

**CITY OF LAREDO**

**CITY COUNCIL MEETING**

**CITY COUNCIL CHAMBERS  
1110 HOUSTON STREET  
LAREDO, TEXAS  
5:30 P.M.**

**MINUTES**

**M96-R-24**

**AUGUST 5, 1996**

**I. CALL TO ORDER**

With a quorum present, Mayor Protem Alfonso I. "Poncho" Casso, called the meeting to order.

**II. PLEDGE OF ALLEGIANCE**

Mayor Protem Casso, led in the Pledge of Allegiance.

**III. ROLL CALL**

**IN ATTENDANCE:**

JOSE R. PEREZ,	COUNCILMEMBER,	DISTRICT I
LOUIS H. BRUNI,	"	, DISTRICT II
ALFONSO I. "PONCHO" CASSO, JR.	"	, DISTRICT III
CECILIA MAY MORENO,	"	, DISTRICT IV
ELISEO VALDEZ, JR.,	"	, DISTRICT V
JOE A. GUERRA,	"	, DISTRICT VI
MARIO GEORGE ALVARADO,	"	, DISTRICT VII
CONSUELO "CHELO" MONTALVO	"	, DISTRICT VIII
FLORENCIO PENA, III	CITY MANAGER	
FAUSTO SOSA,	CITY ATTORNEY	

**ABSENCES:**

GUSTAVO GUEVARA, JR., CITY SECRETARY

Motion to excuse Mayor Saul N. Ramirez, Jr. due to out-of-town business commitment.

Moved : Cm. Perez  
Second: Cm. Guerra  
For: 7

Against: 0                      Abstain: 0

(Mayor Protem Casso was chairing the meeting and not voting.)

**IV. APPROVAL OF MINUTES**

- 2. City Council Meeting of July 1, 1996
- City Council Workshop on Telecommunications - July 8, 1996
- City Council Meeting of July 22, 1996



dissolved after council gave a directive not to have it dissolved.

Fausto Sosa, City Attorney, answered that it was his impression that the only thing that was not going to be dismissed was the lawsuit. He quoted, "the lawsuit has not been dismissed, the documents themselves require that as soon practical once the agreement is signed would require a...the TRO to be dismissed...or the lawsuit to be dismissed, we talked about it, was my misunderstanding. Mr. Zaffirini went to my office the Tuesday after the Monday's meeting and we sat down, we called the attorneys...our attorneys in Detroit and I did not get a response back. I went ahead because it was my clear impression that we were going to allow the TRO to go cause we do have an agreement, the agreement is signed by the other side. We have that coming to us, that has not changed." He went ahead and signed it because it was his impression that they were only going to leave the lawsuit pending, which is still pending. Mr. Zaffirini also got the same impression and added it was his misunderstanding. The fact remains and nothing has changed, we still have the agreement signed and executed by the other side, and they are waiting for the final readings on the ordinances.

Mayor Protem Casso stated it was clear as water and obvious to bring it back. There was a motion made and second he does not understand why there was confusion, he does not want staff disobeying the council.

Cm. Bruni questioned Mr. Pena if his understanding was to drop the TRO or not to be dropped.

Florencio Pena, Interim City Manager, stated that he learned about the restraining order being dropped the day after it happened by Mr. Dovalina. He immediately called Mr. Sosa to see what had happened. He was advised that Mr. Dovalina had some concern as did the attorney from Detroit, that the documents that would require to be docketed or submitted along with the restraining order were not filed or were not provided, so the attorney from Detroit set a hearing for Friday to reconsider the Temporary Restraining Order. During that period of time he did discuss this with Mr. Dovalina, they did set the date for a hearing on Friday to reconsider the restraining order on the basis that maybe Mr. Sosa had been dealt with, up front on this issue. They discussed it, they discussed it with the attorneys from Detroit, they had all the documents before Friday, everything was in order, everything was submitted, they reviewed the tape and it did appear that no real reference was being made to the restraining order or at least that is the impression he got from the staff that was there, that this was not going to have any material effect on the lawsuit because the lawsuit was still pending and the lawsuit is not going to be

dropped until this ordinance goes through the three readings which is required.

Cm. Bruni asked Mr. Pena if what he is saying is that there is no reference by this council pertaining to TRO only to what Mr. Zaffirini said of dropping the lawsuit?

Mr. Pena stated that was his impression with staff as they sat there and reviewed this particular issue.

Cm. Bruni asked if the City Attorney has the authorization to either drop or not drop TRO's?

Mr. Pena said that it is a question in some situations. He added that if council wants to set that as a policy, henceforth, that any lawsuit before it's dropped require council action or any retraining order, because there are administrative things that go on that require council to act on. He did act without his knowledge at first, but after they had an opportunity to re-hear the case on Friday, after meeting with Mr. Dovalina and discussing it with the attorney in Detroit they felt it would be no material effect on it and they did not pursue the hearing on Friday. He added if council wants in the future that all actions of these type and that the attorney will have, that they be brought to City Council they can do that.

Cm. Bruni stated his concern was that everything should be brought to his attention, him being the City Manager.

Fausto Sosa, City Attorney, stated it was his misunderstanding completely. Once he was aware of the misunderstanding, he went ahead and scheduled, because he was the one that scheduled the hearing for Friday, however, since they got the documents they conferred with the attorneys in Detroit, there is no material alteration, it was his mistake. He added they talked about the lawsuit so much that he assumed it was the lawsuit that they were not going to dismiss and the TRO was going to be dissolved. He added it was his misinterpretation.

Mr. Larry Dovalina stated that basically the TRO was released on July 16th according to the latest information that they have from the Clerk's office. When they initially found out about the dissolving of the TRO, he spoke to Mr. Pena and the attorneys involved in the negotiation of the settlement agreement. He added that although they had mentioned the night before that they were considering dissolving the TRO, there was still direction from council to bring the issue back to the council. At one point in the middle of the discussion the Mayor said for the record, "Are we clear on the motion" and the motion authorized by council was to have the City Manager to execute the settlement agreements. The concern that they had about the TRO's on Tuesday was that

they had dissolved the TRO and in fact did not have any documents in their hands showing that the company had executed the agreements, obviously the concern at that time since the night before they had expressed the opinion that they wanted to delete a certain portion of the settlement agreement was whether or not releasing the TRO, whether we had compromised the settlement agreement and whether it would now be in the company's advantage to take out the clauses that they wished to take out without turning them over to the city since we no longer had the TRO in place and which we felt was one of the strongest items they had in the lawsuit. They then met the next morning, scheduled a hearing for Friday, if they weren't able to receive the executed settlement agreements, they finally were able to convince or to get the settlement agreements late Wednesday afternoon. In the whole process different things have occurred and obviously there are different dates in the dissolution of the documents, the judge signing the order in the 15th which was the day of the council meeting, the District Clerk entering the document in their records dated on the 15th, later corrected to the 16th by simply running over the number and putting 16 on it. He did go to that office and asked for an explanation and asked how come if they were making a change to the document there was no notation in the document indicating a change. They also indicated that for the records, as an official document that the official document as they consider it would be the date that the judge executed the document which is the 15th. He also asked if anyone else was authorized to change the date that the judge had placed on the document and was assured that the only way that the date the judge placed on the document could be altered would be to have both parties file for an amended temporary restraining order to make it technically correct, but that officially the order is entered as Monday the day of the council meeting and not the 16th the day after the meeting.

Cm. Guerra asked if the position of the city in this lawsuit compromised by the action taken or the dissolving of the temporary restraining order?

Mr. Dovalina stated that the settlement agreement itself has not been compromised because they were able to get the executed copies, after trying for a day and half.

Cm. Guerra asked if in essence our position remains intact?

Mr. Dovalina answered that our position remains intact, they have no way to judge whether any significant actions which have taken place after the TRO was released because of a letter that was received from Time Warner indicating that five days after the release (he received the letter and the City Manager received the letter) from Esteban Ventura indicating that they were in the process of consumating or merging two additional companies which was the coalescence of

the lawsuit about transferring or merging companies without the consent of the city. They received that letter in particular five days after the TRO was released.

Cm. Guerra stated that it was not so much the fact that they wanted to start issuing the so called purchase orders to start constructing what they wanted to construct, they had some other motive then.

Mr. Dovalina stated he suspects that the letter coming on the heels of the TRO obviously indicates that there was some urgency to the company other than the items that were in the settlement.

Cm. Guerra stated he sensed that urgency the night when their attorney was present before council which is one of the reasons why he made the motion to take his comments under advisement and then let our legal staff produce whatever information they had to offer and then come back to council.

Cm. Guerra wants to go on record as knowing before hand of any temporary restraining order that is dissolved. He wants to be previewed of that information.

Mr. Pena stated he concurs with that, that was his intention, but because the action was already taken, and because later they discussed it with the attorney in Detroit that there was no material effect on it. They proceeded to allow the Friday hearing to elapse, but later on the issue of when the judge signed the release of the restraining order it became an issue. He was in the process of preparing a letter to the District Clerk's asking clarification of those dates. They need clarification of that and if council wishes they can pursue the possibility of re-establishing this restraining order if feasible to do.

Mr. Dovalina stated that the opinion of our attorneys is that it is not to our advantage to go ahead and re-issue the temporary restraining order. What they have asked us to do is to continue with the reading of the ordinance because they feel that with the issue that has come up related to the transfers and mergers that it is to the city's advantage to go ahead and finalize the ordinance as soon as possible. They have already placed the company on notice with a letter from the City Manager that they intend to hold the public hearings relating to those two mergers and it is the company's position that they will agree to the hearings although they don't agree to the fact that we have the right to hear them. He added that we are basically trying to preserve our rights and feel that the amended ordinance now presented will fully take care of the situation by itself.

Mayor Protem Casso concluded by saying that he does not want staff to waste their time and added that he has a problem with the City Attorney's Office.

