HONDO

THIS IS GOD'S COUNTRY

REGULAR CITY COUNCIL MEETING
September 8, 2025 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 September 8, 2025 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 public may also access the meeting remotely through video/conference from your computer, tablet or smart phone at: https://boxcast.tv/channel/aetaajdf64jalxx2009a Persons may submit questions or comments for items on the agenda by email to: rdolphus@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.

The following items will be discussed, to-wit:

1. **CALL TO ORDER.**

2. **QUORUM CHECK.**

3. **INVOCATION.**

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) 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.

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.

6. **CONSIDERATION AND APPROVAL TO AUTHORIZE THE CITY MANAGER TO EXECUTE THE AIRPORT'S FISCAL YEAR 2026 RAMP GRANT AGREEMENT WITH TXDOT AVIATION. (RYAN ELDER, DIRECTOR OF AVIATION)**

7. **CONSIDERATION AND APPROVAL TO AUTHORIZE THE CITY MANAGER TO EXECUTE A LICENSE AGREEMENT WITH SHIFT-S3CTOR, LLC FOR THE 2026 AIRSTRIP ATTACK SEASON. (RYAN ELDER, DIRECTOR OF AVIATION)**

8. **CONSIDERATION AND APPROVAL TO AUTHORIZE THE CHIEF OF POLICE TO ENTER INTO A MOU BETWEEN THE MEDINA COUNTY SHERIFF'S OFFICE, CASTROVILLE POLICE DEPARTMENT, MEDINA VALLEY ISD POLICE DEPARTMENT, AND THE HONDO POLICE DEPARTMENT IN REGARD TO THE TRANSPORTATION OF PHYSICAL EVIDENCE TO THE TEXAS DEPARTMENT OF PUBLIC SAFETY CRIME LAB. (JUSTIN SOZA, CHIEF OF POLICE)**

9. **CONSIDERATION AND APPROVAL OF VARIOUS APPOINTMENTS TO BOARDS AND COMMISSIONS. (MAYOR MCANELLY)**

10. **CONSIDERATION AND APPROVAL OF AN AMENDMENT TO THE INTERLOCAL AGREEMENT BETWEEN THE CITY OF HONDO AND HONDO ISD TO REFLECT INCREASED COMPENSATION AND BENEFIT COSTS FOR ALL ASSIGNED SROS. (JUSTIN SOZA, CHIEF OF POLICE)**

OTHER BUSINESS

11. **DISCUSS AND CONSIDER ACTION ON ORDINANCE NO 1308-09-25 OF THE CITY OF HONDO, TEXAS AMENDING CHAPTER 5 "BUSINESS REGULATIONS" OF THE CODE OF ORDINANCES OF THE CITY OF HONDO BY AMENDING SECTION 5.03.006 "SALE, POSSESSION OR CONSUMPTION IN CITY FACILITIES" TO UPDATE AUTHORIZED LOCATIONS, SECURITY REQUIREMENTS, AND PERMITTING CONDITIONS; DECLARING A PUBLIC PURPOSE; INCORPORATING RECITALS; PROVIDING FOR SEVERABILITY; PROVIDING A REPEALER; PROVIDING AN OPEN MEETINGS CLAUSE; AND SETTING AN EFFECTIVE DATE. (JOHN NARON, CITY MANAGER)**

12. **DISCUSS AND CONSIDER ACTION ON AUTHORIZING THE CITY MANAGER TO ENTER INTO AN INTERLOCAL AGREEMENT WITH SOUTH CENTRAL PLANNING AND DEVELOPMENT COMMISSION (SCPDC) FOR PERMITTING SOFTWARE. (JOHN NARON, CITY MANAGER)**

13. **ADJOURN.**

I hereby certify that the above Notice of Regular City Council Meeting of the governing body of the City of Hondo was posted on the bulletin board in City Hall, 1600 Avenue M, Hondo, Texas, at a place convenient and readily accessible to the general public at all times on September 2, 2025 at 5:30 p.m.

ATTEST:

CITY OF HONDO
HONDO, TEXAS

Rebekah Dolphus
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.

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City Council Communication

Title: **CONSIDERATION AND APPROVAL TO AUTHORIZE THE CITY MANAGER TO EXECUTE THE AIRPORT'S FISCAL YEAR 2026 RAMP GRANT AGREEMENT WITH TXDOT AVIATION. (RYAN ELDER, DIRECTOR OF AVIATION)**
Date: September 8, 2025 ***From:*** Ryan Elder, Director of Aviation

INFORMATION:

FY26 RAMP Grant Agreement is ready for review and signature. The grant is a 90/10 that covers eligible Airport maintenance costs.

FINANCIAL IMPACT:

90/10
Projected Expenditure Budget: $111,111.11
Projected Revenue Budget: 100,000

STAFF RECOMMENDATION:

Staff recommends authorizing the City Manager to execute the Airport's FY26 RAMP Grant agreement with TxDOT Aviation

MOTION:

Motion to approve the City Manager to execute the Airport's FY26 RAMP Grant Agreement with TxDOT Aviation

ATTACHMENTS:

1. RAMP2026-Agreement

STAFF CONTACTS:

Ryan Elder, Director of Aviation
relder@hondo-tx.org

TEXAS DEPARTMENT OF TRANSPORTATION

REIMBURSABLE GRANT AGREEMENT
FOR ROUTINE AIRPORT MAINTENANCE PROGRAM

(State Assisted Airport Routine Maintenance)

TxDOT Project ID: M2615HOND

Part I - Identification of the Project

TO: The City of Hondo, Texas

FROM: The State of Texas, acting through the Texas Department of Transportation

The Texas Department of Transportation (department) is authorized under Texas Transportation Code, Chapter 21, and Chapter 22, to assist in the development and maintenance of airports in the state.

This Reimbursable Grant Agreement is made between the Texas Department of Transportation, (hereinafter referred to as the "State"), on behalf of the State of Texas, and the City of Hondo, Texas, (hereinafter referred to as the "Sponsor").

This Reimbursable Grant Agreement is entered into between the State and Sponsor shown above, under the authority granted and in compliance with the provisions of the Transportation Code Chapter 21.

The scope of service for this project is for **airport maintenance** at the HONDO - SOUTH TEXAS RGNL AT HONDO Airport.

Pursuant to the terms and conditions set forth in the RAMP Grant Agreement, reimbursement of expenses is strictly limited to those costs that are directly associated with eligible maintenance activities defined as airport maintenance and as stated in Part III of this RAMP Grant Agreement. Operational and/or operating expenses—defined herein as recurring costs necessary for the routine functioning of an airport, including but not limited to groundskeeping (e.g., mowing), utilities, insurance premiums, personnel compensation, and fuel—are categorically excluded from reimbursement eligibility under the RAMP program

The sole exception to this exclusion pertains to Airport Operations Counting Systems, which are expressly permitted under current funding guidelines and must be documented accordingly.

By submitting a reimbursement request, the Sponsor affirms and certifies that all applicable provisions of the RAMP Grant Agreement have been satisfied. Furthermore, the Sponsor attests that the scope of work described in the reimbursement submission is intended exclusively to supplement airport maintenance operations and does not constitute, support, or subsidize airport operational functions. This certification is made in accordance with applicable state funding regulations and the eligibility criteria enumerated in the scope of service.

Part II - Offer of Financial Assistance

1. For the purposes of this Reimbursable Grant Agreement, the annual routine airport maintenance project cost is estimated to be $111,111.11 (Amount A).

   State financial assistance granted will be used solely and exclusively for airport maintenance and other incidental items as approved by the State. State financial assistance will be for ninety percent (90%) of the eligible project costs for this project or a maximum of $100,000.00 (Amount B), whichever is less, per fiscal year and subject to availability of state appropriations.

   The Sponsor’s share of project costs will be for ten percent (10%) of the eligible project costs (Amount C).

   This Reimbursable Grant Agreement provides for reimbursement of costs that have already been incurred by the Sponsor, work is complete and/or goods and materials have been provided to the Sponsor and all contractors, subcontractors, and/or vendors will have been paid before a request for reimbursement is submitted to the State.

   Unused funds are non-transferable to any other Sponsor, city, county, or airport and shall not be carried over to the subsequent fiscal year.

   Scope of Services of this Reimbursable Grant Agreement, may be amended, subject to availability of state funds, to include additional approved airport maintenance work. Scope amendments require submittal of an Amended Scope of Services

   Only work items as described in Scope of Services of this Reimbursable Grant Agreement are reimbursable under this Reimbursable Grant Agreement.

   All goods and/or materials procured, and all work and/or services performed, shall occur subsequent to the execution of this Reimbursable Grant Agreement and on, or before, August 31, 2026.

2. Work, services, goods, and/or materials rendered or paid for by the Sponsor prior to the execution of this Reimbursable Grant Agreement shall not be eligible for reimbursement. This Reimbursable Grant Agreement shall be deemed executed upon the affixation of signatures by all parties involved. The date of the final signature shall be recognized as the official Reimbursable Grant Agreement execution date.

3. Scope of Services may be accomplished by State contracts or through local contracts of the Sponsor as determined appropriate by the State. All locally contracted work must be approved by the State for scope and reasonable cost.The State will not participate in funding for force account work conducted by the Sponsor.

4. This Reimbursable Grant Agreement shall terminate upon completion of the scope of services, exhaustion of funds, or on the last day of the fiscal year.

5. The State retains the right to obtain an audit as may be required by state regulations; the State Auditor may conduct an audit or investigation of any entity receiving funds from TxDOT directly under this contract or indirectly through a subcontract under this contract. Acceptance of funds directly under this contract or indirectly through a subcontract under this contract acts as acceptance of the authority of the State Auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. An entity that is the subject of an audit or investigation must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit.

Part III - Additional Requirements for Certain Equipment

1. Certain purchase, installation, and subscription costs for eligible air traffic and operations monitoring equipment ("Equipment") are reimbursable as provided in this Part.

2. For eligible Equipment, the State will reimburse 90% of the initial cost to purchase and install, and 90% of the annual subscription fee for subsequent years.

3. Eligibility Requirements

   A. The Equipment must include the following items, at a minimum;

      1. Triangulation

      2. Noise abatement

      3. Aircraft tracking data for 30 days

      4. Identification of pavement utilization by airplane design group for the entire airport

      5. Equal effectiveness at both towered and non-towered airports

      6. Tracking of military and government aircraft, including FAA blocked aircraft

   B. In order for costs to be eligible for RAMP reimbursement:

1. To be eligible for reimbursement of the annual subscription fee after the first year, the Sponsor must participate in the Routine Airport Maintenance Program, have an executed Reimbursable Grant Agreement for that year, and comply with all Reimbursable Grant Agreement requirements.

C. The State may conduct on-site or off-site monitoring reviews of the Equipment any years Sponsor seeks reimbursement of subscription costs. The Sponsor shall fully cooperate with the State and provide any required documentation. The Sponsor shall grant full access to the Equipment to the State or its authorized designee for the purpose of determining compliance, including, but not limited to:

1. Whether the Equipment, and its operation and maintenance, are consistent with the requirements set forth in the Reimbursable Grant Agreement and this First Amendment;

2. Whether the Sponsor is making timely progress with installation of the Equipment, and whether its management, financial management and control systems, procurement systems and methods, and overall performance are in conformance with the requirements set forth in the Reimbursable Grant Agreement and this First Amendment, and are fully and accurately reflected in reports submitted to the State.

D. Failure to maintain compliance with these requirements may result in the Sponsor having to repay grant funds to the State.

