

MINUTES FROM A REGULAR MEETING ON JUNE 24, 2025

The Government Body of the City of Rio Hondo, Texas met in a Regular Meeting on June 24, 2025 at 6:00 pm in the Commission Chambers at City Hall, with Mayor- Gustavo Olivares Presiding- Present, Commissioner Diana Bustamante, Present and Commissioners, Juan Garza- Present, Esteban Bocanegra- Present, Olga Gallegos- Present, and Jose Cavazos- Absent.

ALSO PRESENT: Ben Medina - City Administrator, Ana Hernandez - Assistant City Administrator, Robert Drinkard - City Attorney, on phone, Sgt Michael Rodriguez, Officer Rolando Doria, Tony Jasso, Bobby Villarreal.

Call meeting to Order (City Commission) at 6:00 pm

PLEDGE OF ALLEGIANCE

UNITED STATES PLEDGE

INVOCATION: Led by Commissioner Juan Garza

Regular Agenda:

1. Mayor's and Commissioners' Reports
The recognized the Park Department for doing a good job maintaining the Parks.
2. Reports: Administrator Report
Mr. Medina reported that the Parks crew is cutting every day and agreed with the Mayor regarding the park system. He also mentioned that a letter had been sent to the Cameron County Drainage and Irrigation Precinct 3 regarding the May Floods.
3. Public Comment Period: Please Note- The Public Comment Period is designated for hearing concerns regarding City of Rio Hondo Public Policy or City of Rio Hondo business that is or is not on the agenda or items listed on the agenda.

NO PUBLIC COMMENTS

4. Consideration and Action on the May 30, 2025 City Commission Meeting Minutes.

Commissioner Garza motioned to approve the minutes with the correction to change Regular Meeting title to Special Meeting and was seconded by Commissioner Bocanegra and the motion carried.

5. Consideration and Action accepting the lowest base- bid for the storm water improvements to Catherine Street from Rhyner Construction in the sum of \$891,958.71.

(Mayor requested that this item be transcribed verbatim.)

Ben Medina, yes, the project engineer is here we received 5 bidders, they were all very close, but Rhyner Construction is the lowest one.

Jose Munoz, Mayor, Commissioners, on June 12th we opened bids, and we received 5 bids on this project from different contractors in the valley. Rhyner Construction submitted the lowest bid, \$891,958.71. This is a little bit more than what you have on your construction budget for this project. We have about \$810,000.00 available for this project. So, what we will be doing is some value engineering to reduce the project to that amount or less, but we can go ahead and award it based on the agreement that we will issue a change order before we get started to reduce the contract within your budget.

Commissioner Bocanegra, What was our next highest bid?

Jose Munoz, our next highest bid was Peterson Construction at \$913,013.49. about a difference of \$22,000.

Jose Munoz, I know that we were talking about cutting back. What are you thinking about cutting back?

Jose Munoz, well right now, what we see is there is a pipe that we were going to install to replace the one that was in the alley. It's the same size pipe; we were just going to steepen it to allow a lot more flow. You still have a pipe there from the other project that was done. so, we feel that we can eliminate that and bring the budget down. We'll still make street and drainage improvements. We'll put curb and gutter, which was the majority of the work, and put in the storm drain system extending it into those roads. The alley was just the replacement of that pipe.

Commissioner Bocanegra and our bidders open to negotiate the price?

Jose Munoz, yes.

Commissioner Bocanegra, I would personally rather go with Peterson than Rhyner based off their past history.

Jose Munoz, that may be a little harder commissioner to try and find another additional \$22,000 to re-open that margin.

-we're already over \$80,000 over budget and we only have 370,00

-yes, were about 70. and right now, our calculations are removing that pipe, brings us too about, close to about \$800,000.

Mayor, so you're thinking by leaving that pipe it's going to put us within that budget.

Jose Munoz, no, eliminate it.

Jose Munoz, eliminating and sawing that pipe is going to put us within that budget. .

Jose Munoz, that we have allocated?

Jose Munoz yes, sir.

Ben Medina and that pipe wasn't installed five years ago. so.

Jose Munoz, it was installed. we were just going to try to increase the flow just to get a little bit more flow out of it. the majority of the work was to capture the water; your streets, to convert them into curb and gutter streets so that the was can get into that pipe system. so, that's, the majority of the work that's going to stay in the name of the project.