Mr. Jesus Ponce said he was present at the meeting where this issue occurred and the presentation was made with a catch to it. He said they were to order fiber optic cable and his question is if after they removed the restraining order the company ordered the fiber optic cable which was the whole commitment in the presentation and if they didn't maybe that is a basis for getting that restraining order back.

Mr. Dovalina answered no, what has been occurring is that there has to be a digitized mapping which has been going on now for six months in the process and they cannot order the cable until that's totally finished. They are still designing 200 miles that are left to be designed before the fiber optic can actually be ordered.

Mr. Esteban Ventura, General Manager of Paragon Cable, stated that one of the issues that they have is the fiber optic cable and not only that, but a lot of other electronic equipment that has to be ordered. The problem with the ordering is the lawsuit itself, Time Warner has been threaten with loosing the franchise which keeps vendors on the edge. They will be ordering million of dollars of equipment, these are items that are not readily available, these are items ordered depending upon the design called for. They have to know what they have out there in order to design and rebuild and upgrade the system and until they have that done they cannot order any of the materials. They have been doing that for more than eight months.

Ordinance Introduction: City Council

4. Authorizing the City Manager to execute all necessary documents to effectively convey fee simple title to Mr. Carlos Narvaez for the sale at fair market value of the "surface only" of certain city property formerly known as that section of Louisiana Avenue between Wooster and Marion Streets also known as the 200 Block of Louisiana Avenue, situated in the Eastern Division, City of Laredo, Webb County, Texas, and providing for an effective date. **(Note: Action must be taken on item #10 prior to action being initiated on this item.)**

Ordinance Introduction: City Council

Motion to bring up item #10 at this time.

Moved : Cm. Perez  
Second: Cm. Bruni  
For: 7

Against: 0

Abstain: 0

5. Authorizing the City Manager to execute all necessary documents to effectively convey four parcels of City owned right-of-way easements to the State of Texas. The parcels were donated for the Spur 400 (Clark Blvd.) project which extends Clark Blvd. from Arkansas Avenue East to Loop 20. Said parcels being situated in Webb County Texas, and described as follows:

**Parcel 1** - Being the surface only of 1.3160 acres (57,324.857 square feet) of land, more or less, out of and part of the James Haynes 56.8 acre tract out of Porcion 29, Abstract No. 3086, original grantee, Juan Bautista Villarreal, recorded in volume 248, pages 606-607 of the Webb County Deed Records, also described as being all of Block 1, except the South 69 feet of lots 1-6 inclusive; all of Blocks 2 thru 11; all of Blocks 13 thru 22; Lots 1-6 inclusive in Block 25; Lot 1-6 inclusive in Block 26; Lot 1-6 inclusive in Block 27; and Lot 1 in Block 28; situated in the Eastern Division of the City of Laredo, as per amended replat of the Chacon addition to the City of Laredo;

**Parcel 2** - Being the surface only of 6.8928 acres (300,252.403 square feet) of land, more or less, out of and a part of the Killam Oil Co. 354.72 acre tract no. K-5 situated in Porcion 29, Abstract No. 3086, original grantee, Juan Bautista Villarreal, Webb County, Texas, commonly referred to as the Ugarte Tract conveyed to O.W. Killam by E.R. Ugarte, Et Ux., and recorded in Volume 252, Pages 21-23 of the Webb County Deed Records;

**Parcel 3** - The surface only of 2.2610 acres (98,488.416 square feet) of land, more or less, out of a 54.45 acre tract of land, more or less, lying in Porcion No. 29, Abstract No. 3086, recorded in Volume 210, Pages 790-792 real property records of Webb County from Paul Young, Jr., Et Al., to the big "O" development, L.C., and being out of and apart of a tract of land known as the big "O" ranch recorded in Volume 262, Pages 236-240, Webb County Deed Records of which 121.05 acres, more or less, lie in Porcion 29, Abstract No. 2086, Webb County, Texas;

**Parcel 4** - The surface only of a 2.5434 acres (110,791.255 square feet) of land, more or less, out of a tract of land known as the big "O" ranch recorded in Volume 262, Pages 236-240, Webb County Deed Records of which 121.05 acres, more or less, lie in Porcion 29, Abstract No. 3086, Webb County, Texas, and less a 54.45 acre tract of land recorded in Volume 210, Pages 790-792, real property records of Webb County from Paul Young, Jr., et al., to the big "O" development, L.C.



## Ordinance Introduction: City Council

6. Amending the City of Laredo's Housing Rehabilitation Program Policies & Procedures Manual administered by the Dept. of Community Development and funded through the U.S. Department of Housing and Urban Development's Community Development Block Grant (CDBG) to reflect program changes which are necessary in order to better serve the housing needs of low and low and moderate income households, as follows:
  1. Increase the Housing Rehabilitation Loan Program amount from \$15,000 to \$21,000.
  2. Change the name of the Emergency Rehabilitation Loan Program to the Fire Rehabilitation Loan Program and increase the loan amount from \$25,000 to \$30,000.
  3. Allow 43% of each Housing and Fire Rehabilitation Loan to be provided in the form of a forgivable note and be reduced at a set ratio for every month in which the owner resides in the unit for the life of the note and that a 100% forgivable loan be made available to elderly and/or disabled head of households with incomes of 60% or less of the household median family income.
  4. Discontinue the Hazard Elimination Loan Program as currently structured and implement an Emergency Repair Grant Program of up to \$5,000.
  5. Implement an exterior Paint Grant Program, with grants not to exceed \$2,500.
  6. Increase the Sewer Connection Grant from \$6,000 to \$8,000.
  7. Allow matured loans made through the Deferred Housing Rehabilitation Loan Program, to be forgiven at a rate of two years for each year the assisted owner continues to reside in the home.
  8. Implement other minor changes including the incorporation of the City's Cash Handling Policies & Procedures and the amendment of legal documents and program forms to coincide with new policies.

Cindy Collazo, CD Director, made the presentation before council and explained items 2 and 8.

Cw. Montalvo wanted to find out if they can amend or re-allocate funds for a project in the Azteca area.

Mrs. Collazo stated that they will be talking about that issue in the consolidated fund further in the agenda.

## Ordinance Introduction: City Council

7. Authorizing the City Manager to execute a lease with Community Education Partners, L.L.C., a Tennessee corporation for approximately 100,357 square feet of land located on Block 23 at the Laredo International Airport, for the purpose operating an alternative education program for at risk youth;
  1. Lease term is for two (2) years commencing August 1, 1996 and ending July 31, 1998;
  2. Monthly rent shall be

\$1,589.00 and will be adjusted annually according to changes in the Consumer Price Index.

Ordinance Introduction: City Council

8. Authorizing the City Manager to execute a lease with the Texas Department of Health for approximately 240 square feet constituting Suite #10 of Building #S-1 located at 1718 East Calton Road at the Laredo International Airport, to be used as office space;
1. Lease term is for one (1) year commencing August 1, 1996, and ending July 31, 1997, and may be extended for one (1) year ending July 31, 1998; 2. Monthly rent shall be \$275.00 and will be adjusted annually according to changes in the consumer price index; providing for an effective date.

Ordinance Introduction: City Council

#### VI. FINAL READINGS

Motion to waive the final reading of ordinances #96-O-113, #96-O-115, #96-O-116, #96-O-117, #96-O-118, #96-O-119, #96-O-120, #96-O-121, #96-O-122, #96-O-123 and #96-O-124.

Moved : Cm. Perez

Second: Cm. Bruni

For: 7

Against: 0

Abstain: 0

9. 96-O-113 Closing as public easements those sections of Laredo Street between Ejido Avenue and the Texas-Mexican Railway right-of-way line and that section of Smith Avenue between Laredo Street and the Texas-Mexican Railway right-of-way also known as the 3100 and 3200 Blocks of Laredo Street and the 1300 Block of Smith Avenue respectively, situated in the Eastern Division, City of Laredo, Webb County, Texas and providing for an effective date. (Unanimous City Council)

Motion to approve ordinance #96-O-113.

Moved : Cm. Perez

Second: Cw. Montalvo

For: 7

Against: 0

Abstain: 0

10. 96-O-114 Closing as a public easement those sections of Louisiana Avenue between Wooster and Marion Streets, also known as the 200 Block of Louisiana Avenue, situated in the Eastern Division, City of Laredo, Webb County, Texas and providing for an effective date. (Unanimous City Council)

Motion to waive the final reading of ordinance #96-O-114.

Moved : Cm. Perez  
Second: Cw. Montalvo  
For: 7    Against: 0    Abstain: 0

Motion to approve ordinance #96-O-114.

Moved : Cm. Perez  
Second: Cm. Bruni  
For: 7    Against: 0    Abstain: 0

11. 96-O-115 Authorizing the City Manager to execute a lease renewal with Tomas Sandoval, III, an individual, for approximately 61,422 square feet of land located at 1704 East Hillside Road, to be used for a landscape nursery;
1. Lease term is for two (2) years commencing July 1, 1996, and ending June 30, 1998, and may be extended for three terms of one year each ending June 30, 1999, June 30, 2000, and June 30, 2001;
  2. Monthly rent shall be \$775.00; and will be adjusted annually according to changes in the consumer price index; providing for an effective date. (Unanimous City Council)

Motion to approve ordinance #96-O-115.

Moved : Cm. Perez  
Second: Cw. Montalvo  
For: 7    Against: 0    Abstain: 0

12. 96-O-116 Authorizing the City Manager to execute a lease renewal with Laredo Utility Construction, Inc., at Texas corporation, for approximately 53,000 square feet of land located at 5901 Daugherty Avenue at the Laredo International Airport, to be used as a construction equipment storage yard;
1. Lease term is for one (1) year commencing June 1, 1996, and ending May 31, 1997,
  2. Monthly rent shall be \$596.00; providing for an effective date. (Unanimous City Council)

Motion to approve ordinance #96-O-116.