Part IV - Sponsor Responsibilities

1. In accepting this Reimbursable Grant Agreement, if applicable, the Sponsor guarantees that:

a. it will, in the operation of the facility, comply with all applicable state and federal laws, rules, regulations, procedures, covenants and assurances required by the State in connection with this Reimbursable Grant Agreement; and

b. the Airport or navigational facility which is the subject of this Reimbursable Grant Agreement shall be controlled by the Sponsor for a period of at least 20 years; and

c. consistent with safety and security requirements, it shall make the airport or air navigational facility available to all types, kinds, and classes of aeronautical use without discrimination between such types, kinds and classes and shall provide adequate public access during the period of this Reimbursable Grant Agreement; and

d. it shall not grant or permit anyone to exercise an exclusive right for the conduct of aeronautical activity on or about an airport landing area. Aeronautical activities include, but are not limited to scheduled airline flights, charter flights, flight instruction, aircraft sales, rental and repair, sale of aviation petroleum products and aerial applications. The landing area consists of runways or landing strips taxiways, parking aprons, roads, airport lighting and navigational aids; and

e. through the fence access shall be reviewed and approved by the State; and

f. it shall not permit non-aeronautical use of airport facilities, unless noted on an approved Airport Layout Plan, without prior approval of the State/FAA. This includes but is not limited to: the process of land disposal, any changes to the aeronautical or non-aeronautical land uses of the airport, land’s deeded use from non-aeronautical to aeronautical, requests of concurrent use of land, interim use of land, approval of a release from obligations from the State/FAA, any of which will require 18 months, or longer; and

g. the Sponsor shall submit to the State annual statements of airport revenues and expenses when requested; and

h. all fees collected for the use of the airport shall be reasonable and nondiscriminatory. The proceeds from such fees shall be used solely for the development, operation and maintenance of the airport or navigational facility; and

i. an Airport Fund shall be established by resolution, order, or ordinance in the treasury of the Sponsor, or evidence of the prior creation of an existing airport fund or a properly executed copy of the resolution, order, or ordinance creating such a fund, shall be submitted to the State. The fund may be an account as part of another fund but must be accounted for in such a manner that all revenues, expenses, retained earnings, and balances in the account are discernible from other types of monies identified in the fund as a whole. All fees, charges, rents, and money from any source derived from airport operations must be deposited in the Airport Fund and shall not be diverted to the general revenue fund or any other revenue fund of the Sponsor. All expenditures from the Airport Fund shall be solely for airport purposes. Sponsor shall be ineligible for a subsequent grant or loan by the State unless, prior to such subsequent approval of a grant or loan, Sponsor has complied with the requirements of this subparagraph; and

j. the Sponsor shall operate runway lighting at least at low intensity from sunset to sunrise; and

k. insofar as it is reasonable and within its power, Sponsor shall adopt and enforce zoning regulations to restrict the height of structures and use of land adjacent to or in the immediate vicinity of the airport to heights and activities compatible with normal airport operations as provided in Tex. Loc. Govt. Code Ann. Sections 241.001 et seq. (Vernon and Vernon Supp.). Sponsor shall also acquire and retain aviation easements or other property interests in or rights to use of land or airspace unless Sponsor can show that acquisition and retention of such interest will be impractical or will result in undue hardship to Sponsor. Sponsor shall be ineligible for a subsequent grant or loan by the State unless Sponsor has, prior to subsequent approval of a grant or loan, adopted and passed an airport hazard zoning ordinance or order approved by the State; and

l. mowing services shall not qualify for state financial assistance under this Reimbursable Grant Agreement. The Sponsor shall bear full responsibility for all costs associated with mowing services; and

m. operating expenses, which are defined as ongoing costs incurred by a business to sustain its daily operations, including but not limited to rent, utilities, and salaries, shall not be eligible for state financial assistance under this Reimbursable Grant Agreement. The Sponsor shall assume full responsibility for all operating costs; and

n. no Small Capital Improvement Project shall be initiated without the express guidance and prior written approval of the Texas Department of Transportation’s Aviation Division. The Sponsor hereby acknowledges and agrees that failure to obtain such pre-approval shall constitute a breach of this RAMP Grant Agreement and shall result in the Sponsor’s forfeiture of eligibility for reimbursement of any costs or expenses incurred in connection with the unauthorized project.

2. The Sponsor, to the extent of its legal authority to do so, shall save harmless the State, the State's agents, employees or contractors from all claims and liability due to activities of the Sponsor, the Sponsor's agents or employees performed under this Reimbursable Grant Agreement. The Sponsor, to the extent of its legal authority to do so, shall also save harmless the State, the State's agents, employees or contractors from any and all expenses, including attorney fees which might be incurred by the State in litigation or otherwise resisting claim or liabilities which might be imposed on the State as the result of those activities by the Sponsor, the Sponsor's agents or employees.

3. The Sponsor's acceptance of this offer and ratification and adoption of this Reimbursable Grant Agreement shall be evidenced by execution of this Reimbursable Grant Agreement by the Sponsor. The Reimbursable Grant Agreement shall comprise a contract, constituting the obligations and rights of the State of and the Sponsor with respect to the accomplishment of the project and the operation and maintenance of the airport.

   If it becomes unreasonable or impractical to complete the project, the State may void this Reimbursable Grant Agreement and release the Sponsor from any further obligation of project costs.

4. Upon entering into this Reimbursable Grant Agreement, Sponsor agrees to name an individual, as the Sponsor's Authorized Representative, who shall be the State's contact with regard to this project. The Representative shall receive all correspondence and documents associated with this Reimbursable Grant Agreement and shall make or shall acquire approvals and disapprovals for this Reimbursable Grant Agreement as required on behalf of the Sponsor, and coordinate schedule for work items as required.

5. By the acceptance of grant funds for the maintenance of eligible airport buildings, the Sponsor certifies that the buildings are owned by the Sponsor. The buildings may be leased but if the lease agreement specifies that the lessee is responsible for the upkeep and repairs of the building no state funds shall be used for that purpose.

6. Sponsor shall request reimbursement of eligible project costs on forms provided by the State. All reimbursement requests are required to include a copy of the invoices for the materials or services and proof of payment. The reimbursement request will be submitted no more than once a month.

7. The Sponsor's acceptance of this Reimbursable Grant Agreement shall comprise a Reimbursable Grant Agreement, as provided by the Transportation Code, Chapter 21, constituting the contractual obligations and rights of the State of Texas and the Sponsor with respect to the accomplishment of the airport maintenance and compliance with the assurances and conditions as provided. Such Reimbursable Grant Agreement shall become effective upon the State's written Notice to Proceed issued following execution of this Reimbursable Grant Agreement.

PART V - Amendments

This Reimbursable Grant Agreement may require an amendment to the scope of services if work contracted by TxDOT is required.

In the event an amendment is required, all parties will agree to the terms specified in the amended Reimbursable Grant Agreement and the following terms apply:

1. The amended Reimbursable Grant Agreement shall be executed prior to work related to the amended scope is provided.

2. Sponsor, by accepting this Reimbursable Grant Agreement certifies and, upon request, shall furnish proof to the State that it has sufficient funds to meet its share of the costs. The Sponsor grants to the State the right to audit any books and records of the Sponsor to verify expended funds.

3. Upon execution of this Reimbursable Grant Agreement and written demand by the State, the Sponsor's financial obligation (Amount C) shall be due in cash and payable in full to the State. State may request the Sponsor's financial obligation in partial payments. Should the Sponsor fail to pay their obligation, either in whole or in part, within 30 days of written demand, the State may exercise its rights under Paragraph V-3. Likewise, should the State be unwilling or unable to pay its obligation in a timely manner, the failure to pay shall be considered a breach and the Sponsor may exercise any rights and remedies it has at law or equity.

   a. Services will not be accomplished by the State until receipt of Sponsor's share of project costs.

4. If additional funds are required after the work is complete to fund the Sponsor's share, the State shall request funds from Sponsor at the financial closure of the project.

5. The State shall reimburse or credit the Sponsor, at the financial closure of the project, any excess funds provided by the Sponsor which exceed Sponsor's share (Amount C).

PART VI - Recitals

1. This Reimbursable Grant Agreement is executed for the sole benefit of the contracting parties and is not intended or executed for the direct or incidental benefit of any third party.

2. It is the intent of this Reimbursable Grant Agreement to not supplant local funds normally utilized for airport maintenance, and that any state financial assistance offered under this Reimbursable Grant Agreement be in addition to those local funds normally dedicated for airport maintenance.

3. This Reimbursable Grant Agreement is subject to the applicable provisions of the Transportation Code, Chapters 21 and 22, and the Airport Zoning Act, Tex. Loc. Govt. Code Ann. Sections 241.001 et seq. (and Vernon Supp.). Failure to comply with the terms of this Reimbursable Grant Agreement or with the rules and statutes shall be considered a breach of this contract and will allow the State to pursue the remedies for breach as stated below.

a. Of primary importance to the State is compliance with the terms and conditions of this Reimbursable Grant Agreement. If, however, after all reasonable attempts to require compliance have failed, the State finds that the Sponsor is unwilling and/or unable to comply with any of the terms of this Reimbursable Grant Agreement, the State, may pursue any of the following remedies: (1) require a refund of any financial assistance money expended pursuant to this Reimbursable Grant Agreement, (2) deny Sponsor's future requests for aid, (3) request the Attorney General to bring suit seeking reimbursement of any financial assistance money expended on the project pursuant to this Reimbursable Grant Agreement, provided however, these remedies shall not limit the State's authority to enforce its rules, regulations or orders as otherwise provided by law, (4) declare this Reimbursable Grant Agreement null and void, or (5) any other remedy available at law or in equity.

b. Venue for resolution by a court of competent jurisdiction of any dispute arising under the terms of this Reimbursable Grant Agreement, or for enforcement of any of the provisions of this Reimbursable Grant Agreement, is specifically set by Grant of the parties in Travis County, Texas.

4. The State reserves the right to amend or withdraw this Reimbursable Grant Agreement at any time prior to acceptance by the Sponsor. The acceptance period cannot be greater than 30 days after issuance unless extended by the State.

5. This Reimbursable Grant Agreement constitutes the full and total understanding of the parties concerning their rights and responsibilities in regard to this project and shall not be modified, amended, rescinded or revoked unless such modification, amendment, rescission or revocation is agreed to by both parties in writing and executed by both parties.

6. All commitments by the Sponsor and the State are subject to constitutional and statutory limitations and restrictions binding upon the Sponsor and the State (including Sections 5 and 7 of Article 11 of the Texas Constitution, if applicable) and to the availability of funds which lawfully may be applied.

Part VII - Acceptances

Acceptance of the Sponsor

The City of Hondo, Texas, does ratify and adopt all statements, representations, warranties, covenants, agreements, and all terms and conditions of this Reimbursable Grant Agreement.

Acceptance of the Sponsor executed this __________ day of ____________________, 20____.

The City of Hondo, Texas
____
(*Sponsor*)

____
(*Sponsor Signature*)

____
(*Sponsor Title*)

____
(*Date*)

Acceptance of the State

Executed by and approved for the Texas Transportation Commission for the purpose and effect of activating and/or carrying out the orders, established policies or work programs and grants heretofore approved and authorized by the Texas Transportation Commission.

State of Texas
Texas Department of Transportation

____
(Signature)

____
(*Typed Name*)

____
(*Title*)

____
(Date)

Certification of State Single Audit Requirements

I, ___________ do certify that the City of Hondo will comply with all requirements of the State
(Designated Representative)
of Texas Single Audit Act if the City of Hondo spends or receives more than the threshold amount in any grant funding sources during the most recently audited fiscal year. And in following those requirements, the City of Hondo will submit the report to the audit division of the Texas Department of Transportation. If your entity did not meet the threshold in grant receivables or expenditures, please submit a letter indicating that your entity is not required to have a State Single Audit performed for the most recent audited fiscal year.

City of Hondo
(Sponsor)

(Sponsor Signature)

(Sponsor Title)

(Date)

Designation of Sponsor's Authorized Representative

TxDOT Project ID: M26 M2615HOND

The City of Hondo ,
designates,

(Name, Title)

as the Sponsor's authorized representative, who shall receive all correspondence and documents associated with this Reimbursable Grant Agreement and who shall make or shall acquire approvals and disapprovals for this Reimbursable Grant Agreement as required on behalf of the Sponsor.

The City of Hondo, Texas
(*Sponsor*)

(Sponsor Signature)

(Sponsor Title)

(Date)

Designated Representative

Mailing Address:

Overnight Mailing Address:

Telephone/Fax Number:

Email address:

HONDO

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City Council Communication

Title: **CONSIDERATION AND APPROVAL TO AUTHORIZE THE CITY MANAGER TO EXECUTE A LICENSE AGREEMENT WITH SHIFT-S3CTOR, LLC FOR THE 2026 AIRSTRIP ATTACK SEASON. (RYAN ELDER, DIRECTOR OF AVIATION)**
Date: September 8, 2025 ***From:*** Ryan Elder, Director of Aviation

INFORMATION:

Shift-S3ctor, LLC wishes to return to Hondo for the 2026 Airstrip Attack Season. Historically, it has been 2-Day event conducted on a Saturday & Sunday only. Shift-S3ctor wishes to extend it to a 3-day event from Friday April 3rd to Sunday April 5th, with an increased License Fee from $12,000 to $16,000.

FINANCIAL IMPACT:

Airport Use License Fee $16,000

STAFF RECOMMENDATION:

Staff Recommends authorizing the City Manager to execute an agreement with Shift-S3ctor, LLC for the 2026 season

MOTION:

Motion to approve the City Manager to execute an agreement with Shift-S3ctor, LLC for the 2026 Season

ATTACHMENTS:

1. License_Agreement_SS3-Hondo-2026

STAFF CONTACTS:

Ryan Elder, Director of Aviation
relder@hondo-tx.org

LICENSE AGREEMENT

THIS LICENSE AGREEMENT ("License" or "Agreement") made and entered into as of __________________ 2025, ("Effective Date") by and between the **CITY OF HONDO** ("City"), a Texas municipal corporation and **SHIFT-S3CTOR, LLC**, a California limited liability company ("SS3" or "Licensee").

R E C I T A L S

A. City is the Owner of the South Texas Regional Airport at Hondo located at 700 Vandenberg Road, Hondo, TX 78861 (the "Airport").

