mayor