Moved : Cm. Perez  
Second: Cw. Montalvo  
For: 7    Against: 0    Abstain: 0

13. 96-O-117 Authorizing the City Manager to execute a lease renewal with Juan Vargas D/B/A The Education Center for approximately 4,308 square feet constituting

Building #1169 located at 4407 Foster Avenue at the Laredo International Airport, to be used for housing a day care facility;

1. Lease term is for one (1) year commencing August 1, 1996, and ending July 31, 1997.
2. Monthly rent shall be \$732.00; providing for an effective date. (Unanimous City Council)

Motion to approve ordinance #96-O-117.

Moved : Cm. Perez  
Second: Cw. Montalvo  
For: 7                                      Against: 0                                      Abstain: 0

14. 96-O-118 Authorizing the City Manager to execute a lease renewal with Border Maintenance Service, Inc., a Texas Corporation, for approximately 2,304 square feet constituting Building #1421 located at 1817 Pappas Street at the Laredo International Airport, to be used as office space and a maintenance workshop;
1. Lease term is for one (1) year commencing July 1, 1996, and ending June 30, 1997;
  2. Monthly rent shall be \$500.00; providing for an effective date. (Unanimous City Council)

Motion to approve ordinance #96-O-118.

Moved : Cm. Perez  
Second: Cw. Montalvo  
For: 7                                      Against: 0                                      Abstain: 0

15. 96-O-119 Authorizing the City Manager to execute a new lease with South Texas Development Council for approximately 640 square feet constituting Suite #19 of Building #S-1 located at 1718 East Calton Road at the Laredo International Airport, to be used as office space.
1. Lease term is for one (1) year commencing July 1, 1996, and ending June 30, 1997, and may be extended for two (2) terms of one (1) year each ending June 30, 1998 and June 30, 1999;
  2. Monthly rent shall be \$640.00, and will be adjusted annually during the primary and extension terms of this lease according to changes in the consumer price index; providing for an effective date.  
(Unanimous City Council)

Motion to approve ordinance #96-O-119.

Moved : Cm. Perez  
Second: Cw. Montalvo

For: 7                      Against: 0                      Abstain: 0

16. 96-O-120 Authorizing the Interim City Manager to renew Lease No. DTFA07-97-L-01047 with the United States of America for approximately 10,000 square feet of land at the Airport for the purpose of operating the Center Field Weather Control Facility for runway 17R; at no rental cost to the United States of America; providing for an effective date. (Unanimous City Council)

Motion to approve ordinance #96-O-120.

Moved : Cm. Perez  
Second: Cw. Montalvo  
For: 7                      Against: 0                      Abstain: 0

17. 96-O-121 Authorizing the City Manager to execute a new lease with South Texas Development Council for approximately 480 square feet constituting Suite #15 of Building #S-1 located at 1718 East Calton Road at the Laredo International Airport, to be used as office space;  
1. Lease term is for one (1) year commencing July 1, 1996, and ending June 30, 1997, and may be extended for two (2) terms of one (1) year each ending June 30, 1998 and June 30, 1999;  
2. Monthly rent shall be \$480.00 and will be adjusted annually during the primary and extension terms of this lease according to changes in the consumer price index; providing for an effective date. (Unanimous City Council)

Motion to approve ordinance #96-O-121.

Moved : Cm. Perez  
Second: Cw. Montalvo  
For: 7                      Against: 0                      Abstain: 0

18. 96-O-122 Authorizing the City Manager to execute a new lease with the Texas Migrant Council for approximately 156 square feet constituting Suite #1(A) of Building #134 located at 4603 Maher Avenue at the Laredo International Airport, to be used as office space;  
1. Lease term is for five (5) months commencing July 1, 1996, and ending November 30, 1996, and may be extended for three (3) terms of one (1) year each ending November 30, 1997, November 30, 1998, and November 30, 1999;  
2. Monthly rent shall be \$117.00 and will be adjusted during the primary and extension terms of this lease according to changes in the

consumer price index; providing for an effective date. (Unanimous City Council)

Motion to approve ordinance #96-0-122.

Moved : Cm. Perez  
Second: Cw. Montalvo  
For: 7                      Against: 0              Abstain: 0

19. 96-0-123 Ordinance authorizing the issuance of a Conditional Use Permit for a welding shop on parts of Lots. 2, 3 and 4, Block 1711, Eastern Division, located at 2801 Aldama Street, providing for publication and effective date. (Unanimous City Council)

Motion to approve ordinance #96-0-123.

Moved : Cm. Perez  
Second: Cw. Montalvo  
For: 7                      Against: 0              Abstain: 0

20. 96-0-124 Ordinance amending the Zoning Ordinance (Map) of the City of Laredo by rezoning Lot 4, Block 1456, Eastern Division, located at 2519 Thurman Street, from R-2 (Multi-Family Residential District) to R-3 (Mixed Residential District); providing for publication and effective date. (Jose R. Perez, Jr.)

Motion to approve ordinance #96-0-124.

Moved : Cm. Perez  
Second: Cw. Montalvo  
For: 7                      Against: 0              Abstain: 0

## VII. RESOLUTIONS

21. 96-R-085 Adopting the list of capital improvement projects which will be submitted to the South Texas Development Council for potential funding consideration by the U.S. Department of Commerce, Economic Development Administration (EDA), to include:
- 1) Airport/Medical Park Infrastructure Improvements Project.
  - 2) 16" diameter main extension on F.M. 1472 (Mines Road) and supporting 5 Million Gallon Water Storage Tank and Booster Station.
  - 3) Extension of 16" waterline from Larga Vista to fire fighting training facility
  - 4) South Laredo Wastewater Treatment Plant and authorizing the Acting City Manager to submit a follow-up grant application as may be directed

by EDA.

Mr. Pena explained there is a possibility to obtain an EDA Grant and in order to do that they need to submit a list of projects that are ready to go and place those projects in priority order.

Cm. Perez stated that they are experiencing problems in South Laredo with the growth and thinks that this project should be prioritized at a higher level, maybe to level #2.

Cm. Bruni stated for the record that item #1 is of critical importance and he has no problem with moving item #4 up to being #2.

Mr. Pena stated there is still no commitment that they will be getting this grant from EDA yet. Mercy is committing to the construction of a sewer line, drainage, waterlines and putting up a letter of credit, in addition they will be providing for partial construction of Meadow Avenue and partial reconstruction of Bustamante the total amount that they will commit to the project is \$1,012,000.00, the total amount of the project is \$2.7 million.

Cindy Collazo, CD Director, made the presentation before council and said that there is a possibility that the city might get some funds, maybe a 70-30 match, which is good because we usually get 60-40. They are trying to prioritize these project so that they can be ready in the event they say to go ahead and put in an application, they will be ready.

Fernando Roman of Utilities Department explained why the priorities were placed as they were presented. He reminded them that they are about to complete the three million gallon a day expansion at the south side plant, it's under construction, the expansion will put it at six million which will give capacity for 30,000 people. He said that a line would in essence put more development.

Cm. Bruni clarified that the order will then be as follows: Airport Medical Park, the South Laredo, the Mines Road, and the extension of the 16" water line.

Motion that the list reflect project #4 be upgraded to be project #2.

Moved : Cm. Perez  
Second: Cm. Bruni





23. 96-R-087 Authorizing the Interim City Manager to accept a grant from the Texas Department of Health in the amount of \$55,996 for the HIV/AIDS Housing Opportunities for Persons with AIDS (HOPWA) Project of the City of Laredo Health Department for the period beginning July 1, 1996, through June 30, 1997.

Motion to approve Resolution 96-R-087.

Moved : Cm. Perez  
Second: Cm. Bruni  
For: 7                                  Against: 0                                  Abstain: 0

24. 96-R-090 Authorizing the Interim City Manager to accept a grant from the Texas Department of Health in the amount of \$200,000 for the restructured La Familia Health Care Project (previously known as the Diabetic/Hypertension Education Project) of the City of Laredo Health Department for the period beginning September 1, 1996, through September 30, 1997.

Motion to approve Resolution 96-R-090.

Moved : Cm. Perez  
Second: Cm. Guerra  
For: 7                                  Against: 0                                  Abstain: 0

25. 96-R-092 Authorizing the Interim City Manager to accept a grant from the Texas Department of Health in the amount of \$41,500 for the Chronic Disease Prevention Program, Breast and Cervical Cancer Control Project, of the City of Laredo Health Department for the period beginning July 1, 1996, through June 30, 1997.

Motion to approve Resolution 96-R-092.

Moved : Cm. Perez  
Second: Cm. Bruni  
For: 7                                  Against: 0                                  Abstain: 0

26. 96-R-093 Authorizing the City Manager to submit an application to the Texas Natural Resource Conservation Commission (TNRCC) through South Texas Development Council for a grant in the amount of \$59,795.00 with the City designating \$21,823.00, in matching funds and/or in-kind services for a total of \$81,618.00 to implement a Household Hazardous Waste Collection and Proper Disposal Program (HHWC&PDP) for the period from January 1, 1997 through July 31, 1997. The \$21,823 in city matching

funds consists of \$11,823 in salaries and the remainder is in monies to be used for advertising etc. Funds for this project will be included in the proposed 1996-1997 N.P.D.E.S. Account. Motion to approve Resolution 96-R-093.

Moved : Cm. Perez  
 Second: Cm. Bruni  
 For: 7                                      Against: 0                                      Abstain: 0

#### VIII. MOTIONS

27. Authorizing the purchase of 34 cases of police ammunition in various calibers (.45, 357 magnum, & 9 mm) from JCH, Marble Falls, Texas, in the amount of \$11,182.80, to be used by Laredo Police Officers while on duty. Funding for this purchase is available in Ammunition account in the Police Department.

Motion to approve.

Moved : Cm. Perez  
 Second: Cm. Valdez  
 For: 7    Against: 0    Abstain: 0

28. Award of an annual service contract to the Sole Bidder, Fluid Meter Service Corporation, Austin, Texas, in the estimated amount of \$17,865.00, for rebuilding water meters for the Utilities Department. The contract pricing is the same as last year's. All service will be requested on an as needed basis. Funding for this purchase is available in the Utilities Department - Water Distribution/Transmission line item.