B. Licensee has requested non-exclusive and temporary use of Runway 17L/35R, Taxiway Alpha & a portion of Ramp Space located at Airport and depicted in **APPENDIX A** (the "Premises") for use by Licensee to host an automotive racing event.

C. City is agreeable to issuing a license for the Premises to Licensee for the Permitted Uses and subject to the terms, covenants and conditions set forth in this License.

1. LICENSE:

Subject to the terms, covenants and conditions set forth in this License, Licensee will have non-exclusive use and access to the Premises for the Permitted Uses and Approved Events as defined herein and for no other use or purpose without the prior written consent of the Airport Director.

2. AS-IS CONDITION; NO REPRESENTATIONS:

LICENSEE HAS HAD FULL OPPORTUNITY TO EXAMINE THE PREMISES AND LICENSEE'S USE AND OCCUPANCY OF THE PREMISES FOR AN APPROVED EVENT SHALL BE CONCLUSIVE EVIDENCE OF LICENSEE'S ACCEPTANCE THEREOF IN AN "AS IS" CONDITION, AND LICENSEE HEREBY ACCEPTS THE PREMISES IN ITS PRESENT CONDITION AS SUITABLE FOR THE PURPOSE FOR WHICH IT IS LICENSED. LICENSEE AGREES THAT NO REPRESENTATIONS RESPECTING THE CONDITION OF THE PREMISES AND NO PROMISES TO IMPROVE THE PREMISES, EITHER BEFORE OR AFTER THE EXECUTION HEREOF, HAVE BEEN MADE BY CITY OR ITS AGENTS TO LICENSEE UNLESS THE SAME ARE CONTAINED HEREIN OR MADE A PART HEREOF BY SPECIFIC REFERENCE HEREIN AND, EXCEPT AS EXPRESSLY PROVIDED HEREIN, THE CITY SHALL HAVE NO RESPONSIBILITY FOR THE MAINTENANCE OR REPAIR OF THE PREMISES OR ANY IMPROVEMENT THEREON, EXCEPT PROVIDED FOR BY AGREEMENT BETWEEN LICENSEE AND CITY.

3. AIRFIELD OPERATIONS:

A. It is expressly understood and agreed that this License is subject to and subordinate to and controlled by all provisions, stipulations, covenants and agreements contained in those certain in contracts, agreements, resolutions and actions of City constituting agreements between City and the United States of America and its agents including but not limited to, the Federal Aviation Administration (FAA) and all regulations now and hereafter imposed upon the City. The City shall not be liable to SS3 on account of any of the foregoing matters and all of such contracts, agreements, resolutions, laws and regulations are incorporated herein by reference and if any provision of this Agreement is determined to be at variance with same as they may from time to time exist, such provision is unilaterally reformable at City's option. If for any reason the FAA does not allow this event to occur then the City will not be liable for any damages to SS3 or any other party, except for any fees returned that were paid by SS3 to City for use of the premises.

B. SS3 further agrees that it is knowledgeable and cognizant of the rules and regulations of the FAA. All flight activities will be conducted under the supervision of the FAA and City. SS3 acknowledge and agree that the Airport must remain open for general aviation use and the flying public at all times, including during an Approved Event. Availability of the Premises may also be affected by weather conditions making the Premises unsuitable for automobile racing in accordance with local, state, federal laws and regulations. City agrees to notify SS3 in the event the Airport is closed and otherwise unavailable for the Approved Event.

C. Licensee shall comply with all local, state, and federal laws, rules, regulations, and ordinances in connection with its use of the Premises. Licensee shall maintain its current status for all federal, state and local licenses and permits required for the operation of the Approved Events organized and hosted by Licensee.

4. TERM

A. This License begins on the Effective Date and will automatically expire on the earlier of (i) one (1) year anniversary of the Effective Date or (ii) upon completion of the Approved Event (the "Term"). Licensee will have one option to extend the term of this Agreement by written notice to the City within thirty (30) days of expiration of the Term. Upon such notice, the Term of this Agreement will be extended for an additional and subsequent one (1) year or upon completion of a second Approved Event (the "Extended Term").

B. This license may be terminated by either party at any time, with or without cause, with thirty (30) days written notice. Upon such termination the parties will be relieved of their duties and obligations under this Agreement, except for the payment of any amounts owed and due to City under the terms of the Agreement. If City elects to terminate this Agreement prior to the Approved Event, then City will refund the License Fee and any other amounts paid by SS3 to City for use of the Premises.

C. During the Term of this Agreement and subject to the terms and condition provided herein, SS3 may schedule one (1) Approved Event at the Premises. SS3 anticipates conducting an automotive exhibition and racing event for public display on or about April

3rd – 5th, 2026, at the Premises, or at such other date(s) as the event may be rescheduled as provided herein.

5. PERMITTED USES:

A. During the Term, SS3 may submit a written plan to Airport Director for the proposed date and time to conduct an event at the Premises (the “Event Plan”). The Event Plan must be submitted to City no less than ninety (90) days in advance of the proposed date. Airport Director will reply within five (5) days on whether the Premises is available for Licensee’s event. If the event is approved, Airport Director will provide Licensee a written approval specifying the date and time of the approved event (“Approved Event”).

B. The Event Plan must include the proposed location of all activities, equipment and facilities during all stages of preparation for or conduct of actual race displays and an outline of its plans for the control of vehicular and pedestrian traffic, the sale and collection of admissions and the placement and nature of any concession stands. These plans shall be subject to the Airport Director’s approval and no installations or physical preparations shall be made on the Premises without first obtaining proper authorization from the Airport Director.

D. The Event Plan must include any plans for the erection of temporary fences, barricades, building and signs for crowd handling purposes and provide, office, reception and concession facilities in an area designated by the City. Immediately after completion of activities each day SS3 shall move to locations acceptable to City all items which may interfere with normal operations at the Airport, shall clean up all trash, debris and operations at the Airport and shall leave the premises in a clean and neat condition acceptable to City. Upon completion of the Approved Event, SS3 will remove all temporary fences, barricades, buildings, and signs and all trash and debris from the Airport and restore the Premises to a condition acceptable to the City.

E. SS3 will coordinate with the City and the Airport Director for entry/exit of the Airport on the days prior to and after the event for potential setup and tear down, as well as any promotional pictures, videos, or other media that may need to be taken on the Premises. Bleachers, portable restrooms and any other equipment related to the Approved Event may not be set up or staged more than six (6) days prior to the event and shall be removed within six (6) days of the end of the event, unless prior approval is given by the City. SS3 will minimize impacts to Airport operations during these activities.

F. SS3, its members, employees, patrons, guests and invitees shall be allowed access to the Premises only over routes to be designated by the City. SS3 is hereby granted the right to charge admission to all persons entering the Premises for the Approved Event. Nothing in this Agreement shall authorize SS3 to charge admission fees to any persons accessing the Airport for other purposes unrelated to the Approved Event, including but not limited to, aircraft owners, hanger tenants, any person who is an Airport or City employee or any FAA employee on official business.

G. City agrees that it will not authorize other persons to conduct any concessions, sales, promotions, ticket sales or other activities interfering or competing with the Approved Event at the Airport without SS3's consent.

H. SS3 shall have the exclusive right to conduct automotive races at the Airport during the dates of the Approved Event.

I. City reserves the right to cancel or rescind its approval of an Approved Event at any time, with or without cause prior to thirty (30) days of an Approved Event. City may cancel or rescind its approval of an Approved Event within thirty (30) for good and reasonable cause, including but not limited to:

1. Inclement or hazardous weather conditions
2. Fire, flood or other site conditions creating a threat to public health and safety concerns
3. SS3 is in breach of the terms of this Agreement
4. SS3's falsification, or otherwise misrepresentation of any material aspect of the Approved Event, or the License in connection therewith
5. Site conditions and/or situations requiring temporary or permanent closure of the Airport airfield or other areas to be used for the Approved Event

The Airport Director's decision to deny Licensee's request for an event date and/or cancel or rescind the approval of an Approved Event will be final and Licensee waives any and all rights to any appeal along with any alleged damages due to the unavailability, cancelation or rescinding of approval for use of the Premises for an Approved Event and/or Licensee's proposed event(s).

6. SERVICES AND UTILITIES

A. SS3 shall also coordinate with City for any police, fire, and emergency medical services for any traffic, security, and emergency medical services ("Emergency Services") related to the Approved Event. In addition to the License Fee, SS3 shall pay City for the cost the Emergency Services directly related to the Approved Event. City will provide an estimate to SS3 within ten (10) business days of the SS3's submission of an Event Plan. SS3 agrees to pay no less than 50% of the City's estimated cost of the Emergency Services not less than thirty (30) days prior to the date of the Approved Event. Following the date(s) of the Approved Event, City will issue an invoice to SS3 for the actual costs, within thirty (30) days after the Approved Event. The invoice will apply the amounts previously paid by SS3 for Emergency Services and payment on the invoice will due within thirty (30) days. SS3's obligation to pay for Emergency Services will survive expiration of the Agreement.

B. SS3 will bear all costs and expenses for any temporary utility connections and to establish accounts for such utilities, including but not limited to telephone, data, water, sewer, electrical services. SS3 agrees to provide adequate, trash receptacles and portable restroom facilities for men and women during the dates of the Approved Event and such days before and after the Approved Event for setup and tear down.

C. SS3 will provide, or cause to be provided the following services:

1. Chairs and canopy/tents for event staff (if so required)
2. Event staff credentials
3. Trash collection and removal
4. Erect and remove signs for event (if so required)
5. Event support and staffing
6. Safety Program (safety briefing, safety plan)
7. Event program and schedule
8. Preparation and submission of any documentation or applications required by FAA (Copies provided to Airport Director)

7. LICENSE FEE:

For use of the Premises in accordance with the terms of this Agreement, SS3 shall pay City the sum of Sixteen Thousand Dollars ($16,000.00) as a License Fee ("the Fee") no later than thirty (30) days prior to the event. The License Fee will remain unchanged for the Extended Term, if any. City and SS3 agree to negotiate in good faith in the negotiating the fee of any future license agreements, if any.

8. SS3 OBLIGATIONS AND REPRESENTATIONS:

A. SS3's obligations to perform under this Agreement shall be absolute and unconditional.

B. SS3 acknowledges that, although unlikely, damage may be caused to Airport property. SS3 agrees to repair any damage to the Airport property, including but not limited to any buildings, hangars, City vehicles and equipment, signage, navigational aids, lights, fueling systems, ramps, vegetation, landscaping, pavement and rubber removal arising from the Approved Event within sixty (60) days of the Approved Event. If the repairs will require more than sixty (60) days to complete, then SS3 will submit a timetable for completion of the repair subject to City's approval, which will not be unreasonably withheld. The Airport property will be returned to a condition as good as or better than the condition the premises were in immediately before the Race. Any needed repairs will be made at the sole cost and expense of SS3. SS3's duty to repair the Airport property will survive expiration and/or termination of this Agreement.

C. Licensee represents, covenants and warrants to City that (i) it is a duly formed entity in accordance with the applicable requirements of the jurisdiction in which it has been formed and, if such jurisdiction is other than the jurisdiction in which the Premises is located it is duly qualified in such jurisdiction to transact business, (ii) it has the full right, power and authority to enter into this License, (iii) any and all corporate or other such action necessary to approve and ratify the entering into of this License by Licensee has been taken (and Licensee agrees to provide evidence thereof to City upon City's request) and (iv) the person executing this License on behalf of Licensee has been empowered with all necessary authority to do so and thereby to bind Licensee fully to all of the terms and conditions hereof.

9. EXCUSE OF PERFORMANCE BY REASON OR FORCE MAJEURE

Neither City, TxDOT, FAA nor SS3 shall be required to perform any term, condition, or covenant in this Agreement so long as such performance is delayed or prevented by Force Majeure, which shall mean acts of God, strikes, lockouts, material or labor restrictions by any government authority, civil riots, floods, or any other cause not reasonable with in the control of City, TxDOT, FAA or SS3 and which by the exercise of diligence City, TxDOT, FAA or SS3 is unable, wholly or in part, to prevent or overcome.

10. ASSIGNMENT AND SUBLICENSE:

SS3 shall have no authority to assign this Agreement or otherwise sublicense any portion of the Premises to a third party or parties without obtaining prior written consent of City. In the event of any assignment of sublicense, SS3 shall remain the principal obligor under all covenants of this Agreement. By accepting any assignment or sublicense, assignee or sublicense shall become bound by and shall perform, and shall become entitled to the benefits of all the terms, conditions and covenants of this Agreement.

11. INDEMNIFICATION AND INSURANCE:

A. SS3 hereby waives all claims against the City, TxDOT and FAA for damages to persons, equipment, fixtures, machinery, aircraft, or other items of personal or real property arising from the use of the Airport and/or the Premises by SS3.