Mayor, I know that I guess Mr. Bocanegra had a concern, but uh, i would recommend for the commissioner pull one back because i believe one, it's the best bid. but two, it's also a local vendor within our municipality. I think we need to support our local business, especially the way things are going at this moment. I think we just need to be on top of them, in regards to time restraints. because I think that was the issue at one point. it was a time restraint.

Ben Medina, yes, sir.

Jose Munoz, oh, you 've had them before

Mayor yes

Jose Munoz, they just finished a job for me in Sebastian. street and drainage improvements. and they did very well for me there. I had no problem communicating with them and getting the project going with them. That's my experience with them.

I've done other projects with them in the past, but the most recent one was in Sebastian, they just finished it up in December. They were very well ahead of the project, and they did a good job on that project. it was a small project, minus about \$200,000 versus 800,000 but still. They were very easy to communicate with, get the work done. but those were my experiences with them.

Commissioner Bocanegra, have you had jobs with Peterson?

Jose Munoz, I've done some projects with Peterson. not as recent. but I have done work with them. All these contractors we've worked with, but most recently not was with Rhyner was the best. I didn't have any problems. communicating and getting the work done. I know its urgent as always, we know, we give them the days, calendar days. We have our own inspectors, and we'll stay on top of the projects as always to make sure everything runs smoothly and efficiently and gets it done on time.

Commissioner Garza, where is the drainage flow for that project?

Jose Munoz, it's the arroyo, eventually, it's a part of a project that was done i think five years ago. there was a pipe that increased to drain into the arroyo, and it was extended into this area. so that's the one we're going to . . .

Ben Medina yeah, this is the paloma project, and it goes into the church and a house, and eventually crosses s. arroyo and goes directly into an outfall. There's a little white house there right by the pizzeria and it goes through, facing them through the left-hand side and goes into an outfall in the arroyo. All that was done brand new.

Commissioner Garza, we haven't had any drainage issues there then?

Ben Medina, no, we haven't

Commissioner Garza, good.

Mayor, thank you. any further discussions we have motion ready? i need a motion guys?

-Commissioner Bocanegra, I would make a motion to put it out for rebid minus what we were planning to change, and see if we get other contractors

Jose Munoz, that's an option. We can eliminate them and rebid it. We've been getting good bidders on our projects. Of course we have Heywood coming up in July 10th. and the reason that we separated those was for the simple reason that we wanted to make sure that we didn't put too many projects on the table at the same time because you lose bidders that way. so that's why we separated. so, if you do want to make the changes and rebid it i would suggest we bid this out after July 10th. so that we allow Heywood to come in and see what kind of prices we get on Heywood and right after that we offer bids on that.

Ben Medina, the problem I see with that its cutting into our construction time. The construction time we have at the end of the year to finish this project and basically the rules and the GLO is that you accept the lowest bid if not rebid it. so i don't want to ask for extensions but if the commissioners desire, but that is a good price. Total funding is a million dollars. We don't know what the next prices are going to be, i would recommend that we accept this bid, just because of the construction time. This is a contractors.

Commissioner Bocanegra, I have no problem, I'm just wondering why we're expediting, where was this open bid three months ago? or following the construction completion. versus now. and I mean it could be a transparency thing; that's all my apprehension. again, based off their history with Mesquite. I prefer to give another vender an opportunity.

Jose Munoz oh, they just finished a job for you all.

Ben Medina no, no. no. this was years ago.

Jose Munoz, oh okay.

Mayor, I think the question is the timeline for this bidding is what he's asking

Mayor, I mean you produce the plans and we have

Jose Munoz, I mean like a said I can start the rebidding. but i would say open the bids after july 10th which is three weeks. maybe open this one July 17th or a little bit more time. just to give contractors a little bit more time to bid on both projects. What happens is one will get one and the other one will bid on the other one. and they'll continue to give good prices. and that's what we're trying to get. is get your contractors who give you good prices so that you can get a good bang for your buck. and get as much as you can for your dollars.

Commissioner Bocanegra, I support. reason. . . .

Mayor, is that a motion?

Commissioner Bocanegra, I make a motion to open up for rebid

Commissioner Bustamante, I'll second.

Mayor anyone not in favor.