Motion to award annual service contract to Fluid Meter Service Corporation, in the estimated amount of \$17,865.00.

Moved : Cm. Perez  
 Second: Cw. Montalvo  
 For: 7    Against: 0    Abstain: 0

29. Award of an annual service contract to the Low Bidder, Andy's Air & Supply Company, Laredo, Texas, in the estimated amount of \$50,000.00, for providing automotive air conditioning service for all City vehicles. Fleet service charges for this type of work will be billed to the department needing the repairs.

Cw. Moreno pointed out that they got an unaudited financial report on June which reflects a deficit in this area, so why are they spending more money if we already have a deficit. She said there are three items in the agenda that deal with Fleet Maintenance and does not think more should be spent.

Mr. Pena stated one of the items today is advising council that Fleet Management was underestimated by half a million in the current year, but the wheels must roll and we have to fix vehicles.

Cw. Moreno answered not if we don't have money, we have a budget and that's what the term means that you stay within your budget. Furthermore, if this is something we charge back to the departments how could be in an area where you can turn around and charge it back to someone else. If you pass the expenses to other departments, how can there be a deficit there?

Conrado Hein, Finance Director, explained the Fleet Management Fund and how it works. He explained that they did not budget sufficiently to cover those expenses.

Cw. Moreno just does not think that the money should be spent if they don't have it, that's what it means to have a budget and to stay within that budget.

Mr. Pena explained that this is a six month contract that goes partly into next year, but because it was underestimated they still have to fix vehicles or have a situation where they will have a slow down and disruption on service.

Cw. Moreno said they don't have the money, they are in a drawdown and added they have never drawdown other than at budget time for a particular item. She said this is not a drawdown, this is an over expenditure which is different. She further stated that they have to follow the laws for these things.

Mr. Meza stated that these contracts are in an as need basis, they don't have to spend a single dollar for service for the month of August or September, the intent of doing these contracts is to comply with competitive bidding requirements from state statutes, and the city's own purchasing policies.

Cm. Guerra made the motion to approve for purposes of discussion.

Moved : Cm. Guerra  
Second: Cm. Valdez

Cw. Moreno stated that the discussion already took place and that she does not think this should be approved.

For: 2  
Cm. Guerra  
Cm. Valdez

Against: 4  
Cw. Moreno  
Cm. Alvarado  
Cm. Perez  
Cw. Montalvo

(Cm. Bruni stepped out at this time and did not vote.)  
 (Mayor Protem Casso was chairing the meeting and not voting.)

Motion was denied.

30. Authorizing the purchase of five traffic signal cabinets and controllers from the Sole Bidder, NAZTEC, Inc., Sugar Land, Texas, in the amount of \$53,123.00. This signal equipment will be installed at the intersections of Interamerica Boulevard & F.M. 1472, McPherson Road and Shiloh, McPherson Road & Gale, Meadow Avenue & Green Street, and Chihuahua & Marcella. Funding for this purchase is available in the Street Reconstruction - Traffic Signalization Projects (\$26,525.00) (CIP), and the CDBG Projects - Traffic Signalization (\$26,598.00).

Motion authorizing the purchase of five traffic signal cabinets and controllers from NAZTEC, Inc., in the amount of \$53,123.00.

Moved : Cm. Guerra

Second: Cm. Alvarado

For: 6

Against: 0

Abstain: 0

(Cm. Bruni stepped out momentarily.)

31. Approval of bid specifications and authorization to advertise for bids for the purchase of approximately eighty fire hydrants for use by the Utilities Department in construction and replacement projects. The bid pricing will be fixed for the six month contract period and all hydrants will be purchased on an as needed basis. Bids will be opened on August 23, 1996, and a tentative bid award on September 3, 1996.

Cm. Alvarado spoke in reference to a recent fire and fire hydrants that are not working. He said that staff should provide a report to council as to when the fire hydrants were last checked.

Fernando Roman, Utilities Director, stated that they have an agreement with the Fire Department, they have an ongoing list, they don't routinely open all the fire hydrants they do that in the distribution system to flush the water to improve the quality, they do that as part of their routine to know what the have, they notify them immediately and they put them on the list.

Mike Garza, Interim Fire Chief, stated that they do have an ongoing program with the firefighters and each fire truck has a corresponding district. On a yearly basis each fire hydrant is checked and made sure they are in operating conditions.

Cm. Casso wants a report of how many fire hydrants there are in the city and what methodology is used to check them.

Motion to approve bid specifications and authorization to advertise for bids for the purchase of approximately eighty fire hydrants for use by the Utilities Department in construction and replacement projects.

Moved : Cm. Perez  
Second: Cm. Guerra  
For: 6 Against: 0 Abstain: 0  
(Cm. Bruni was not present.)

- 32. Approval of bid specifications and authorization to advertise for bids for a six month supply contract for the purchase of tires and tubes for the Fleet Maintenance Division. The bid pricing will be fixed for the six month contract period and all tires and tubes will be purchased on an as needed basis. Bids will be opened on August 24, 1996, and a tentative bid award on September 3, 1996.

Cw. Moreno stated this is also a Fleet Management item and she doesn't think council should be spending any more money at this time.

Motion to table.

Moved : Cw. Moreno  
Second: Cm. Perez  
For: 6 Against: 0 Abstain: 0  
(Cm. Bruni was not present.)

Cw. Montalvo stated that she heard a rumor that tires were stolen from the Fleet Management Department.

Mr. Pena stated he will look into the issue.

Mr. Joe Aranda stated they will look into that, and added that he is not aware of the situation.

Mr. Carlos Mendoza reported that the shop was broken into, one of the gates was broken, and there were 30 tires stolen two weeks ago. They had filed a police report, the tires were for police vehicles and the police is making an investigation into this.

Mr. Aranda stated he was not aware of this situation, they usually notify the City Manager's Office. It is their responsibility or PD's responsibility to notify the City Manager that this action has occurred.

Cw. Montalvo stated that something has to be done about this, they need more communication, that Mr. Pena has to be told

what is going on because we do not want to hide anything.

Mr. Aranda stated he will look into it, give Mr. Pena a police report, and give the council an update on the issue.

33. Approval of bid specifications and authorization to advertise for bids for an annual service contract for steam and pressure washing services for the Fleet Maintenance Division. Specifically, this service is required on equipment operating at the landfill and at the wastewater treatment plants. Equipment at these locations operate in unsanitary environments, and as a safety precaution prior to servicing, are steam and pressure cleaned. The bid pricing will be fixed for the contract period and all service will be purchased on an as needed basis. Bids will be opened on August 24, 1996, and a tentative bid award on September 3, 1996.

Motion to table.

Moved : Cw. Moreno

Second: Cm. Perez

For: 6

Against: 0

Abstain: 0

(Cm. Bruni was not present.)

34. Award of a three year contract to the Low Bidder, Autophone of Laredo, Laredo, Texas, in the estimated amount of \$40,095.00, for providing pager service. The City owns 175 pagers and this contract is only for the monthly air time service. The new contract pricing is approximately 38% less than the previous contract amount.

Motion to award of a three year contract to Autophone of Laredo, in the estimated amount of \$40,095.00, for providing pager service.

Moved : Cm. Perez

Second: Cw. Moreno

For: 7

Against: 0

Abstain: 0

35. Approval of change order no. 4, an increase of \$11,925.00 to the construction contract with Pete Gallegos Paving, Inc., Laredo, Texas, for the Bond Street paving Assessment Project 53 (54.50 Blocks) to construct a retaining wall to prevent erosion of private property on Ejido Avenue between San Salvador and Santa Barbara in the South Laredo area. This change order will bring the total contract amount to \$2,066,195.80. Funding for the project is available from the Street Fund (Street Fund Reserve Appropriation) Account. A transfer to the account will be initiated.

Cw. Moreno stated her concern deals with all four items, (items 35 thru 38) she is concerned that the proposed budget does not show that they intend to spend these monies. These monies are being carried over to next budget and here you are

telling us that you are going to spend it and at the same time you are telling council that you are not going to spend it. It shows that we are working out of two offices, people are not communicating, the documents do not reflect that it's one department coming through with finances. In all four cases the budget given to council for consideration shows that you intended to carry this money over.

Mr. Pena stated that when the budget is being prepared it is an estimate at the time it is being prepared, he has not looked at the proposed budget to see if it has been carried over or not. In order to conduct this change order these transfers are needed for this year.

Mr. Hein stated these are capital funds they don't lapse.

Cw. Moreno said what they are estimating is that they will spend it next year, not now. This amount of money is showing that we have it now, but that you propose to carry it over and spend the following year.

Motion to approve.

Moved : Cm. Perez  
Second: Cm. Valdez  
For: 7

Against: 0                      Abstain: 0

36. Approval of change order no. 1, an increase of \$19,383.00 to the construction contract with Ramex Construction Company, Inc., Houston, Texas, for additional work on the Repairs to the Concrete Channel on Canal Street between Marcella and San Francisco. This change order will bring the total contract amount to \$116,883.00. Funding for this project is available from the Street Fund Reserve Appropriation Account. A transfer will be initiated in the amount of \$20,000 from the Reserve Appropriation Account to the Canal St Project.

Motion to approve change order no. 1, an increase of \$19,383.00 to the construction contract with Ramex Construction Company, Inc., for additional work on the Repairs to the Concrete Channel on Canal Street between Marcella and San Francisco.

Moved : Cm. Perez  
Second: Cm. Valdez  
For: 7

Against: 0                      Abstain: 0

37. Approval of amendment no. 1, an increase of \$7,820.00 to the engineering contract with G.G. Salinas Engineering Company, Laredo, Texas, to upgrade the supplemental lift station for the McPherson Road Station in conjunction with the EDA Project No. 08-01-02878 North Laredo/Webb County Infrastructure Sanitary Sewer Improvements along Del Mar Boulevard from the sanitary sewer system at Winfield

Subdivision to the Detention Center. This amendment will bring the total contract amount to \$124,120.00. Funding for the project is available from EDA North Laredo/Webb County Infrastructure Project Reserve Appropriation Account. A transfer will be initiated to the Project Engineer Fees Account.