B. **IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT LICENSEE WILL INDEMNIFY, DEFEND, AND HOLD HARMLESS CITY OF HONDO, TEXAS DEPARTMENT OF TRANSPORTATION, FEDERAL AVIATION ADMINISTRATION TOGETHER WITH ITS CITY COUNCIL, OFFICERS, EMPLOYEES AND AGENTS, INDIVIDUALLY OR COLLECTIVELY (REFERRED TO HEREIN AS THE "INDEMNITEES"), FROM AND AGAINST ALL SUITS, ACTIONS, LOSSES, DAMAGES, DEMANDS, JUDGMENTS, CLAIMS, OR LIABILITY OF ANY CHARACTER, TYPE OR DESCRIPTION, INCLUDING WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL EXPENSES OF LITIGATION, COURT COSTS, AND REASONABLE ATTORNEYS' AND EXPERTS' FEES, FOR INJURY OR DEATH TO ANY PERSON, OR LOSS OR DAMAGE TO ANY PROPERTY, RECEIVED OR**

SUSTAINED BY ANY PERSON, OR PERSONS, OR PROPERTY REFERRED TO HEREIN AS THE "LOSSES"), TO THE EXTENT ARISING OUT OF, OR OCCASIONED BY, ACTS OR OMISSIONS OF LICENSEE ARISING OUT OF LICENSEE'S USE OF THE PREMISES, OR ANY BUILDINGS, OR FROM THE CONDUCT OF LICENSEE'S BUSINESS, OR FROM ANY ACTIVITY, WORK, OR THING DONE, PERMITTED, OR SUFFERED BY LICENSEE, IN OR ABOUT THE PREMISES OR ANY BUILDINGS.

C. City, TxDOT, FAA together with its city council, officers, employees and agents, individually and collectively ("City, Et Al") will not be liable in any event for personal injury or loss of Licensee's property caused by fire, flood, water leaks, rain, hail, ice, snow, smoke, lightning, wind, explosion, interruption of utilities or other similar occurrences. Licensee will give prompt notice to Airport Director of any significant accidents involving injury to persons or property. Furthermore, City, Et Al, will not be responsible for lost or stolen personal property, equipment, money or jewelry from the Premises or designated parking areas, regardless of whether such loss occurs when the area is locked against entry. City, Et Al will not be liable to Licensee or Licensee's employees, customers or invitees for any damages or losses to persons or property caused by any invitees anywhere at Airport, or for any damages or losses caused by theft, burglary, assault, vandalism or other crimes. Licensee will give Airport Director prompt notice of any criminal or suspicious conduct within or about the Premises or Airport and/or personal injury or property damage caused thereby.

D. During the Term of this License, Licensee, at its sole cost and expense, will maintain in effect a policy of commercial general liability insurance, on an "occurrence basis," covering against all claims on account of death, bodily injury, personal injury and property damage, occurring in connection with Licensee's use or occupancy of the Premises with policy limits of not less than the following:

Coverage Type	Policy Limit
Personal/advertising injury limit and per occurrence limit	$1 million
Products/completed operations aggregate	$1 million
General aggregate	$2 million
Facility Damage	$100,000
Excess Liability per occurrence limit	$1 million
Medical Expenses	$5,000 per person

Licensee will name City of Hondo, TxDOT and FAA as an additional insured. Licensee will provide City proof of insurance and a copy of SS3's insurance policy within 30 days of an Approved Event. SS3 agrees that any claim, loss or judgment will first be paid by SS3 and/or its insurance policies.

E. SS3 will secure a fully executed Waiver of Liability from each racing participant before allowing such participant to race at the Approved Event. Upon request, SS3 will furnish City a copy of all signed Waiver of Liability forms.

12. PERMITS, LICENSES AND AUTHORIZATIONS:

SS3 shall at its own expense, procure any necessary permits, licenses and other authorizations required for the lawful and proper use, occupancy, operations and management of the Premises and pay all lawful taxes on income received. City agrees to cooperate with SS3 to assist in securing such permits, licenses and authorizations insofar as the same are issued under City's jurisdiction.

13. IDENTIFICATION:

SS3 may install on the Premises, temporary signs or other identification as provided in the Event Plan for the Approved Event. The size, type, design and locations of such signs or other identification will be subject to City's prior written consent.

14. NO WAIVER:

Failure on the part of City or SS3 to complain of any action or non-action on the part of the other shall not be deemed to be a waiver of any of their respective rights hereunder. The consent or approval by either party to or of any action by the other requiring consent or approval shall not be deemed to waive or render unnecessary the consent or approval to or of any subsequent similar act.

15. SEVERABILITY:

In case any provision of this License shall be held invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof will not in any way be affected or impaired thereby.

16. GOVERNING LAW:

This Agreement shall be governed, enforced and construed in accordance with the laws of the State of Texas. Venue for this Agreement shall be in Medina County, Texas.

17. CONFIDENTIALITY:

City understands that in performing this Agreement they may have access to private, proprietary and/or confidential information relating to SS3. The event, as well as any and all ideas and concepts regarding logistics, equipment, marketing, development, or otherwise represent Confidential Information of SS3. With respect to all such information and any other information that the disclosing party may treat as confidential the other party agrees that the information will:

- Remain the exclusive property of the disclosing party.
- Not be copied, published or disclosed by the other party to others unless approved in writing.
- Be used solely in each party's performance of this Agreement.
- Be returned to the disclosing party upon termination of this Agreement.

Each party agrees that its obligations provided in this Agreement are necessary and reasonable in order to protect the disclosing party and its business, and each party expressly agrees that monetary damages would be inadequate to compensate the disclosing party for any breach by the receiving party of its covenants and agreements set forth in this Agreement. Accordingly, each party agrees and acknowledges that any such violation or threatened violation will cause irreparable injury to the disclosing party and that, in addition to any other remedies that may be available, in law, inequity or otherwise, the disclosing party shall be entitled to obtain injunctive relief against the threatened breach of this Agreement or the continuation of any such breach by the receiving party, without the necessity of proving actual damage. **Notwithstanding anything contained herein to the contrary, SS3 acknowledges that it understands that *at the time of execution of this Agreement*, that the City is a governmental entity and, as such, all of its records are subject to the Public Information Act of Texas (the "Act") and that some or all of the proprietary and/or confidential information received by City may be subject to disclosure under the Act and City must comply with the Act and doing so will not be a violation of this Agreement. City will use its best efforts to notify SS3 of any such request for disclosure before the expiration of the mandatory 10 day period for disclosure, so that SS3 can pursue any rights and remedies it may have to object to the disclosure with the Attorney General of the state of Texas prior to actual disclosure by SS3 as required by Texas law.**

18. NON-COMPETING ACTIVITIES / EXCLUSIVITY:

Due to the amount of time and expense contributed by SS3 to build the longevity of the Event, City acknowledges and agrees that competing activities would be disruptive to the relationship between City and SS3, as well as jeopardize the future of the event. Therefore, City agrees that as long as SS3 is hosting an event on the Premises, and for a period of two (2) years from the date of SS3's most recent Approved Event on the Premises, City shall not host, license, permit, or otherwise provide access for any party to host a similar automotive racing event on the Premises without the written consent of SS3, which may be withheld for any or no reason whatsoever. This clause shall survive this Agreement regardless of termination by either party.

19. INSPECTION BY CITY:

SS3 shall permit City and City's agents, representatives, and employees to enter into and on the Premises at all reasonable times for the purpose of inspection, maintenance, making repairs or alteration to the Premises or any other purpose necessary to protect City's interest in the Premises.

20. NOTICES:

All notices, consents, waivers or other communications permitted or required hereunder shall be delivered by electronic mail, or hand delivery, by United States Certified Mail postage prepaid return receipt request or by telegram, addressed as follows:

For the City:
City of Hondo
1600 Ave. M
Hondo, Texas 78861
Att: Ryan Elder, Airport Director

For SS3:
Ryan Fisher
2934 ½ N. Beverly Glen Circle #180
Los Angeles, CA 90077

or to such address as may be designated in writing by either party.

21. ADDITIONAL DOCUMENTS:

Each party hereto agrees to execute and deliver any additional documents, which may be necessary or desirable in carrying out the terms of this Agreement.

22. ENTIRE AGREEMENT

This Agreement embraces the entire agreement of the parties mentioned herein pertaining to the Premises and no statement, remark, agreement, or understanding, either oral or written, not contained herein shall be recognized or enforced as it pertains to the License of the Premises, except that this Agreement may be modified by written amendment agreed to and signed by all pertinent parties and attached hereto.

23. HEADINGS AND CAPTIONS

The captions and headings are inserted solely for the convenience of reference and are not part of nor intended to govern, limit, or aid in the construction of any provision hereof.

24. AUTHORITY

The parties to this Agreement here by acknowledge and agree that they are the principals to this License and have the power, right, and authority to enter into this Agreement and are not acting as an agent for the benefit of any third party.

25. SEVERABILITY

If any section, sentence or phrase entered in this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, such illegality or unenforceability shall not affect the remainder of this Agreement and, to this end, the provisions of this Agreement are declared to be severable.

26. LEGAL FEES AND EXPENSES

In the event of any dispute or legal action relating to this License, the prevailing party shall be entitled to receive from the other party, reimbursement for reasonable attorney's fees, costs and expenses incurred.

27. INTERPRETATION.

The parties hereto acknowledge and agree that (i) each party has reviewed the terms and provisions of this Agreement; (ii) the rule of construction to the effect that any ambiguities are resolved against the drafting party shall not be employed in the interpretation of this Agreement; and (iii) the terms and provisions of this Agreement shall be construed fairly as to all parties hereto and not in favor or against any party, regardless of which party was generally responsible for the preparation of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized representatives on the dates specified below.

CITY:

CITY OF HONDO,
a Texas municipal corporation

By: ________________________________ Date: ___________________________
John Naron, City Manager

SS3:

SHIFT-S3CTOR, LLC, a California
limited liability company

By: ______________________________________ Date: ____________________
Ryan Fisher, managing member
and Legal Counsel

APPENDIX A

Hondo Airstrip Attack Base Coordination

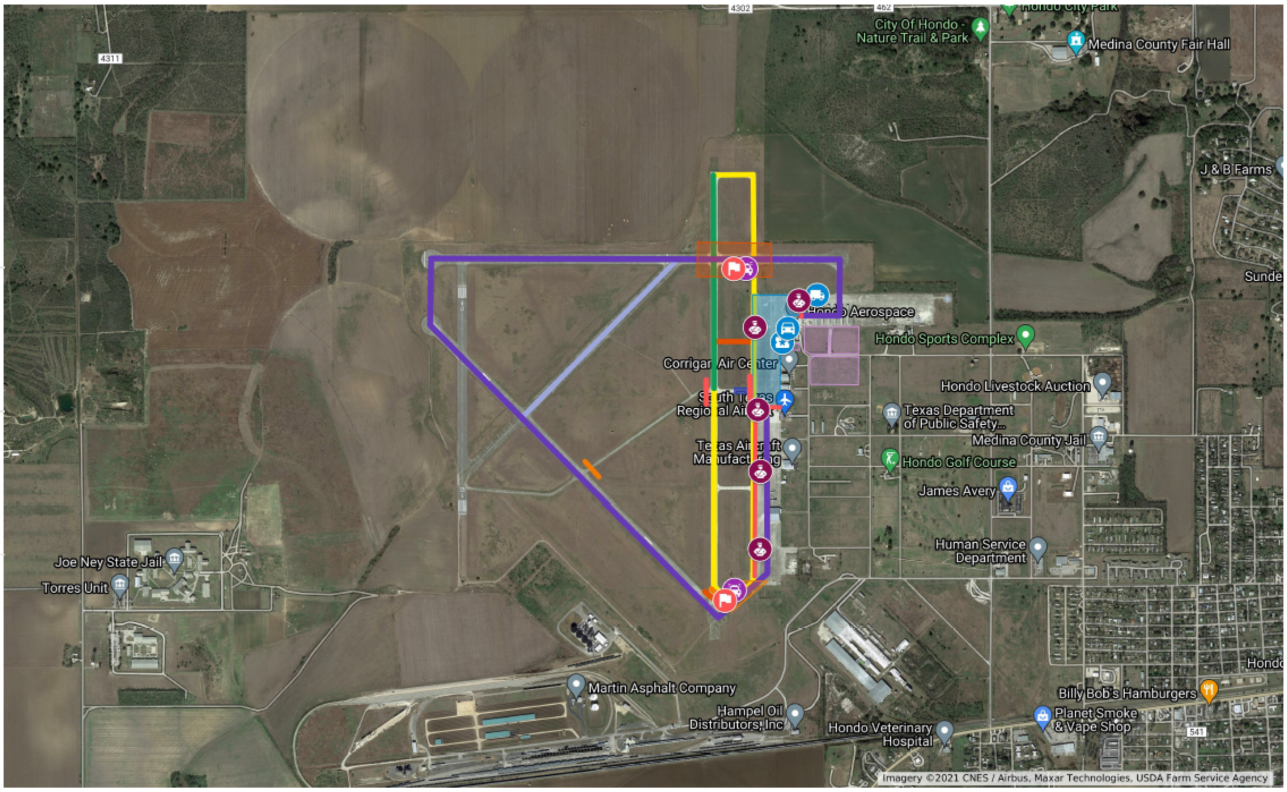
Event
- Spectator Area, Pits, Vendors
- Event Vehicle Access Gate
- Pedestrian Access Gate
- Race Surface
- Race Return (to Start)
- Race Return (to Pits)
- Fire/EMS
- 450' Separation

