

MINUTES
REGULAR CITY COUNCIL MEETING
Monday, February 24, 2025 @ 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., Mayor Pro Tem Jose “Porky” Ytuarte, Council Woman Rachel Ramirez, Councilman John E. Villa

Absent: Councilman Brett Williams, Councilman Joe Claire

Staff Present: City Manager John Naron, City Attorney Mike McCann, City Secretary Rebekah Dolphus, IT Manager Josh Rodriguez, IT Support Specialist Pauline Martinez, Public Relations & Recreation Director Jamie Kindred, Director of Aviation Ryan Elder, Development Services Director Uche Echeozo, Water Superintendent Jeremiah Socarras, EDC Director Sean Patty

3. Invocation by Pastor J. Paul Bruhn, Hondo 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.*

Chavel Lopez – 1002 Ave S, Hondo, TX

- Supports Solar Opportunity**
- Concerns with Racial Profiling Report**

PRESENTATIONS

6. Present Solar Opportunity for Hondo Airport. (John Naron, City Manager)

Mr. Naron introduced an opportunity with Holistic Utility Solutions to develop a solar energy project that could lower utility costs and increase city revenue. The project would be located on 375-500 acres of prime land north of the airport and involve a land lease agreement rather than city ownership of the system.

Project Scope

- **A smaller system (30-60 acres) could offset 25% of the 84,000 MWh/year currently purchased from CPS Energy and generate revenue through Payment in Lieu of Taxes (PILOT).**

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- A larger system would sell 25% of its energy back to the grid through third-party agreements.
- The project will not be completed until 2027 or 2028.

Financial Projections

- **Small System:**
 - Land Lease: \$50,000
 - MOU Benefit: \$500,000
 - PILOT: \$40,000
 - Total Revenue: \$590,000
- **Large System:**
 - Land Lease: \$275,000
 - PILOT: \$500,000
 - Workforce Development Training: \$350,000
 - Total Revenue: \$1,125,000
- **Combined System:**
 - Land Lease: \$325,000
 - MOU Benefit: \$500,000
 - PILOT: \$540,000
 - Workforce Development Training: \$350,000
 - Total Revenue: \$1,715,000

Grant Opportunity

The City has an opportunity to apply for a Rural Energy Grant:

- Concept Paper Due: February 27, 2025
- Full Application Due: August 28, 2025
- Award Notification: Spring 2026
- Holistic Utility Solutions will submit the concept paper, with City involvement beginning in the full application phase.

Community Benefits

- **Large Project:** Establishes a workforce training and education center focused on solar development, installation, and maintenance. It also creates a fund to assist small businesses and low-income residents with utility bills.
- **Small Project:** Provides lower-cost power and a fund for small businesses and low-income residents to reduce utility expenses.
- Utility bills are expected to decrease by approximately 2%.

Key Discussion Points

- **Next Steps:** The City will need to enter into a Development Services Agreement and Power Purchase Agreement (PPA).
- **Grant Dependency:** If the City does not receive the grant, financial projections will need to be re-evaluated.
- **Project Ownership:** The one-time nature of the grant reinforces the need for a third-party owner.
- **PILOT Structure:** Payments will be received upfront and in a lump sum.

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- **End-of-Life Disposal: The Development Agreement must include provisions on who will be responsible for disposal and where materials will be disposed of after the system's lifespan.**

Council will continue discussions as financial details and agreements progress.

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 Ytuarte moved to approve items 7, 8, 9, 10, 11, 12, 13, and 14 on the Consent agenda; seconded by Council Woman Ramirez. Motion passes unanimously.

7. Consideration and approval of the 1st Quarter Financial Report for FY 2025. (Chris Hill, Chief Finance Officer)

8. Consideration and approval of the 1st Quarter Investment Report for FY 2025. (Chris Hill, Chief Finance Officer)

9. Consideration and approval of Ordinance No. 1299-02-25 of the City Council of the City of Hondo, Texas, amending the City of Hondo Investment Policy as required by Chapter 2256 of the Texas Government Code; and setting and effective date. (Chris Hill, Chief Finance Officer)

10. Consideration and approval to replace Emergency Alert Siren at 29°20'34.1"N 99°09'25.2"W near Ave Z. (Justin Soza, Chief of Police)

11. Consideration and approval of the Administration Services Agreement between the City of Hondo and the Hondo Economic Development Corporation.

12. Consideration and approval to authorize the City Manager to sign HA5 Agreement with Holbrook Asphalt LLC. (John Naron, City Manager)

13. Consideration and approval of Resolution No. 449-25 of the City Council of the City of Hondo, Texas, appointing the City Manager as the authorized representative to act in all matters in connection with the CDBG Downtown Revitalization Program – 2025 Grant committing the City to provide matching funds to secure and complete grant.

14. Consideration and approval of lease agreement with Alamo Workforce Development and the City of Hondo.

OTHER BUSINESS

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15. Discuss and consider action on awarding RFP #24-003, Airport Monument Sign Project. (Ryan Elder, Director of Aviation)

The Economic Development Corporation (EDC) will contribute \$30,000 to the project. Additionally, there will be space for ten lease spots, which will help offset costs in the long term. Mr. Elder will have discussions with the company and bring back the final documents for review.

Councilman Ytuarte moved to award RFP #24-003 Airport Monument Sign to Keller Signs in an amount not to exceed \$153,000; seconded by Council Woman Ramirez. Motion passes unanimously.

16. Discuss and consider action on Downtown Ground Storage Tank Rehabilitation Project change order. (John Naron, City Manager)

Mayor informed the Council that he has spoken with the City Attorney, who would like to provide legal guidance before the Council proceeds with deliberations on item #16.

The City Council of the City of Hondo will convene into Executive Session per Section 551.071 – Consultation with Attorney at 6:44 p.m.

The City Council of the City of Hondo reconvened into regular session at 6:55 p.m.

Councilman Villa moved to table item #16 until next Regular City Council Meeting; seconded by Council Woman Ramirez. Motion passes unanimously.

17. Adjourn.

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

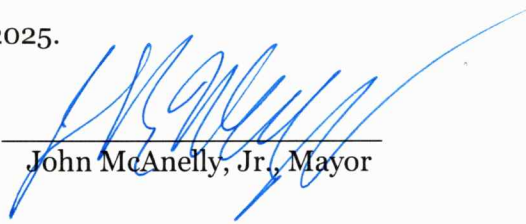
Meeting adjourned at 6:56 p.m.

PASSED AND APPROVED THIS 10TH DAY OF MARCH 2025.

ATTEST:



Rebekah Dolphus, City Secretary


John McAnelly, Jr., Mayor