Cm. Bruni questioned monies spent on the Webb County Detention Center on improvements, there is not even a Webb County Detention Center, where did the funding come from and why are we still investing money in the Webb County Detention Center if it does not exist?

Mr. Roman explained that this is an EDA project that included three different aspects, one was the line to the detention center, when the EDA grant was received it was because the county stated they would reopen the detention center which is the basis by which they underwent this. What they are proposing here is to increase the capacity of the proposed expansion that the EDA grant project had in it, by this \$100,000.00 we will be able to use the expanded portion of the lift station to handle all the flow and then they can go into the existing lift station. The only reason they are doing this is because they have a problem with the lift station. He added he does not know is the county's position at this time, when they went to for the grant they stated that they would reopen the site.

Motion to approve amendment no. 1, an increase of \$7,820.00 to the engineering contract with G.G. Salinas Engineering Company.

Moved : Cm. Perez  
Second: Cm. Valdez  
For: 7

Against: 0                      Abstain: 0

38. Approval of change order no. 1, an increase of \$101,868.43 to the construction contract with Ramex Construction Company, Inc., Houston, Texas, for additional services to repair and upgrade the existing lift station at the McPherson Road Station in conjunction with the EDA Project No. 08-01-02878 North Laredo/Webb County Infrastructure Sanitary Sewer Improvements along Del Mar Boulevard from the sanitary system at Winfield Subdivision to the Detention Center. This change order will bring the total contract amount to \$1,195,710.43. Funding for the project is available from North Laredo/Webb County Fund Reserve Appropriation Account. A transfer will be initiated to the Improvements Other Than Building Account.

Motion to approval change order no. 1, an increase of \$101,868.43 to the construction contract with Ramex Construction Company.

Moved : Cm. Perez



Second: Cm. Valdez  
 For: 7    Against: 0    Abstain: 0

39. Approval of change order no. 2, to the International Bridge No. 1 Modifications to Toll Plaza and Related Improvements, an increase of \$4,223.00 to the construction contract with Cantu Electric, Inc., Laredo, Texas, for additional concrete and sidewalk work; and to increase the overall contract time by 35 calendar days due to delays in construction beyond the contractor's control. This change order will bring the total contract amount to \$228,030.00. Funding for this project is available from the Bridge System Toll Plaza Improvements Account.

Motion to table for next council meeting.

Moved : Cw. Moreno  
 Second: Cm. Valdez  
 For: 7    Against: 0    Abstain: 0

40. Approval of amendment no. 8, to the International Bridge No. 1 Modifications to Toll Plaza and Related Improvements, to engineering contract with Foster Engineering Company, Laredo, Texas, an increase of \$10,890.00 for an additional 36 days of resident project representative (inspection services) as a result of an increase in construction contract time. This amendment will bring the total contract amount to \$397,886.83. Funding for the project is available from the Bridge Systems Toll Plaza Improvements Account.

Motion to table.

Moved : Cm. Alvarado  
 Second: Cw. Moreno  
 For: 7    Against: 0    Abstain: 0

41. Award of a demolition contract to the Low Bidder, IIIPG Enterprises, Inc. dba Demolition Unlimited, Laredo, Texas, in the amount of \$20,000.00, for the demolition of Substandard Buildings located at 2319 San Francisco, 3906 Flores, 617 Guerrero, 209 W. Elm, 1904 Anna, 219 S. Buena Vista, 402 S. Meadow, 2715 Juarez, 4318 Flores, 1301 Piedra China, 2217 Napoleon, 104 Zaragoza, 1812 Santa Cleotilde. These structures have been abandoned by property owners, thus creating a nuisance and hazard to the surrounding area. Property owners have been notified and given time to comply. The property owners have failed to respond to the City's request and the City is left with no other alternative, but to proceed with the demolition. Funds are available within the Department of Community Development's 19th and 20th Action Year Grants. Liens will be placed on the properties for the amount of the demolition to each property.

Motion to award a demolition contract to IIIPG Enterprises,

Inc. dba Demolition Unlimited, Laredo, Texas, in the amount of \$20,000.00, for the demolition of Substandard Buildings located at 2319 San Francisco, 3906 Flores, 617 Guerrero, 209 W. Elm, 1904 Anna, 219 S. Buena Vista, 402 S. Meadow, 2715 Juarez, 4318 Flores, 1301 Piedra China, 2217 Napoleon, 104 Zaragoza, 1812 Santa Cleotilde. These structures have been abandoned by property owners, thus creating a nuisance and hazard to the surrounding area.

Moved : Cw. Montalvo  
 Second: Cm. Perez  
 For: 7

Against: 0                      Abstain: 0

42. Authorizing the Interim City Manager to enter into a contract in the amount not to exceed \$25,000 with the Laboratory Corporation of America to provide clinical laboratory tests on specimens submitted by the City of Laredo Health Department that are ordered by licensed physicians for the period beginning October 1, 1995, through September 30, 1996.

Motion authorizing the Interim City Manager to enter into a contract in the amount not to exceed \$25,000 with the Laboratory Corporation of America to provide clinical laboratory tests on specimens submitted by the City of Laredo Health Department that are ordered by licensed physicians for the period beginning October 1, 1995, through September 30, 1996.

Moved : Cm. Perez  
 Second: Cm. Bruni  
 For: 7

Against: 0                      Abstain: 0

43. Authorizing the City Manager to transfer \$50,000 within the Capital Improvement Fund from savings in the street materials (street reconstruction) line item to fund the curb & gutter/sidewalk at the new Police Building. These savings are as a result of shifting 3 blocks which had been originally scheduled for reconstruction to recycling through the Cutler Recycling contract. It was determined that reconstruction was not necessary.

Motion authorizing the City Manager to transfer \$50,000 within the Capital Improvement Fund from savings in the street materials (street reconstruction) line item to fund the curb & gutter/sidewalk at the new Police Building. These savings are as a result of shifting 3 blocks which had been originally scheduled for reconstruction to recycling through the Cutler Recycling contract.

Moved : Cm. Perez  
 Second: Cm. Bruni  
 For: 7

Against: 0                      Abstain: 0

44. Authorizing the Interim City Manager to amend the Collective

bargaining agreement between the City of Laredo and Local 1390, International Association of Firefighters (April 1, 1996 through March 31, 2001) to clarify the intent of Article 16, Assignment/ Certification Pay to current chief officers from possibly compounding premium pay (for college education), educational differential pay and assignment/ certification pay for a potential additional pay of 30% of base monthly wages, and to modify same Article 16 to provide District Chiefs assigned to hazardous materials unit (HAZMAT), the \$150.00, per month assignment pay the same as other fire personnel assigned to HAZMAT duty.

Motion authorizing the Interim City Manager to amend the Collective bargaining agreement between the City of Laredo and Local 1390, International Association of Firefighters (April 1, 1996 through March 31, 2001) to clarify the intent of Article 16, Assignment/ Certification Pay to current chief officers from possibly compounding premium pay (for college education), educational differential pay and assignment/certification pay for a potential additional pay of 30% of base monthly wages, and to modify same Article 16 to provide District Chiefs assigned to hazardous materials unit (HAZMAT), the \$150.00, per month assignment pay the same as other fire personnel assigned to HAZMAT duty.

Moved : Cm. Perez  
 Second: Cm. Bruni  
 For: 7

Against: 0

Abstain: 0

#### IX. CITY MANAGER'S REPORT

45. Advising the City Council that the net effect of 1995-1996 revenues and expenditures will result in an estimated over expenditure of \$3,277,557.00. Of this amount \$847,038.00, can be attributed to an understated expenditure for vehicle maintenance and fire and police salaries.

Conrado Hein, Finance Director, made the presentation. He said that these are estimates of the end of the fiscal year, they have an over expenditure of \$3,277,557.00 which can be explained easily, \$1,692,195.00 is a draw down that council approved initially with the new budget that went to effect for 95-96, we have \$488,324.00 included in that estimate that are prior year encumbrances that roll over, \$250,000.00 draw down that was approved to transfer to the airport, which brings us down to \$847,038.00 that they have projected. The reason for that being that they did not calculate correctly, they made a mistake in calculating police and fire salaries, they also had projected that Fleet is going to be short approximately \$500,000.00 in maintaining the fleet of which 80% is general fund. Normally, this type of over expenditures have been covered in the past thru line items saved in the general fund. It's something that has been

transparent to council. He continued explaining expenditures that were not anticipated, adjustments for compensated absences, year end adjustments which they have to make and that's \$80,000.00 for bad debt and \$50,000.00 for compensated absences which they have to account for. If they don't do it the outside audit firm is going to do it, it's \$130,000.00. They have \$190,000.00 that they have to transfer to Transit to cover the buses purchased, \$125,000.00 to cover the severance package for Mr. Vargas, those expenditures were not anticipated. They did achieve a salary line item savings of over \$100,000.00 and they could have used that to cover the deficiencies that he eluded too. The reasons for the deficiencies or the understatement for fire and police, there is no excuse, they missed it in the calculations.

Cm. Guerra asked if we are on target now.

Mr. Hein stated he is giving an estimate as of 9/30/96, he is three months ahead, he is giving them a worst case scenario, that is what has been determined given the information that they have right now. They are alright now, what they are trying to anticipate is that on 9/30/96 we could have a possible shortage.

Cm. Guerra spoke in reference to revenue collections and said that perhaps we can increase the monies coming into the city coffers for example on taxes, licenses and permits.

Mr. Pena answered that in regards to revenue items, the budget office monitors these revenues monthly and all the department heads that are responsible for each of the line items are aware and are using their best effort to enhance the collection effort. He added that he met with the new auditors and has given them direction as to the areas they need to be looking at such as taxes receivable, paving assessments, and housing and rehabilitation. He pointed that the new audit firm is Claton Baum, they will have their initial meeting today.