Aero Coordination
- Aero Coordination Area
- Aero Coordination Area
- Aero Taxiing Route
- Alternate Taxi Route

Parking
- Parking Lot
- Parking Lot
- Parking Lot
- Parking Lot

Barricade & Security
- Aircraft Low-Profile Barricade
- Cone, Aircraft Low-pro & Line of Sight Barricades
- Cone & Line of Sight Barricade
- Aircraft Low-profile Barricade
- Airport Flagger
- Airport Flagger
- Event Security Officer
- Event Security Officer
- Event Security Officer
- Event Security Officer
- Event Security Officer
- Aircraft Low-profile Barricade
- Cone Barricade
- Cone Barricade
- Aircraft Usher
- Aircraft Usher

AvGAS Trailer
- AvGas Trailer



12

THIS IS GOD'S COUNTRY

City Council Communication

Title: **CONSIDERATION AND APPROVAL TO AUTHORIZE THE CHIEF OF POLICE TO ENTER INTO A MOU BETWEEN THE MEDINA COUNTY SHERIFF'S OFFICE, CASTROVILLE POLICE DEPARTMENT, MEDINA VALLEY ISD POLICE DEPARTMENT, AND THE HONDO POLICE DEPARTMENT IN REGARD TO THE TRANSPORTATION OF PHYSICAL EVIDENCE TO THE TEXAS DEPARTMENT OF PUBLIC SAFETY CRIME LAB. (JUSTIN SOZA, CHIEF OF POLICE)**
Date: September 8, 2025 ***From:*** Justin Soza

INFORMATION:

Memorandum of Understanding (MOU) between the Medina County Sheriff's Office, Castroville Police Department, Medina Valley I.S.D. Police Department and the Hondo Police Department. This agreement is being developed in response to the Texas Department of Public Safety Crime Laboratory's recent directive requiring all evidence to be submitted and retrieved in person beginning September 1, 2025. Historically, these items were sent via U.S. Mail.

In addition to the in-person requirement, DPS has limited agencies to submitting no more than 15 items of evidence at a time. This makes monthly evidence runs impractical for agencies like ours, which frequently exceed that number over the course of a few weeks. As a result, our agencies would like to work together to share the workload by rotating transport duties. The intent of this MOU is to formally authorize designated personnel from any of the three participating agencies to submit or retrieve evidence on behalf of one another, while maintaining all necessary chain-of-custody procedures.

The MOU also includes a clause that permits the delivering employee to make minor corrections to the lab submission form if required by lab staff, with proper documentation and notification to the originating agency.

FINANCIAL IMPACT:

N/A

STAFF RECOMMENDATION:

Authorize the Chief of Police to enter into a MOU between the Medina County Sheriff's Office, Castroville Police Department, Medina Valley I.S.D. Police Department and the Hondo Police Department in regard to the transportation of physical evidence to the Texas Department of Public Safety Crime Lab.

MOTION:

I motion to authorize the Chief of Police to enter into a MOU between the Medina County Sheriff's Office, Castroville Police Department, Medina Valley I.S.D. Police Department and the Hondo Police Department in regard to the transportation of physical evidence to the Texas Department of Public Safety Crime Lab.

ATTACHMENTS:

1. DOCS1-#352616-v3-MOU_evidenc_transportation

STAFF CONTACTS:
Chief Soza

MEMORANDUM OF UNDERSTANDING BY AND BETWEEN MEDINA COUNTY, TEXAS, ON BEHALF OF THE MEDINA COUNTY SHERIFF'S OFFICE; THE CITY OF HONDO, TEXAS, ON BEHALF OF THE HONDO POLICE DEPARTMENT; THE CITY OF CASTROVILLE, TEXAS, ON BEHALF OF THE CASTROVILLE POLICE DEPARTMENT; AND MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT, ON BEHALF OF THE MEDINA VALLY ISD POLICE DEPARTMENT, FOR THE PURPOSE OF ESTABLISHING COOPERATIVE EVIDENCE TRANSPORT TO AND FROM THE TEXAS DEPARTMENT OF PUBLIC SAFETY CRIME LABORATORY; AND SETTING AN EFFECTIVE DATE.

RECITALS

WHEREAS, **Medina County, Texas,** on behalf of the **Medina County Sheriff's Office;** the **City of Hondo, Texas,** on behalf of the **Hondo Police Department; City of Castroville, Texas,** on behalf of the **Castroville Police Department**; and the **Medina Valley Independent School District**, on behalf of the **Medina Valley ISD Police Department** (collectively referred to as the "Parties" and individually as a "Party and / or Agency") are local government entities and law enforcement agencies within the State of Texas, responsible for the lawful collection, handling, submission, and retrieval of criminal evidence in connection with official investigations and prosecutions; and

WHEREAS, the **Texas Department of Public Safety ("DPS") Crime Laboratory** has issued a directive requiring all agencies to submit and retrieve evidence **in person** beginning **September 1, 2025**, and has further discontinued the use of on-site drop boxes and any form of evidence shipment; and

WHEREAS, the DPS directive also limits agencies to **no more than fifteen (15) items of evidence per submission**, making monthly evidence runs impractical for smaller agencies that frequently exceed that number within shorter timeframes; and

WHEREAS, in response to these requirements and operational constraints, the Parties seek to collaborate by establishing a MOU to **rotate transport duties** and authorize designated personnel to submit or retrieve evidence on behalf of one another while strictly maintaining all required chain-of-custody procedures; and

WHEREAS, the Parties desire to enter into this Memorandum of Understanding pursuant to the **Texas Interlocal Cooperation Act (Chapter 791 of the Texas Government Code)** to formally define the responsibilities, authority, and limitations of such interagency cooperation;

NOW, THEREFORE, in consideration of the mutual covenants and terms set forth herein, the Parties agree as follows:

I. AUTHORITY

This Memorandum of Understanding ("MOU") is entered into in accordance with the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, by and between Medina County, Texas, on behalf of the Medina County Sheriff's Office; the City of Hondo, Texas, on behalf of the Hondo Police Department; the City of Castroville, Texas, on behalf of the Castroville Police Department; and the Medina Valley Independent School District on behalf of the Medina Valley ISD Police Department (collectively referred to herein as the "Parties" and individually as a "Party and/or Agency").

II. PURPOSE

The purpose of this MOU is to authorize designated personnel from any of the Parties to deliver and/or retrieve criminal evidence on behalf of another participating Agency. This cooperative approach is intended to ensure continuity in chain-of-custody procedures and compliance with the updated DPS Crime Laboratory submission requirements effective **September 1, 2025**, which mandate **in-person evidence submission and retrieval**.

IV. TERMS

1. Consideration

The consideration for this MOU consists of the mutual promises and obligations set forth herein. Each Party agrees to provide assistance with the submission and retrieval of evidence to and from the Texas Department of Public Safety Crime Laboratory on behalf of the other Parties, in accordance with the terms of this MOU. This mutual exchange of services and responsibilities constitutes adequate and sufficient consideration for the purposes of this MOU.

2. Authorized Transport and Receipt

a. Any **full-time sworn peace officer** or **authorized evidence custodian** employed by one of the Parties may accept custody of criminal evidence from another participating agency for the limited purpose of transporting that evidence to a DPS Crime Laboratory location.

b. Likewise, **full-time sworn peace officer** or **authorized evidence custodian** employed by one of the Parties may retrieve evidence on behalf of another agency from a DPS Crime Laboratory, provided proper documentation and prior coordination has occurred.

3. Chain of Custody and Documentation

a. All evidence transfers—whether between agencies or to/from the laboratory—must be documented using standardized **chain-of-custody forms**.

b. Each evidence transfer record shall include the following:

- Full name and badge/ID number of transporting officer or custodian
- Date and time of each custody exchange

- Description and quantity of the evidence
- Case number from the originating agency
- Signatures of both releasing and receiving parties

c. Copies of all documentation shall be retained by the originating agency and accompany the evidence to the lab.

4. Evidence Packaging and Submission Responsibilities

a. The agency that originally collected or submitted the evidence remains solely responsible for:

- Proper **tagging and labeling** of evidence items
- Appropriate **packaging** in compliance with DPS laboratory guidelines
- Completion and accuracy of the **DPS laboratory submission form**

b. Failure to meet submission standards may result in refusal or delay of evidence processing.

5. Submission Form Authority and Corrections

a. If a DPS laboratory staff member identifies an error or requires clarification on a submission form, the delivering employee from any Party is authorized to make **minor corrections** on behalf of the originating agency, provided that the correction does not alter the substance or integrity of the evidence or related case information.

b. For purposes of this MOU, **"minor corrections"** are defined as non-substantive changes or clarifications to a DPS laboratory submission form that do not affect the evidentiary value, classification, or investigative significance of the items submitted. These may include, but are not limited to:

- Correction of typographical errors (e.g., misspelled names, transposed digits in case numbers);
- Completion of inadvertently omitted non-critical fields (e.g., submitting officer's phone number or agency address);
- Clarification of abbreviations or agency-specific codes; or
- Updates to agency contact information.

c. Minor corrections shall not include changes to:

- The identity of suspects, victims, or witnesses;
- The offense classification or case type;
- The number or type of evidence items submitted;
- Any information that could materially alter the forensic analysis, interpretation, or legal handling of the evidence.

d. Any corrections must be:

- Immediately communicated to the originating agency
- Documented in writing, with a copy retained by the employee making the correction and shared with the agency of origin

6. Personnel Authorization

a. Only individuals who are:

- Full-time sworn law enforcement officers, or
- Designated evidence custodians employed by one of the Parties, may participate in the transport or retrieval of evidence under this MOU.

b. Each agency shall maintain and, upon request, share a current list of approved personnel authorized to conduct evidence-related transportation. Changes or amendments to the list of approved personnel shall be promptly communicated to all Parties.

7. Liability

a. Each Party shall be solely responsible for and with respect to any claim or cause of action arising out of or with respect to any act, omission, or failure to act by their agents, officers, employees, and subcontractors, while performing any function or providing or delivering any service under taken pursuant to this MOU.

b. This MOU does not impose any obligation for indemnification among the Parties.

c. Subject to the limitations as to liability and damages in the Texas Tort Claims Act and without waiving its governmental immunity, each Party agrees to hold harmless each other, its governing board, officers, agents and employees for any liability, loss, damages, claims or causes of action caused or asserted to have been caused directly or indirectly by any other Party to this MOU, or any of its officers, agents or employees, or as the result of its performance, or any of its officers, agents or employees, under this MOU.

d. Nothing in this MOU adds to or changes the liability limits and immunities for a governmental unit provided by the Texas Tort Claims Act, Chapter 101, Texas Civil Practice and Remedies Code, or other law; nor does it create a joint enterprise for the purpose of assigning or determining liability.

8. Compliance

Each Party agrees to comply with all applicable federal, state, and local laws, regulations, and policies, including but not limited to those governing the handling, transportation, submission, and chain of custody of criminal evidence. This includes compliance with any rules or directives issued by the Texas Department of Public Safety Crime Laboratory, as well as any applicable law enforcement standards, confidentiality requirements, and records retention policies.

9. Effective Date, Duration, Amendment, and Termination

a. This MOU shall become **effective on the date of the last signature** and shall remain in effect unless terminated in accordance with the terms herein.

b. Any Party may terminate this MOU by providing **written notice** at least **thirty (30) calendar days** in advance.

c. This MOU may be amended only by mutual written agreement signed by all Parties.

V. POINTS OF CONTACT

Each Party shall designate a primary point of contact for all matters related to the implementation and administration of this Memorandum of Understanding. The designated points of contact for each agency are provided below:

1. **Medina County Sheriff's Office**
   Name: ____
   Title/Position: __________________________________
   Adress: _______________________________________
   Phone / Email: _________________________________

2. **Hondo Police Department**
   Name: ____
   Title/Position: __________________________________
   Address: ______________________________________
   Phone / Email: _________________________________

3. **Castroville Police Department**
   Name: ____
   Title/Position: __________________________________
   Adress: _______________________________________
   Phone / Email: _________________________________

4. **Medina Valley ISD Police Department**
   Name: ____
   Title/Position: __________________________________
   Adress: _______________________________________
   Phone / Email: _________________________________

VI. MISCELLANEOUS

1. Prior Agreements Superseded. This MOU represents the entire agreement of the Parties, superseding all prior agreements, and will not be amended or modified other than in a writing signed by the Parties. No Party will try to enforce a purported amendment that is not written and properly approved by each Party's governing body under section 791.011(d) of the Texas Government Code.

2. Counterparts. This MOU may be executed in counterparts and may be scanned or photocopied; a Party may use a complete counterpart, photocopy, or scan as if it were an original.