Mayor, so, everybody is unanimous.

Mayor, I believe we're a small town and we need to find a way to keep our small businesses going. I mean I just put a letter out like a month ago now, supporting our local business because of the possibility our grocery be shutting down. and now we have here a construction company that has been in Rio Hondo a long time. and we don't select it, and that's okay. but to me the only reason the construction company

had issues was based on time, not on the work that they did. It just took them a little longer time. but that's just my opinion of the record so it can be documented.

Commissioner Garza, I think it would have benefited us if there represent was here. so that they could have responded to them.

6. Consideration and Action on an agreement between the City of Rio Hondo and Wrecking Jams/Betacourt Entertainment Production LLC to conduct the 2025 Bridge Fest Celebration.

Mr. Michael Betancourt presented his proposal offering his support and to conduct the 2025 Bridge Fest celebration. The Mayor commented that Bridge Fest has to be taken to the next level. If this is done, it would be overwhelming for the city.

Mr. Betancourt stated that he participates in conventions, concerts, and rodeos across the United States. He wants to help Rio Hondo grow Bridge Fest: He can line up artists like Dwight Yoakum, Steve Miller Band and more.

Modify Bridge Fest to be bigger by closing it all the way to Reynolds Street. The stage will be in the water. The bridge was featured in The SA News. Vendors would be on both sides of the river. The mayor asked what the costs to the city would be. Mr. Betancourt stated that it would be the same as last year to cover the maintenance workers and police. They would cover the stage, vendors, and musicians.

Mr. Garza asked if Legal had reviewed the agreement. Mr. Medina stated that it was preliminary, and a full agreement would be drafted by the city attorney. The Mayor asked how often will he meet with the commission. Mr. Betancourt stated that as often as requested.

Commissioner Bocanegra motion to move forward with the agreement and seconded by Commissioner Garza and the motion passed unanimously.

7. Consideration and Action on Resolution No 2025 14 by the City Commission of the City of Rio Hondo, Texas, authorizing and approving publication of Notice of intention to issue Certificates of Obligation; complying with the requirements contained in Securities and Exchange Commission Rule 15c2-12; and providing an effective date.

Mr. Medina introduced Tony Jaso and Bobby Villarreal to the firm of Estrada and Hinojosa, the city's financial advisors. Mr. Jaso presented the project of selling Certificates of Obligations for various projects totaling four million dollars. Several financing scenarios were discussed of borrowing on a 15 year term and a 20 year term. The tax rate will be raised by .23 cents per hundred dollars.

Commissioner Bocanegra commented that he did not agree with the list of projects. Commissioner Garza stressed the need for cash if improvements are need in the

water plant. This finance would limit the resources. The mayor commented that citizens are already struggling and that the appraisal district keeps reappraising properties.

Commissioner Garza motioned to deny the resolution and that it should go to the voters and was seconded by Commissioner Bustamante and the motion passed unanimously.

8. Presentation and submittal of preliminary budget revenues and proposed expenditures.

Mr. Medina gave the Commission a preliminary draft of the budget and expenditure. This draft was based on May 31, 2025, revenues received and expenditures. Mr. Medina mentioned that after the Department Heads finish with their budgets, commissioners will be called to meet individually and in a workshop. No action was taken.

9. **Executive Session: Commissioner Bocanegra motioned to go into Executive Session at 7:35, seconded by Commissioner Gallegos, and the motion passed unanimously.**

Executive Session regarding personnel matters under Texas Local Government Code Section 551.074 to conduct interviews with the top three candidates for the position of Public Safety Director.

Open Session

Consideration and Action to authorize the Consulting Police Chief and Human Resources Manager to conduct all background checks and related matters of the selected candidate.

After interviewing three candidates.

Commissioner Garza motioned to offer the highest-ranked candidate a salary of fifty-seven thousand dollars, provided they pass all TCOLE requirements and background checks. After a successful probationary period, the salary would be increased by five thousand three hundred dollars. The motion was seconded by Commissioner Bocanegra and passed unanimously.

10. Adjournment: Commissioner Gallegos motioned to adjourn, seconded by Commissioner Bustamante, and the motion passed unanimously.



Gustavo Olivares, Mayor

Approved: July, 15, 2025
Attest: Ben Medina, City Administrator.