46. Presentation regarding travel plans for a visit to Washington, D.C. during the first part of September 1996, for the purpose of meeting with various federal elected officials and agencies (GSA, Customs, EDA) to discuss Laredo's 4th International Bridge, funding of the new Airport Passenger Terminal as well as other issues.

Florencio Pena, Interim City Manager, said that Nuevo Laredo officials expressed an interest in making a trip both to Mexico City and Washington, D.C. to meet with federal agencies involved with the 4th International Bridge as well as elected officials to bring them up to date as to the status of the permits and on the status of this project. He pointed out that there is a firm that organizes meetings like these for city officials that is presently working on

putting together a meeting the week of September 3rd. He added that Jose Luis Flores, Airport Director, has been working with them and that they do not have the exact dates yet. They will be trying to schedule a two and a half day meeting.

Cm. Casso asked if the trip they will be taking to Mexico is going to be prior to this other trip.

Mr. Pena answered that the Mexican Delegations have not responded to him, they will call them to confirm the date. He will be asking the Mayor, Mayor Protem, and two or three staff persons to attend, plus possibly representatives from the Chamber of Commerce and Laredo Development Foundation to attend at their own expense.

Mr. Pena said that another topic they will be addressing would be EDA and the airport medical project. He pointed out that FAA and grants that are pending are critical to us, so it is very critical that we go there and show our support and need for some these projects.

47. Authorizing the submission of the 1996 Consolidated One Year Action Plan to the U.S. Department of Housing and Urban Development (HUD) in application for funding through the HUD entitlement programs including the 22nd Action Year Community Development Block Grant (CDBG) in the amount of \$4,429,000; the 1996 HOME Investment Partnerships Program (HOME) in the amount of \$1,220,000; and the 1996 Emergency Shelter Grant (ESG) in the amount of \$115,000 in support of the following activities/projects:

22nd Action Year Community Development Block Grant \$4,429,000 and program income of \$257,100:

1. Street Lights (Loop 20) . . . . .	\$ 55,000
2. Community Development Administration. . . . .	\$533,368
3. Housing Rehab Administration . . . . .	\$124,235
4. Demolition of Substandard Bldgs. . . . .	\$200,000
5. Sidewalk Construction in CD areas . . . . .	\$ 50,000
6. Downtown Sidewalk curb construction to meet ADA Compliance . . . . .	\$150,000
7. Code Enforcement . . . . .	\$231,954
8. Land Acquisition. . . . .	\$1,000,000
9. Southgate Blvd. Drainage Improvements. . . . .	\$1,595,000
10. Azteca Neighborhood Park. . . . .	\$ 100,000
11. Market Street Tennis Courts Improvements . . . . .	\$ 100,000
12. Willow-Chacon Drainage Improvements . . . . .	\$ 68,343
13. Benavides Softball Complex & Playground Improvements. . . . .	\$ 5,000
14. Los Dos Laredo Park Improvements. . . . .	\$ 1,750
15. Three Points Park Improvements. . . . .	\$ 4,900
16. Taylor Street Park Improvements . . . . .	\$ 750
17. Al King Baseball Field Improvements . . . . .	\$ 3,750

17. Al King Baseball Field Improvements . . .	\$ 3,750
18. Cruz Baseball Field Improvements. . . .	\$ 2,950
19. Zacate Creek Park Improvements. . . . .	\$ 2,000
20. Economic Development. . . . .	\$ 200,000
21. Housing Rehabilitation Loan Program *	\$ 257,100

\* Denotes Program Income

HOME Investment Partnerships Program Grant of \$1,220,000

New Construction . . . . .	\$ 828,042
Downpayment Assistance . . . . .	\$ 100,000
Community Housing Development Organizations. . . . .	\$ 183,000
Administration . . . . .	\$ 108,958
Anticipated HOME Program income of \$1,318,566	
New Construction . . . . .	\$1,218,566
Substantial Rehabilitation of Existing Housing. . . . .	\$ 100,000

Emergency Shelter Grant of \$115,000

Homeless Prevention Services (30%) . . . .	\$ 34,500
Rehabilitation of a Shelter. . . . .	\$ 74,750
Administration . . . . .	\$ 5,750

Cw. Moreno stated that District IV is CDBG area and there are some projects in the CIP Plan that were supposed to be funded from CDBG and did not appear. She added that when she questioned it she was told that they were not identified in the CIP Plan. She looked at this plan and they are there identified and were very specifically identified as projects in the CIP Plan to be funded by CDBG. She made reference to these projects and as to why there was nothing for her district when it was identified as something under the CIP Plan and also does not like that all they can do now is approve it, that they cannot amend it. She identified the projects as the Ochoa Park (\$50,000.00) and the drop-off area by Tarver Elementary School (\$26,000.00) from CDBG.

Cindy Collazo, CD Director, explained how they arrived at the projects and added that they will look at the fund balances to see if the projects were identified.

Cm. Valdez said there are a few projects that he would like to plan in his district and asked if there are any relocation funds or balances from funded projects that weren't fully used.

Mrs. Collazo answered that they do, they can look at all the action years that are open to find out what exactly their balances are, however they need to take a look and find out if the projects are complete and see if there are any pending bills.

Cm. Bruni questioned if there are any monies that can be allocated for the Montgomery Street Drainage Project and Casa

18.Cruz Baseball Field Improvements. . . .	\$ 2,950
19.Zacate Creek Park Improvements. . . .	\$ 2,000
20.Economic Development. . . . .	\$ 200,000
21.Housing Rehabilitation Loan Program *	\$ 257,100

\* Denotes Program Income

HOME Investment Partnerships Program Grant of \$1,220,000

New Construction . . . . .	\$ 828,042
Downpayment Assistance . . . . .	\$ 100,000
Community Housing Development Organizations. . . . .	\$ 183,000
Administration . . . . .	\$ 108,958
Anticipated HOME Program income of \$1,318,566	
New Construction . . . . .	\$1,218,566
Substantial Rehabilitation of Existing Housing. . . . .	\$ 100,000

Emergency Shelter Grant of \$115,000

Homeless Prevention Services (30%) . . . .	\$ 34,500
Rehabilitation of a Shelter. . . . .	\$ 74,750
Administration . . . . .	\$ 5,750

Cw. Moreno stated that District IV is CDBG area and there are some projects in the CIP Plan that were supposed to be funded from CDBG and did not appear. She added that when she questioned it she was told that they were not identified in the CIP Plan. She looked at this plan and they are there identified and were very specifically identified as projects in the CIP Plan to be funded by CDBG. She made reference to these projects and as to why there was nothing for her district when it was identified as something under the CIP Plan and also does not like that all they can do now is approve it, that they cannot amend it. She identified the projects as the Ochoa Park (\$50,000.00) and the drop-off area by Tarver Elementary School (\$26,000.00) from CDBG.

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Cm. Valdez said there are a few projects that he would like to plan in his district and asked if there are any relocation funds or balances from funded projects that weren't fully used.

Mrs. Collazo answered that they do, they can look at all the action years that are open to find out what exactly their balances are, however they need to take a look and find out if the projects are complete and see if there are any pending bills.

Cm. Bruni questioned if there are any monies that can be allocated for the Montgomery Street Drainage Project and Casa Verde which has been left in the back burner again. He asked

if the breakdown of CDBG monies can be done equally on a district wide basis.

Mrs. Collazo stated that Montgomery is out of the target area, therefore CD expenditures cannot take place on this area. In reference to Casa Verde it appears that families would not qualify as low and moderate and in order for them to expand the funds they need to categorize as low and moderate, or an immediate threat such as a hurricane, etc. They do not go out by district, because not all the districts throughout the city qualify for low or moderate income dollars from CDBG.

Mrs. Collazo made the presentation at this time and informed that this is a consolidated plan and is now the new process that they use, it's a \$5.7 million grant that comes in three different programs. The CDBG, HOME, and the Emergency Shelter which totals to \$5,764,000.00. She added they have gone through input process, hearings, there were public hearings held from July 4th and ended yesterday. She read into the record the comments that were received so that council can go ahead and consider those. She added that the first were from Cm. Casso, Cm. Valdez, Cw. Montalvo, and that was to improve or do some improvements along Zacate Creek, the second one was from Cw. Moreno mentioned the Ochoa Elementary Park. She said there might have been a revision to the CIP, but she has not received anything. The third request was from Cw. Montalvo which requested street turn arounds between Ventura, Water, Zaragoza and Grant. They also received written comments provided from Rafael Torres from the Azteca Economic Development Preservation Corporation that would like to see some dollars put into the Hamilton Hotel, and possibly doing a joint project with them, possibly through Section 108 or CDBG for elderly housing.

Mrs. Collazo wanted council to know, that although they have a plan prepared, that as long as the projects are similar in nature, because they were told they cannot initially change them, as long as they were the same in nature they can go ahead and change them. She advised council that if they change them too far from what they already have (the eligible activities) then that would prohibit the money from being available in October 1st. She does what to mention that they do have some allocation of funds they can look at, except they need more time because they need to work with the Finance Department. The application is due at HUD on August 15th, 45 days prior to the close of the year.

Mr. Pena stated they will identify the projects, come back to council to see what funding is available and then council can prioritize them.

Cw. Moreno said she is always told that the funding is there to finish paving, at other times she is told there is no



funding. Her question was if there is funding to finish all the paving there? She was asking about O'Kane the two pieces of Lexington.

Mr. Pena answered that through project 59, it is appropriated and funded and should be able to complete project 59. He added that they will know whether there is enough funding available to finish the paving at the CIP Plan and then let council know.