3. Law Governing. This agreement shall be governed by and construed in accordance with the laws of the State of Texas and exclusive venue for any dispute under this MOU shall be in Medina County.

4. Incorporation of Recitals. The foregoing recitals are hereby incorporated into the body of this MOU and shall be considered part of the mutual covenants, consideration and promises that bind the Parties.

5. Assignment. This agreement is binding upon and inures to the benefit of the parties to this agreement and their respective successors and permitted assigns. This agreement may not be assigned by any party without the written consent of all of the parties.

6. Severability. If any provision of this MOU shall be deemed void or invalid, such provision shall be severed from the remainder of this MOU, which shall remain in force and effect to the extent that it does not destroy the benefit of the bargain.

7. Warranty. The individuals executing this agreement on behalf of each party represent and warrant that they are each the duly authorized representatives of such party on whose behalf the individuals are signing, each with full power and authority to bind said party to each term and condition set forth in the MOU.

8. Effective Date. This MOU shall become effective on the date of the last signature.

IN WITNESS WHEREOF, the parties hereto have made and executed this to the MOU on the respective dates under each signature.

SIGNATURES

Medina County on behalf of the Medina County Sheriff's Office
By: ____________________________________
Name: __________________________________
Title: ___________________________________
Date: ___________________________________

City of Castroville on behalf of the Castroville Police Department
By: ____________________________________
Name: __________________________________
Title: ___________________________________
Date: ___________________________________

City of Hondo on behalf of the Hondo Police Department
By: ___________________________________
Name: _________________________________
Title: _________________________________
Date: _________________________________

Medina Valley Independent School District on behalf of the Medina Valley ISD Police Department
By: ___________________________________
Name: _________________________________
Title: _________________________________
Date: _________________________________

HONDO

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City Council Communication

Title: **CONSIDERATION AND APPROVAL OF VARIOUS APPOINTMENTS TO BOARDS AND COMMISSIONS. (MAYOR MCANELLY)**
Date: September 8, 2025 ***From:*** Mayor John McAnelly, Mayor

INFORMATION:

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

1. Mayor appointments

STAFF CONTACTS:

HONDO

THIS IS GOD'S COUNTRY

To: Members of the Hondo City Council

From: Mayor John McAnelly Jr.

Date: September 8TH, 2025

Re: Commission and Board Appointments

Several of the city's volunteer boards have the need for appointments and re-appointments. The appointment(s) are as follows:

1. Library Advisory Board

I would recommend appointing Olivia Stone for a two-year term.

HONDO

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City Council Communication

Title: **CONSIDERATION AND APPROVAL OF AN AMENDMENT TO THE INTERLOCAL AGREEMENT BETWEEN THE CITY OF HONDO AND HONDO ISD TO REFLECT INCREASED COMPENSATION AND BENEFIT COSTS FOR ALL ASSIGNED SROS. (JUSTIN SOZA, CHIEF OF POLICE)**
Date: September 8, 2025 ***From:***

INFORMATION:

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

1. SRO 2 DOCS1-#353458-v2-Amnd_no__2_SRO___Compensation_9_3_26

STAFF CONTACTS:

Amendment No. 2 to the Interlocal Agreement Between the City of Hondo and Hondo Independent School District for School Resource Officer Services

This **Amendment No. 2** (“Amendment”) is entered into on this ___ day of ___________, 2025, by and between the **City of Hondo**, a Texas home-rule municipality (“City”), and the **Hondo Independent School District**, a political subdivision of the State of Texas (“District”). The City and the District are collectively referred to as the “Parties.”

RECITALS

WHEREAS, the Parties entered into an Interlocal Agreement dated August 15, 2023 (the “Agreement”), pursuant to the Interlocal Cooperation Act, Texas Government Code Chapter 791, for the provision of police officers to serve as School Resource Officers (SROs) on District campuses; and

WHEREAS, the Agreement is currently in effect and operating on a month-to-month basis pursuant to Section 4.01; and

WHEREAS, Section 6.11 of the Agreement provides that the Agreement may be amended in writing by mutual agreement of the Parties and upon approval of the governing bodies of both Parties; and

WHEREAS, the Parties amended the agreement on August 18, 2025 (Amendment No. 1) to increase the number of SROs under the agreement from two (2) to four (4), and

WHEREAS, the Parties acknowledge that the School Resource Officers (SROs) provided under this Agreement consist of three (3) police officers and one (1) sergeant;

WHEREAS, the salary and benefit costs for existing and future SROs have changed since the execution of the Agreement, and the Parties wish to amend the Agreement to reflect the current compensation amounts for both peace officers and sergeants serving as SROs under the agreement in accordance with Section 3.01; and

WHEREAS, the City has adjusted salary and benefit rates in accordance with its regular compensation practices for law enforcement personnel;

WHEREAS, the Parties now desire to clarify the designation of personnel and update the cost structure in Section 3.01 of the Agreement to reflect updated compensation rates and the designation of one of the officers as a Sergeant**;**

/ / /

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the Parties agree to amend the Agreement as follows:

AMENDMENT TERMS

1. Designation of Personnel.

Pursuant to Amendment No. 1, which increased the number of School Resource Officers assigned under the Agreement from two (2) to four (4), the City shall continue to assign a total of four (4) peace officers to serve the District. Of these, three (3) shall be designated as School Resource Officers and one (1) as a Sergeant. This staffing structure reflects the current arrangement under the Agreement and shall remain in effect unless otherwise modified in writing by mutual agreement of the Parties pursuant to Section 6.11 of the Agreement.

2. Amendment to Section 3.01 Consideration.

Section 3.01 of the Agreement is hereby amended and restated in its entirety and shall now read as follows:

> District agrees to pay, as consideration for the services provided pursuant to this Agreement, a proportionate share of the salary and benefits costs of the City of Hondo Police Officer(s) assigned to the District under this Agreement. **The City shall assign three (3) police officers and one (1) sergeant to serve the District.** The District shall pay an annual rate of **$67,825.33 per officer and $78,138.67 for the assigned sergeant**. These amounts include retirement, FICA, insurance, unemployment, and workers' compensation.
>
> **The above amounts represent the District's proportionate share of the total salary and benefit costs for each City of Hondo police officers and sergeant assigned to the District. They have been prorated to reflect only the time during which each officer and the sergeant will be providing services under this Agreement, and do not reflect full annual compensation for those employees.**
>
> The yearly amount is a proportionate amount/pro-rated reflective of the time for which each officer and sergeant is providing services to District pursuant to the Agreement. The City maintains a merit pay increase system. It is possible the SRO(s) may receive a merit increase in salary during the term of this agreement. In the event any increase in salary or benefits occurs as the result of action taken by City, the parties shall accordingly amend the yearly salary amount and amend this section pursuant to Section 6.11 herein. The District agrees to make monthly payments upon receipt of invoices from the City. This payment will be made within fifteen (15) days of receipt of invoices in the business office of the District.

3. Supersession of Prior Versions of Section 3.01.

This amended Section 3.01 supersedes and replaces any prior version of Section 3.01 in the Agreement or any prior amendments thereto. All references in the Agreement to Section 3.01 shall be construed to refer to this amended version.

4. Continued Effect.

All other terms, provisions, and conditions of the original Agreement not expressly modified herein shall remain in full force and effect.

EXECUTED AND DELIVERED by and between the City of Hondo, Texas and District on this ________ day of ____________, 2025.

SIGNATURES

CITY OF HONDO
By: ____________________________
Name: __________________________
Title: ___________________________
Date: ___________________________

HONDO INDEPENDENT SCHOOL DISTRICT
By: ____________________________
Name: __________________________
Title: ___________________________
Date: ___________________________

City Council Communication

Title: **DISCUSS AND CONSIDER ACTION ON ORDINANCE NO 1308-09-25 OF THE CITY OF HONDO, TEXAS AMENDING CHAPTER 5 "BUSINESS REGULATIONS" OF THE CODE OF ORDINANCES OF THE CITY OF HONDO BY AMENDING SECTION 5.03.006 "SALE, POSSESSION OR CONSUMPTION IN CITY FACILITIES" TO UPDATE AUTHORIZED LOCATIONS, SECURITY REQUIREMENTS, AND PERMITTING CONDITIONS; DECLARING A PUBLIC PURPOSE; INCORPORATING RECITALS; PROVIDING FOR SEVERABILITY; PROVIDING A REPEALER; PROVIDING AN OPEN MEETINGS CLAUSE; AND SETTING AN EFFECTIVE DATE. (JOHN NARON, CITY MANAGER)**	
Date: September 8, 2025 ***From:*** John Naron, City Manager	

INFORMATION:

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

1. 1308-09-25 ALCOHOL DOCS1-#353333-v2-DRFT_Ord_Alch_City_Property_08_27_25

STAFF CONTACTS:

ORDINANCE NO. 1308-09-25

AN ORDINANCE OF THE CITY OF HONDO, TEXAS AMENDING CHAPTER 5 "BUSINESS REGULATIONS" OF THE CODE OF ORDINANCES OF THE CITY OF HONDO BY AMENDING SECTION 5.03.006 "SALE, POSSESSION OR CONSUMPTION IN CITY FACILITIES" TO UPDATE AUTHORIZED LOCATIONS, SECURITY REQUIREMENTS, AND PERMITTING CONDITIONS; DECLARING A PUBLIC PURPOSE; INCORPORATING RECITALS; PROVIDING FOR SEVERABILITY; PROVIDING A REPEALER; PROVIDING AN OPEN MEETINGS CLAUSE; AND SETTING AN EFFECTIVE DATE.

WHEREAS, the City of Hondo, Texas ("City") is a duly incorporated home rule city, operating and existing under the Constitution and laws of the State of Texas and duly adopted Home Rule Charter of the City; and

WHEREAS, the City has previously adopted regulations related to the possession, consumption, and sale of alcoholic beverages on city-owned property as codified in Chapter 5, Article 5.03 of the Code of Ordinances; and

WHEREAS, the City Council desires to amend Section 5.03.006 to clarify approved locations, ensure compliance with state permitting requirements, and implement enforceable safety and security standards for events involving alcoholic beverages on city property; and

WHEREAS, the City Council of the City of Hondo finds that these amendments serve the public interest, promote safety, and are necessary for the effective management of public property and events.

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

SECTION 1. AMENDMENT. Chapter 5, Article 5.03, Section 5.03.006 of the Code of Ordinances of the City of Hondo, Texas is hereby amended to read as follows, with strikethrough text indicating deletions and underline text indicating additions:

§ 5.03.006 – Sale, possession or consumption on ~~in city facilities~~ municipally owned property

(a) It shall be unlawful for any person to carry, possess, or consume any alcoholic beverages in or on municipally owned ~~facilities~~ property within the city, ~~with the following exceptions~~ except at the following locations: City Park #1, City Park #2, the senior and community center, ~~the city convention center~~ the City Hall Courtyard, the Fair Hall, the Show Barn, the municipal golf course, city streets or right-of-ways temporarily closed and designated for special events, and, at the discretion of the city manager, on the apron area of the municipal airport for fundraisers and special events that benefit the city. Disclosure of intent to provide or consume alcoholic beverages at an event shall be made to the city manager prior to obtaining permission for use of ~~said facility~~ municipally owned property. All such use of municipally owned property for events involving alcohol is subject to prior review and written approval by the city manager or their designee.

Commented [MM1]: New change

Commented [MM2]: Added to clarify that the listed properties still requires city approval before alcohol can be

(b) The sale of alcoholic beverages during an event being held in or on one of the ~~permitted facilities~~ properties specified in subsection (a) shall be subject to the requirements of the state alcoholic beverage commission. Liability insurance coverage must be procured in an amount to be determined by the city manager depending on the type and duration of the event.

(c) The city manager is authorized to approve the sale of alcoholic beverages for fundraisers or special events that benefit the city at the municipal airport or at other municipally owned property designated for special events on a case-by-case basis.

(d) Security shall be required for any event where alcoholic beverages are to be sold. "Security" shall mean one or more of the following, as approved by the city manager or their designee: (1) commissioned peace officers licensed by the Texas Commission on Law Enforcement (TCOLE); (2) private security personnel licensed under Chapter 1702 of the Texas Occupations Code; or (3) a combination thereof, in sufficient number to ensure the safety and orderly conduct of the event, based on the expected attendance, nature of the event, and whether alcoholic beverages are being sold or consumed. If the event is being held by the city, on-duty police officers may be used in place of privately contracted security, subject to approval by the city manager.

(e) Nothing in this section shall be construed to authorize the sale, service, or distribution of alcoholic beverages without compliance with all applicable state laws. Any sale or service of alcoholic beverages on municipally owned property shall require the appropriate permit or license issued by the Texas Alcoholic Beverage Commission (TABC), and such permit or license shall be obtained in advance of the event. City approval for the use of municipally owned property or the holding of an event does not constitute approval or exemption from TABC permitting requirements.