Motion to authorizing the submission of the 1996 Consolidated One Year Action Plan to the U.S. Department of Housing and Urban Development (HUD) in application for funding through the HUD entitlement programs including the 22nd Action Year Community Development Block Grant (CDBG) in the amount of \$4,429,000; the 1996 HOME Investment Partnerships Program (HOME) in the amount of \$1,220,000; and the 1996 Emergency Shelter Grant (ESG) in the amount of \$115,000.

Moved : Cm. Perez

Second: Cm. Bruni

For: 7

Against: 0

Abstain: 0

Motion to waive the rules of order and move item XI.48(B)8. under Mayor Protem Casso's items.

Moved : Cm. Perez

Second: Cm. Bruni

For: 7

Against: 0

Abstain: 0

## X. COMMUNICATIONS

Mr. Edward McDonald spoke in reference to WBCA events and thanked council for their support on their annual events. He added these events brought together intense economic impact. He was inviting council to participate in all the centennial events, and upcoming events.

Mr. Charles Martens spoke in reference to cloud seeding program weather modification. He says that there is might be a way to get through this situation, we are late in the season right now, we did have some relief rains, there are parts of the county that are not in good shape as we are here in town. He spoke to Mercurio Martinez and his suggestion was to work with him in whatever manner he could, he conveyed this to Cm. Bruni over the phone. He would like to meet with city staff, Mr. Roman, Mr. Pinzon, and people that have worked in this project and try to schedule our group to go the surrounding counties and meet at their budget hearings, and possibly we can get a way to do this project without having the City of Laredo coming up with half, the county \$30,000.00 the private sector, 50,000.00 and the rest of it by playing with accounting procedures. He thinks it's worth the effort, he hopes that we can put some sort of a task force, take the

leadership here, and take it to these counties, give them the right information and maybe if time comes by, cloud seeding can become something that is an accepted practice.

#### **XI. CITY COUNCIL DISCUSSION AND PRESENTATION**

48. Request by Mayor and City Councilmembers for discussion and presentation.

##### **A. Requests by Councilmember Louis H. Bruni**

1. Status report on Ordinance No. 93-0-211 as it pertains to water and wastewater service to the colonias on Highway 359 with possible action.

Cm. Bruni stated that his friends at the colonias have not been treated fairly by the developers, the bureaucracy and the government. He thinks that is not right that these people are going through a tremendous amount of suffering, that they don't have potable water, have to haul water, and thinks it's not right that this has taken 15 years. He wants to make it clear that the city didn't really get involved in this project until 1985. The county was responsible for dealing with the Texas Development Water Board and was also responsible in dealing with EDAP to get the proper funding for this \$30 million project.

He stated for the record, "I on this council am going to spearhead to get water finally to the colonias." He wants a presentation from staff on a definite timeline when water can be realistically reaching these people, and a presentation by the consulting engineers because he wants his friends and the people from the colonias to know when they will get to open the faucet and get water to their families. He added that this money that we are getting from EDAP and the Texas Water Development Board will not cost the City of Laredo any money. These are federal/state money coming in for us to provide the services to the colonias plus there will also be equity buyings for the system and infrastructure will not be impacted by the use of water.

Mr. Fernando Roman, Utilities Director, made the presentation. He clarified certain issues regarding the availability of funds and the steps that will be taken of come to the timeline. He clarified that the money is there, we are within time and the facility plan has started. He said that there was talk about completion of the plan by November 1996 but in conversation with Mr. Garza he is saying that in December if they get stuck with the archaeological and the environmental assessments. They will have the review by the board in parts, get approval sometime in March, then start selecting engineers in April they will get about six months to get their designs finalized. If

Attorney's Office and two county elected officials, the City's Water Utilities Director and the City's Planning Director be part of the group.

Motion that a standing committee be formed by Cm. Alvarado, Cm. Bruni, and Mayor Protem Casso as part of the Colonia water project to work with the county.

Moved : Cm. Perez  
 Second: Cw. Moreno  
 For: 7

Against: 0 Abstain: 0

2. Discussion and possible action to rescind resolution #90-R-75 and to terminate Contract to Use Effluent for Irrigation of County Land, contract dated August 14, 1990.

Cm. Bruni stated that in lieu of our severe drought and budgetary problems he would like to instruct staff to review this resolution and contract and see if we could use this effluent that we are giving for free and that it's costing the taxpayers, ratepayers, to use for our own parks and our own uses. He does not feel that it's fair to ratepayer and the city that we are giving stuff away and then charging the city and ratepayers money. He added that we need to start using our own resources to take care of our own problems.

Cm. Bruni instructed the legal staff to review the contract to see if we can rescind the resolution and the contract to help ourselves first before we go out there and help the county.

Mr. Sosa stated they have reviewed it and will explore the alternatives and act on it.

Mr. Baltazar Ramos who manages the business at Casa Blanca Golf Course explained the history of this situation, how the county golf course got the use of the effluent water and the negotiations done and added that the golf course benefits both communities, all the citizens (the county and the city's).

Cm. Bruni stated the issue is saving money for the rate payer and taking care of us first.

Mr. Pena stated they will be looking into the contract and what other arrangements they can work out, but are looking at the need to water certain areas also.

Mr. Fernando Roman explained the effluent contracts and the basics.

Cm. Alvarado stated that he need to look at all the options available and once they have them they can decide.

they review and bid maybe on November, they are looking at December 1998 or January 1999 and of course giving contingency time this could go to March of April of 1999 for the most optimistic time at which the colonia residents can have water.

Mr. Edward Garza, representing Paul Garza & Associates, commented on information and concerns that colonia people have on the timeline. He spoke of time that will be out of their control when it comes to the review process by the Texas Water Development Board Engineering Division. He made council aware that there are other entities that are involved in the review process that they have to go through by law and asked support and cooperation efforts from the City Council, county, landowners, and residents at the colonias. He asked that residents help them in having documentation of their properties because they have to address right-of way issues.

Cm. Bruni questioned the issues such as when they got involved with the project, what happened prior to 1995 (from 1985 thru 1995) with all the years of promises by the county entity made to residents at the colonias from all the entities involved in all those 10 years.

Mr. Garza gave a synopsis on the project. He said that his company started in May '96, they do not have a contract with the city, the board has not issued a contract to the city, its a timing problem. They are working in good faith and they are working with letter of understanding, understanding that the contracts are forthcoming and knowing the importance of this project.

Cm. Bruni trusts that Mr. Roman, Mr. Garza and the other consultants expedite the project and furnish monthly reports to council and to the colonia people.

Cm. Alvarado questioned who is on board right now as far as looking into this matter and that we make sure that we have everybody aboard and suggested that they form a committee of both county and city staff so that we make sure that whatever problems we incur along the way can be resolved in a very timely manner.

Mr. Roman stated the full responsibility of the project lies with the City of Laredo, in order to form a committee they would invite the Planning Department of Webb County which would be the most appropriate in helping the city.

Mr. Garza suggested that the Webb County Economic Development be included in the colonia project.

Florencio Pena, Interim City Manager, suggested that Planning Department, Economic Department, the County

Motion to waive the rules of order and move item B.(7) under Cm. Casso's items before adjourning.

Moved : Cm. Perez

Second: Cm. Bruni

For: 7

Against: 0

Abstain: 0

3. Report by Mr. Javier Ramirez, Executive Director of the Texas Department of Mental Health and Mental Retardation.

Mr. Javier Ramirez made the presentation before the council and asked for council support in the upcoming projects.

4. Status report on the Bartlett Plum storm drainage improvements project with possible action.

Item tabled.

#### **B. Requests by Councilmember Alfonso I. "Poncho" Casso**

1. Video presentation on the plight of the Colonias by Sister Rosemary Welsh.

Sister Rosemary Welsh made the presentation before the council. She said they had a meeting on Friday with residents of the colonias. She states she has copies of the video if any of the Councilmembers want to view it. Sister Welsh added that they live in sad conditions but they already are seeing signs of hope.

Maria Myers asked that they get the county to get the right-of-ways as soon as possible so that this project can be started.

Mr. Jesus Sanchez, President of Colonias Olvidadas Along 359, thanked the City Council on behalf of the people from the colonias.

Ms. Yolanda Casas representing residents outside the city limits spoke of the conditions and pending services at the colonias and thanked the City Council for everything they are doing for them.

Sister Welsh invited council to participate in the meetings that are held at the colonias.

Cm. Bruni encouraged the developers and the owners of the developments to get involved to help resolve the problem, because they are part of the problem. Cm. Bruni quoted, "I promise that I will help the colonia people and that I promise that I will do my best to get water out there with the help of everybody that's involved."

2. Discussion and possible action regarding the city's health insurance plan.  
Item tabled.
3. Discussion and possible action regarding building plaques.  
Item tabled.
4. Discussion and possible action regarding the trips to Washington, D.C. and Mexico City to discuss city business.  
Item tabled.
5. Discussion and possible action regarding the management of the Utilities Department. (Co-sponsored by Councilmember Louis H. Bruni)  
Item tabled.
6. Discussion and possible action regarding the selection process for a city manager.  
Item tabled.
7. Discussion and possible action regarding the airport runway with possible Executive Session pursuant to Texas Government Code Section 551.071 to discuss Case No. E-96-2-C1, City of Laredo vs. Jacaman Investment Group LTD., John S. Jacaman Cattle Company, LTD., John J. Jacaman and Laura Jacaman Sanchez.

Motion to go into Executive Session pursuant to Texas Government Code Section 551.071 to discuss Case No. E-96-2-C1, City of Laredo vs. Jacaman Investment Group LTD., John S. Jacaman Cattle Company, LTD., John J. Jacaman and Laura Jacaman Sanchez.

Moved : Cm. Perez

Second: Cm. Bruni

For: 7

Against: 0

Abstain: 0

After executive session Mayor Protem announced there was no formal action taken.

Motion to authorize the advance of \$1.5 million from the general fund to the new airport terminal fund for the acquisition of 114.77 acres for runway extension noise abatement, which advance will constitute an inter-fund borrowing and shall be reimbursed from certificates of obligation to be issued by the City of Laredo International Airport no later than 09/30/96.