(f) Any person in violation of the provisions of this article shall be deemed guilty of a misdemeanor punishable under the general penalty provisions of section 1.01.009 of this code.

SECTION 2. PUBLIC PURPOSE. The City Council declares that this Ordinance is in the public interest and is necessary for the good governance, peace, and order of the municipality.

SECTION 3. SEVERABILITY. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be unconstitutional or illegal, such decision shall not affect the validity of the remaining sections of this Ordinance. The City Council hereby declares that it would have passed this Ordinance, and each section, subsection, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared void; and that in lieu of each clause or provision of this Ordinance that is invalid, illegal, or unenforceable there be added by the Mayor as necessary with the approval of the City Attorney as to form, and as a part of the Ordinance a clause or provision as similar in terms to such invalid, illegal or unenforceable clause or provision as may be possible, legal, valid and enforceable.

SECTION 4. INCORPORATION OF RECITALS. The City Council finds the recitals contained in the preamble of this Ordinance are true and correct and incorporates them as findings of fact.

SECTION 5. REPEALER. All ordinances, parts of ordinances, or resolutions in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 6. OPEN MEETINGS. That it is hereby officially found and determined that the meeting at which this Ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551, Local Government Code.

SECTION 7. EFFECTIVE DATE. This Ordinance shall take effect immediately from and after its approval and passage in accordance with the Texas Local Government Code and the City Charter.

PASSED AND APPROVED this, the 8th day of September, 2025.

By: ______________________________
JOHN MCANELLY, MAYOR

ATTEST:

____
REBEKAH DOLPHUS, CITY SECRETARY

HONDO

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City Council Communication

Title: **DISCUSS AND CONSIDER ACTION ON AUTHORIZING THE CITY MANAGER TO ENTER INTO AN INTERLOCAL AGREEMENT WITH SOUTH CENTRAL PLANNING AND DEVELOPMENT COMMISSION (SCPDC) FOR PERMITTING SOFTWARE. (JOHN NARON, CITY MANAGER)**
Date: September 8, 2025 ***From:***

INFORMATION:

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

1. v3-Revised_MGO_ILA_HondoTEXAS_-_8-25-25

STAFF CONTACTS:

INTERLOCAL AGREEMENT FOR LICENSING MYGOVERNMENTONLINE (MGO) SOFTWARE

SECTION 1. PARTIES AND PURPOSE

1.1 The City of Hondo, Texas ("Licensee" "City" or "Jurisdiction"), a home rule municipality located at 1600 Avenue M Hondo, Texas 78861 in Medina County.

1.2 The South Central Planning and Development Commission ("Licensor" or "SCPDC") is a regional planning commission and political subdivision of the State of Louisiana, domiciled in Terrebonne Parish. The district was established in 1973 and created by law in 1978 under State Act 472. The statute allows its member governmental entities to collaborate through SCPDC to provide long-range planning, act as a liaison with state and federal entities, provide guidance on current issues affecting government, and offer services to businesses and citizens.

1.3 SCPDC has created a unique suite of government management software modules collectively called MyGovernmentOnline (MGO) software (the "SCPDC Software"). This contract is entered into between the Licensee and SCPDC under Chapter 791 of the Texas Government Code to license the Licensee to use the SCPDC Software under certain terms and conditions.

This INTERLOCAL AGREEMENT (the "Agreement") is entered into by and between SCPDC and the Licensee and describes the terms and conditions under which SCPDC shall license to the Licensee the use of, and provide support for, certain Software (as defined below).

In consideration of the mutual promises and the terms and conditions set forth below, the parties agree as follows:

SECTION 2. DEFINITIONS

2.1 "CONFIDENTIAL INFORMATION" means this Agreement, including all its terms and schedules, any addenda signed by both parties, all Software listings, Documentation, information, data, drawings, benchmark tests, specifications, trade secrets, object code, machine-readable copies of the Software, source code related to the Software, and any other proprietary information supplied to the Licensee by SCPDC or by the Licensee to SCPDC, and clearly marked as "Confidential Information," including all items defined as "Confidential Information" in any other agreement between the Licensee and SCPDC, whether executed before or after the date of this Agreement.

Proprietary Information and Texas Public Information Act: All material submitted to the City shall become public property and subject to the Texas Public Information Act upon receipt. If SCPDC does not wish proprietary information to be disclosed, each page must be clearly identified and marked as proprietary at the time of submittal, or alternatively, all proprietary information may be placed in a separate folder or appendix and clearly marked as proprietary. The City will, to the extent allowed by law, endeavor to protect such information from public disclosure. The final decision on what information must be disclosed rests with the Texas Attorney General. Failure to mark information as proprietary will result in all unmarked information being deemed non-proprietary and available to the public. The City may choose to place unmarked information on its website or a similar public database without prior consent from SCPDC.

If any provision in this Agreement conflicts with the Texas Government Code, Chapter 552 (the "Public Information Act"), that provision will be void. The City and its officers and employees may request advice from the Attorney

General regarding the application of the Public Information Act to any items furnished to the City. The City shall have no liability for the disclosure of any information in reliance on the Attorney General's opinion.

2.2 "DOCUMENTATION" means any online help files, instruction manuals, operating instructions, user manuals, and specifications provided by SCPDC that describe the use of the Software, either accompanying the Software or provided to the Licensee at any time.

2.3 "EFFECTIVE DATE" means the later of the dates on which the Licensee and SCPDC have signed this Agreement.

2.4 "UPDATES" refers to changes, improvements, or enhancements made to the SCPDC Software. Updates may include the addition of new features, improvements to existing functionality, bug fixes, or other modifications aimed at improving performance, usability, or security. Major Updates introduce significant new features or functionalities that enhance the overall capabilities of the software. Minor Updates include incremental changes, performance optimizations, routine maintenance, and minor feature enhancements. SCPDC retains sole discretion in determining the timing, content, and classification of Updates as Major or Minor. Unless otherwise stated, all Updates are deployed seamlessly to the system as part of the continuous improvement of the SCPDC Software.

2.5 "SOFTWARE" means the computer software programs specified in “Fee Schedule” and otherwise provided for Licensee use under this Agreement.

2.6 "USE" means the loading, utilization, storage, or display of the Software by the Licensee for its internal information processing and by end-users accessing the Licensee's website via the Internet.

2.7 "PERMIT" means any type of permit, including, but not limited to, new construction permits, building permits, structure renovation permits, mechanical permits, plumbing permits, gas permits, electrical permits, and sign permits. Multiple permits listed under one number will not be considered a single permit for calculating funds owed to MGO under this Agreement if applicable.

2.8 "LICENSE FEE(S)" means all payments due under this Agreement, including the permit volume package amount, custom quotes and payments for elected add-on modules as detailed in the fee schedule

2.9 "RESPONSE CENTER AND CONTACT PROCEDURE" refers to SCPDC's designated support center located at 5058 West Main Street, Houma, LA 70360, with hours of operation from 8:00 a.m. to 4:30 p.m. Licensee can contact the support team via telephone at 1-866-957-3764 or email at support@mygovernmentonline.org. The primary contact for inquiries or notices is Ryan Hutchinson, Chief Technology Officer (CTO).

2.10 “OPERATIONAL ACCEPTANCE (informally referred to as "live"): The point at which a billable software subscription, or any part thereof, is actively used by the jurisdiction to process real data in support of its operations. It is achieved when the software is utilized for real-world activities. Operational Acceptance may also be determined by (ii) the date the Licensor is notified in writing by MGO that the module’s configuration is complete and ready for use, provided the Licensor does not object to its use within 30 days of notification.

2.11 BILLING START DATE: The date on which billing for a software subscription, as outlined in the “Fee Schedule,” begins. Billing commences upon achieving “Operational Acceptance”. If the Billing Start Date falls in the middle of a month, charges for that month will be prorated accordingly. Each Software Subscription may have a separate billing start date, depending on when the software subscription achieves Operational Acceptance.

2.12 SOFTWARE SUBSCRIPTION: A Software Subscription refers to a specific project type or module provided under this agreement, as identified in the fee schedule. Each subscription can be uniquely configured with distinct options and assigned to individual users.

SECTION 3. LICENSE, DELIVERABLES, AND COPIES

3.1 LICENSE GRANT

(a) (amended) Subject to the terms of this Agreement, MGO grants the Licensee a nonexclusive, nontransferable, royalty-bearing user license during the term of this Agreement to use MGO's Software, accessible via the Internet, on one or more servers controlled by or on behalf of the Licensee, solely for the purpose of utilizing MGO's products. This includes internal use of the Software for providing services to customers, allowing access to the portal for permit research and requests. The license excludes sublicensing, uploading, transferring, or providing direct access to the Software to any third party without prior written consent, including access on a standalone basis. Documentation use is included in connection with this license. **Licensee acknowledges that MGO retains all intellectual property rights in and to the Software, including any enhancements, modifications, and derivative works. The Licensee has no ownership rights in the Software, its source code, or any related intellectual property rights.**

(b) OWNERSHIP: MGO retains all ownership rights, titles, and interests in the Software and reserves all rights not expressly granted. This license does not transfer intellectual property rights or title to the Software, Documentation, or related copyrights, patents, or trademarks. The Licensee may not:

(i) Transfer or sublicense any copies of the Software to third parties.

(ii) Modify, decompile, reverse-engineer, or access the source code of the Software.

(iii) Copy the Software beyond necessary backups or disaster recovery purposes.

(iv) Develop interface products or add-on modules for the Software without MGO's express written permission.

3.2 DELIVERABLES: MGO will provide a web address where the Licensee can access a unique "jurisdiction login" with individual usernames and passwords for authorized users.

3.3 COPIES: Copies of Documentation must retain all proprietary markings, titles, and notices, including copyright and trademark symbols.

SECTION 4. LICENSE RESTRICTIONS

4.1 LICENSEE LIMITATIONS: The Licensee agrees not to:

(a) Sell, lease, license, or sublicense the Software or Documentation.

(b) Decompile, disassemble, or reverse-engineer the Software.

(c) Develop derivative or competitive software based on the Software or Confidential Information.

(d) Use the Software on a service bureau basis.

(e) Provide unauthorized third-party access to the Software without prior consent from MGO.

SECTION 5. LICENSE FEE

5.1 LICENSE FEE: The Licensee will pay fees calculated based on Software use. Transactions housed outside the system to avoid fee obligations are prohibited.

5.2 TAXES: Both parties are tax-exempt, and no taxes are expected. Each party remains individually responsible for any applicable taxes on their employees or property.

5.3 NO OFFSET: The Licensee cannot withhold or offset payments owed under this Agreement against other amounts.

SECTION 6. MAINTENANCE AND SUPPORT

6.1 OBLIGATION: The Licensee must remain current on fee payments to receive Maintenance and Support. Failure to pay fees is a material breach and may lead to termination of support rights under this Agreement and deactivation of Licensee user accounts.

6.2 SERVICE LEVEL AGREEMENT (SLA) OF MAINTENANCE AND SUPPORT: Maintenance and Support shall be provided based on the severity of the issue reported. For Tier 1 (Low Priority, Non-Critical Issues), SCPDC will respond within one (1) business day, document the issue, and evaluate it for potential inclusion in a future product update. For Tier 2 (Medium Priority, Minor Service Interruptions or Workarounds Required), SCPDC will respond within six (6) hours during standard business hours and provide a patch or workaround within five (5) business days, with the issue resolved or documented in a future product update. For Tier 3 (High Priority, Critical System Failures or Major Service Interruptions), SCPDC will respond within three (3) hours during standard business hours and provide a patch or workaround by the next business day, with a full resolution or documentation included in a future product update. SCPDC will make reasonable efforts to adhere to these response times but reserves the right to prioritize issues to ensure overall system stability and alignment with the development roadmap.

SECTION 7. LIMITED WARRANTY, LIMITATION OF LIABILITY AND RESPONSIBILITY FOR OWN ACTS.

7.1 WARRANTY: MGO warrants that the Software will perform as documented under normal use during the contract term. In cases of non-conformance, MGO will repair or replace the Software. This warranty applies only if:

(a) The Software is used properly according to instructions.

(b) No unauthorized modifications have been made.

(c) No deviations from Documentation were requested by the Licensee.

Pre-production versions are provided "as-is."

7.2 DISCLAIMER: MGO disclaims all implied warranties, including merchantability, fitness for a particular purpose, and non-infringement. MGO is not responsible for Software issues arising from non-MGO alterations.

7.3 LIMITATION OF LIABILITY: MGO's liability will not exceed the License Fee paid. MGO is not liable for lost profits, business interruptions, or other indirect damages.

7.4 ALLOCATION OF RISK: The terms reflect the allocation of risk and the limitations of liability.

7.5 CLAIMS: Claims must be brought within two (2) years of the cause of action. A cause of action is deemed to occur when the breach.

7.6 LIABILITY AND RESPONSIBILITY OF THE PARTIES: Each party to this Agreement shall be responsible for its own acts, errors, or omissions, and those of its officers, employees, or agents in the performance of this Agreement.

To the extent permitted by law, neither party assumes any liability for the acts or omissions of the other party or their respective officers, agents, or employees. Nothing in this Agreement shall be construed as creating any obligation by either party to indemnify or hold harmless the other party.

This provision is intended solely to establish the parties' responsibility for their own actions and does not create or waive any immunity or defense available under Texas or Louisiana law, including sovereign immunity or governmental immunity.

SECTION 8: FORCE MAJEURE

8.1 FORCE MAJEURE: Neither party shall be liable for failure to perform its obligations under this Agreement (except for payment obligations) if such failure is due to any cause beyond the reasonable control of the affected party, including, but not limited to, acts of God, war, terrorism, strikes, civil disturbance, governmental regulations, fire, flood, natural disaster, or failure of third-party service providers or other technology failures. The party affected by a Force Majeure event shall notify the other party promptly and use commercially reasonable efforts to mitigate the impact of the Force Majeure event. If the Force Majeure event persists for more than 30 days, either party may terminate this Agreement by providing written notice to the other party.

SECTION 9: OWNERSHIP OF INTELLECTUAL PROPERTY

9.1 OWNERSHIP OF INTELLECTUAL PROPERTY: MGO retains all right, title, and interest in and to the Software, Documentation, and any other materials related to the Software, including any intellectual property rights, patents, copyrights, trademarks, and trade secrets associated with the Software. Nothing in this Agreement shall be construed as transferring any intellectual property rights to the Licensee. The Licensee agrees not to challenge, dispute, or interfere with MGO's ownership rights in the Software, Documentation, or any related intellectual property.

9.2 NO TRANSFER OF INTELLECTUAL PROPERTY: The Licensee acknowledges that this Agreement grants only a limited license to use the Software as specified in Section 3.1, and no other rights or licenses in or to any intellectual property of MGO are granted. Any modifications, customizations, or derivative works made by the Licensee or on its behalf shall be the exclusive property of MGO, and the Licensee agrees to assign any rights it may have in such works to MGO without further compensation.

SECTION 10: LICENSEE DATA

10.1 OWNERSHIP OF DATA: SCPDC agrees that all data created by Licensee in the Software system belongs solely to the Licensee and shall be subject to the terms and conditions set forth in this Agreement regarding Licensee Data. To the extent permitted by law, in the event of the termination or nonrenewal of this Agreement, SCPDC warrants that Licensee's data and any information stored by SCPDC as a result of the Licensee's use of the SCPDC Software will be returned to the Licensee in a commercially reasonable format.

SECTION 11: PROJECT ABANDONMENT

11.1 ABANDONMENT OF DEVELOPMENT AND SUPPORT: Should SCPDC abandon development and support of the MyGovernmentOnline (MGO) system, SCPDC agrees to license the last stable source code release of the Software to the Licensee under an open-source license agreement. The specific open-source license agreement, such as GNU or another comparable license, will be selected by SCPDC at the time of abandonment.

SECTION 12. WAIVER

No waiver of any provision of this Agreement or of a party's rights or remedies under this Agreement will be effective unless in writing. A party’s failure, neglect, or delay in enforcing any provision, right, or remedy under this Agreement will not be deemed a waiver of those rights or remedies. Such inaction will not affect the validity or enforceability of any provision of this Agreement or prejudice the party’s right to take future action. Except as expressly stated in this Agreement, the exercise or enforcement of any right or remedy under this Agreement will not preclude the enforcement of any other right or remedy available by law or under this Agreement.

SECTION 13. SEVERABILITY

If any term, condition, or provision of this Agreement is found to be invalid, unlawful, or unenforceable, the parties will work in good faith to amend the Agreement to reflect its original intent as closely as possible. If no agreement can be reached, the invalid term, condition, or provision will be severed, and the remaining terms, conditions, and provisions will remain valid and enforceable to the fullest extent permitted by law.

SECTION 14. TERM AND TERMINATION

(a) SCPDC will provide the Licensee with a valid license to use the Software, along with Maintenance and Support, beginning on the Effective Date for an initial term of two (2) years. After the initial term, the license, Maintenance, and Support will automatically renew for successive one (1)-year terms unless the Licensee provides SCPDC with written notice of non-renewal at least ninety (90) days before the expiration of the current term. In consideration of the no upfront cost for the license, configuration, and implementation, the Licensee agrees to pay all monthly fees for the entire initial term before cancellation of the agreement is permitted. Furthermore, this Agreement is subject to the availability and appropriation of budgeted funds by the parties, and upon an occurrence of non-appropriation by either party, this Agreement shall terminate immediately.

SECTION 15. STANDARD TERMS OF LICENSEE

Any terms, provisions, or conditions set forth in a purchase order, acknowledgment, or other business form issued by the Licensee in connection with the acquisition or licensing of the Software will have no effect on the parties’ rights, duties, or obligations under this Agreement. Such terms will not modify this Agreement, regardless of SCPDC’s failure to object to them.

SECTION 16. AMENDMENTS TO THIS AGREEMENT

This Agreement may only be amended by a written document signed by both parties.

SECTION 17: FEE SCHEDULE

17.1 EXPENSES. The License Fee and service fees do not include Reimbursable Expenses. SCPDC will invoice the Licensee for any identified Reimbursable Expenses, which the Licensee agrees to reimburse promptly. Reimbursable Expenses are defined as costs incurred directly in connection with Authorized On-Site Visits and other services performed under this Agreement, specifically related to travel and transportation, unless otherwise agreed upon in writing. Reimbursement for lodging, mileage, and meals will be based on the Federal GSA per diem rates published on GSA.gov. Travel expenses, including car rentals and airline tickets, will be reimbursed at actual cost. A 10% administrative fee will be applied to the total of all reimbursable expenses.

The Licensee may also elect to pay a flat rate of $3,000 per trainer per trip, not to exceed five (5) business days. Reimbursable Expenses will be invoiced as soon as practical, and the Licensee is expected to provide payment within 30 days of the invoice date.

17.2 AUTHORIZED ON-SITE VISIT. An "Authorized On-Site Visit" refers to any visit by SCPDC's support staff or trainers to the Licensee's facilities to provide training or other services mutually agreed upon by both parties. Site visits will only be scheduled and conducted after receiving explicit authorization from the jurisdiction. The scope and timing of any on-site visit will be agreed upon in advance.

17.3 LICENSE FEES. The License Fee is billed monthly unless the jurisdiction requests a different payment schedule, which must be mutually agreed upon by the Licensor.

The License Fee is described in this section. If the License Fee is left blank, it is considered unintentional, and the contract shall not be valid, even if signed. License Fees must be specified for any provisions of this Agreement to be valid.

The following package prices are offered though the initial term of the contract. Please fill in below which permit volume package most reasonably fits your anticipated annual permit volume.

MONTHLY RATE	SOFTWARE SUBSCRIPTION						
Permit Volume	Permits	Planning & Zoning	Code Enforcement	Addressing / GIS Integration	Business licensing	Fire Inspections	Health
101 - 500	$300.00	$200.00	$100.00	$230.00	$150.00	$200.00	$200.00
500 - 750	$425.00	$225.00	$150.00	$230.00	$150.00	$225.00	$225.00
751 - 1000	$650.00	$375.00	$200.00	$230.00	$200.00	$250.00	$250.00
1001 - 1250	$1,000.00	$525.00	$250.00	$230.00	$225.00	$275.00	$275.00
1251 - 1500	$1,150.00	$600.00	$300.00	$230.00	$250.00	$300.00	$300.00
1501 - 1750	$1,300.00	$675.00	$350.00	$230.00	$275.00	$350.00	$350.00
1751 - 2000	$1,450.00	$750.00	$400.00	$230.00	$300.00	$400.00	$400.00
2000 – 2500	$1,650.00	$875.00	$450.00	$230.00	$325.00	$450.00	$450.00
2500 - 3000	$1,750.00	$975.00	$500.00	$230.00	$350.00	$500.00	$500.00
3001 - 3500	$1,850.00	$1,175.00	$550.00	$230.00	$375.00	$550.00	$550.00
3501 - 4000	$2,000.00	$1,275.00	$600.00	$230.00	$400.00	$600.00	$600.00

ANNUAL PERMIT VOLUME OVER 4,000 A YEAR MAY REQUIRE A CUSTOM QUOTE.

The Jurisdiction has agreed to the 101-500 **Permit Volume** package. Billing for each software subscription will follow a levelized monthly schedule and will commence upon the achievement of "Operational Acceptance" for that subscription. Because different subscriptions may achieve Operational Acceptance at different times, each may have a separate "Billing Start Date." The monthly fee for each subscription shall correspond to the Permit Volume Package selected by the Licensee in the Fee Schedule, with only the Permit Volume determining the applicable pricing row; volumes for subscriptions unrelated to permitting shall not affect this determination.

SCPDC may monitor the number of permits issued through the Software on an ongoing basis. If, during a calendar year, the Licensee exceeds the selected Permit Volume Package by no more than twenty percent (20%), the higher Permit Volume Package and corresponding monthly fee shall take effect at the beginning of the Licensee's next fiscal year. If the Licensee exceeds the selected Permit Volume Package by more than twenty percent (20%), SCPDC shall provide written notice of the overage and the proposed new Permit Volume Tier, and the Licensee shall transition to the new tier immediately. The corresponding monthly fee shall take effect no later than sixty (60) days after written notice, subject to the Licensee's right to review and confirm the new tier assignment. If the Licensee believes the proposed upgrade is in error or premature, the parties shall confer in good faith to resolve any discrepancies prior to applying the new rate.

Software Subscriptions Provided Under a Custom Quote: NA

Additional Subscriptions Available (Not Included in This Agreement): Comprehensive ERP Functionality, Virtual Inspections, Public Works, Fleet Maintenance, Asset Management, GPS Tracking, and Grant Management.

17.4 SERVICE FEES. Custom services outside the scope of this Agreement, as mutually agreed upon by the Licensee and Licensor, will be executed through a written scope of services at an hourly rate of $100. For payment provider integrations or changes, a one-time fee of $100 applies for integrations with previously supported payment providers. A one-time fee of $500 applies for integrations with new, unsupported payment providers.

Data import services will be provided at no additional cost if the agreed-upon work does not exceed 30 hours. If the data import requires more than 30 hours, the Licensee will be notified, and SCPDC will provide a detailed quote outlining the scope of work and estimated hours. Work exceeding the initial 30 hours will only proceed after the Licensee provides written approval of the quote. There is no additional charge for ongoing setup and configuration of the software unless otherwise specified in writing.

17.5 OTHER TERMS. SCPDC will invoice the Licensee at the beginning of each month. All invoices are due within 30 days of the invoice date. Payments will be processed in accordance with the Licensee's standard payment procedures. In the event of non-payment, SCPDC reserves the right to suspend services until outstanding balances are paid in full. Any disputes over invoices must be raised within 15 days of the invoice date, otherwise, the amounts will be considered final and payable. Licensing fees will commence accruing on the billing start date. Monthly fees are subject to an annual adjustment of up to 3%. This adjustment will take effect at the beginning of each calendar year, provided the Jurisdiction is notified in writing at least 30 days in advance.

SECTION 18: MISCELLANEOUS

18.1 NOTICE. Any notice required or permitted under the terms of this Agreement or required by law must be in writing and must be (a) delivered in person, (b) sent by first class registered mail, or air mail, as appropriate, (c) sent by overnight air courier, or (d) by facsimile, in each case properly posted to the appropriate address set forth below. Either party may change its address for notice by notice to the other party given in accordance with this Section. Notices will be considered to have been given at the time of actual delivery in person, three (3) business days after deposited the mail as set forth above, one (1) day after delivery to an overnight air courier service, or one (1) day after the moment of transmission by facsimile.

To:	South Central Planning and Development Commission	To:	City of Hondo
Attn.	[Name and Title]	Attn.	John Naron, City Manager
Address:	5058 West Main St.	Address:	1600 Avenue M, Hondo, Medina County, Texas 78861

18.2 PRESERVATION OF IMMUNITIES. Nothing in this Agreement shall be deemed to waive, modify, or amend any legal defense available at law or in equity to either party, including sovereign immunity, governmental immunity, or any other immunity or defense under applicable law. The parties expressly agree that no provision of this Agreement is intended to create, nor shall be construed to create, any claim or cause of action against either party that would otherwise be barred by applicable laws governing sovereign or governmental immunity. This clause shall survive the termination or expiration of this Agreement.

18.3 GOVERNING LAW AND VENUE. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to conflict of law principles. Venue for any legal action arising under this Agreement shall lie exclusively in a court of competent jurisdiction in Medina County, Texas.

18.4 COUNTERPARTS. This Agreement may be executed in counterparts and may be scanned or photocopied; a Party may use a complete counterpart, photocopy, or scan as if it were an original.

SIGNATURES

LICENSOR: South Central Planning & Development Commission (SCPDC)

____ Date:__________________

Kevin Belanger, CEO

LICENSEE: The City of Hondo, Texas

____ Date:__________________

John Naron, City Manager