Moved : Cm. Bruni

Second: Cm. Alvarado

For: 7

Against: 0

Abstain: 0

Motion to move item E.(1) under Cm. Guerra's items.

Moved : Cm. Guerra

Second: Cm. Bruni

For: 7

Against: 0

Abstain: 0

8. Discussion and possible action regarding Health issues throughout the City.

Dr. Hector Farias, President of the Texas Mexican Border Association, was before council to discuss health concerns. He made comments about the Health Department and the lack of what his associations see is a lot of irresponsibility. He spoke about comments from other environmental associations in Nuevo Laredo and concerns expressed from Mr. Menchaca. He mentioned a series of questions he wanted answered, why is it that comments are being given by the Health Director on how safe and how adequate according to the testing that has been done in regards to the Nuevo Laredo Sewage Treatment plant. After lengthy discussion made in reference to the sewage plant, he asked why are comments given by the Health Department? What kind of testing has been done? Who has looked at the testing to see if it's acceptable by other standards? Who has looked at the drainage pipes in Nuevo Laredo which are now buried? He added it is incomprehensible why these irresponsible comments are given. He eluded that the environment is an equalizer, and we are all affected by this rich/poor colonias in North Laredo. He spoke on other health concerns that exist in our community and the colonias and questioned why has nothing been done about hazardous materials and many other serious problems that exist. Only surveys have been done, when are we going to start addressing these problems? What about prevention program? He concluded by saying that the city officials selected the wrong person for this position based on the facts that he is a non-spanish speaking person from North Carolina, with a master in Public Administration, and he does not see a background in health education. He quoted several comments made by Mr. Robinson about that residents, poverty, health standards, education, low aspirations, language barriers occurring in a cultural tradition that induces poor nutrition habits, etc. He strongly recommended a total revamping of the Health Department, the director has had more than sufficient time in the time he has been in Laredo to do something with the serious problems that we have, it's time to have a total change, it's important to have a bilingual person because most of our problems are bi-national. He wants council to take the recommendation of the association seriously and that council take a new direction, bring in a new director that is committed to taking care of the serious problems.

Mr. Manuel Menchaca, Vice President of Voice in Democratic Action (VIDA) expressed the same concerns as Mr. Farias, but from the voice of their organization. His concerns were the hazardous materials. He said we need a prevention program and enforcement programs. He challenged the council to get involved on river issues, the ecology of Laredo, health issues and to create a program of prevention and to participate effectively and monitor the areas of concern.

Mayor Protem Casso wants a copy of the contract that was led out to Mr. Landeck. He also wants staff to bring some type of action plan to address the river problems. He suggested that these issues should be discussed at the Washington trip also, to pursue for funding to clean up the river.

Motion to have staff present some type of action plan as to what they can do as a city to clean up the river.

Moved : Cm. Casso

Second: Cm. Bruni

For: 7

Against: 0

Abstain: 0

**C. Requests by Councilmember Cecilia May Moreno**

1. Discussion and possible action on any unfunded liability that exists after the city increased the retirement system contribution of its employees. Are we supposed to carry the unfunded liability in our financial statements?

Item tabled.

**D. Requests by Councilmember Eliseo Valdez, Jr.**

1. Discussion and possible action concerning the placement of a police substation at each of the four neighborhood recreation centers as part of the implementation of the City's COPS Program.

Item tabled.

2. Discussion and possible action concerning deliveries in the downtown area which are not in accordance with the City's downtown delivery ordinance. (Co-sponsored by Councilmember Consuelo "Chelo" Montalvo)

Item tabled.

3. Discussion and possible action concerning individuals using loading and unloading zones as permanent parking areas throughout the downtown area. (Co-sponsored by Councilmember Consuelo "Chelo" Montalvo)



Item tabled.

4. Discussion and possible action concerning the status of the downtown bike patrol and their counterparts in the U.S. Border Patrol bike patrol. (Co-sponsored by Councilmember Consuelo "Chelo" Montalvo)

Item tabled.

**E. Requests by Councilmember Joe A. Guerra**

1. Discussion and possible action regarding changing the dates of the FY 1996-1997 Budget Workshop.

Cm. Guerra said we won't have a certified tax roll from the Appraisal District until August 12th and the budgets are scheduled before August 12th. He wants to make sure that when they work with the budget they work with true accurate figures.

Motion to change the dates of the budget hearings to August 15th, 16th, and August 17th.

Moved : Cm. Guerra  
Second: Cm. Alvarado

Second to the motion changed the dates from August 16th thru August 17th and the maker of the motion agrees.

Motion to change the dates of the budget hearing as follows:

August 16, 1996	8:00 A.M. - 5:00 P.M.
August 17, 1996	8:00 A.M. - 5:00 P.M.
August 18, 1996	9:00 A.M. - 1:00 P.M.

Moved : Cm. Guerra  
Second: Cm. Alvarado

For: 4	Against: 3	Abstain: 0
Cm. Guerra	Cw. Moreno	
Cm. Alvarado	Cm. Perez	
Cw. Montalvo	Cm. Valdez	
Cm. Bruni		

Motion to table the rest of the agenda items due to the late hour. (11:00 P.M.)

Moved : Cm. Perez  
Second: Cm. Bruni  
For: 7

Against: 0                      Abstain: 0

2. Discussion and possible action to recognize Steve Koronczok/Benefit Alliance, Inc. as our Agent of Record on all products and services offered in conjunction with the City's Section 125 Plan. This plan includes Disability,

Accident, Hospital Income, Cancer, Intensive Care, Life, Unreimbursed Medical & Child Care Accounts.

Florencio Pena, Interim City Manager, stated that this is a request to select Steve Koronczok to assist the city in administering Section 125 program and to offer a specialized insurance package to our employees as an insurance agent.

Steve Koronczok and Dennis Peterson were present representing Benefit Alliance who spoke of Section 125 and briefed in summary that the program allows employee benefits with pre-taxed dollars and entails 20-30% savings on premiums. He explained that their firm as an independent agent brought Colonial Life and Accident to the bid process and to their avail council selected Colonial among companies that proposed, as the insurance provider and so called administrator. They have saved the city in payroll taxes over the last six years in excess of \$500,000.00 to \$600,000.00 in payroll taxes, they did it in two phases. He explained that they are not married to Colonial or an insurance carrier, their client is the City of Laredo and its employees. He added that because of competitive situations that they had gotten into with entities in school districts they were forced to make changes and product lines and as a result of that, it did mean that Colonial was no longer a disability carrier for that particular client, but it created problems. The problem it created is that Colonial decided on the 1st of March that they weren't going to let us represent them anymore. The carrier has played a power move on them, they can no longer service the city and its new employees. He said there are other carriers right now that are willing to take the book of business and basically come up with a better program than we currently have. He asked for council support as the agent of record on the plan to continue to serve the city.

Jesus Nava gave a chronology of how Section 125 Program evolved, problems during the last years, and progress made during this year plus the enrollment process that will begin during the next couple of weeks.

Cm. Guerra said the only issue here seems to be the fact that Colonial Insurance doesn't want Mr. Koronczok to be their agent servicing the city on this particular policy.

Mr. Nava answered it is correct, it's his understanding that the problem lies between Mr. Koronczok who is the former representative of Colonial Life and Accident Company and Colonial itself.

Cm. Guerra said that Mr. Koronczok assures the council that he can go on the open market and finds an other company for the city employees' needs.

Mr. Koronczok explained that it is not a problem to look for another company and that there is another company that is rated A+ superior rated company with a billion dollars in assets, which is bigger than Colonial, willing to take the book of business over at their notice. As far as time and scheduling the staff who is in hold waiting a decision tonight, to start immediately and to start the paperwork and the process of doing this. He added that no one knows this enrollment as himself and Mr. Pena's staff. They are ready to move to bring the best possible service and products to the city employees and the city.

Mr. Nava asked that if the action is to make Mr. Koronczok the agent of record, he would asked then, that Mr. Koronczok make available the resources that they would need so that staff particularly Administrative Services is not pressed against the wall with a very short time frame.

Mr. Pena stated that staff was aware of the problem that existed between Colonial and Streve Koronczok. Mr. Vargas and himself talked about the pros and cons regarding switching and basically was suggested and what was recommended at that time, was to go out for proposals like they did in 1989 to see what packaged they could get, which is where this issue was left. They are presently in a situation where there have been several problems in the health insurance fund, which they have corrected and ironed out. They didn't go out for bids, when they had the opportunity to do it, and now they are at the tail end of this process where enrollment process needs to start within two weeks and it will be difficult to accomplish this within the short time frame.

Fausto Sosa stated there are two contracts, one with Colonial which is terminable at will, basically council can terminate at whatever time they wish to do so. With respects to Benefit America there is a service agreement, which is basically an automatic contract that is renewed every year, this one provides for a 60-day notice provision and before the contract is terminated we must give them a 60-day notice which is where we stand at the present time.

Mr. Koronczok explained that Colonial was not reporting some of the problems that they were having, not only with the city but other clients they had. If the carrier and the field operation is not doing that, then they are going to seek for an other areas to service.

Mr. Pena stated that several months ago they were leaning on the direction of looking for proposals, but they did not do it and now we find ourselves in a position where to terminate a contract with Colonial will require an item on the agenda to terminate the contract, and of course they

will need a new contract with this firm outlining what benefits they will be offering us. He mentioned that in a meeting where Mr. Koronczok was present there did appear to be some legal concern between Colonial and Mr. Koronczok and does not know if that issue has been resolved.

Mr. Koronczok stated that was pure rumor, there was no legal action on the other side, and added they had a favorable separation.

Mr. Koronczok stated for the record that there was no legal action.

Cm. Alvarado questioned if this would involve putting an item in the council agenda to break the contract with Colonial or to do whatever they want to do with Colonial?

Fausto Sosa, City Attorney, stated it will require formal council action, like it would in adopting the contract, require five votes and provide a contract to council so they can see exactly what they are entering into. Right now, there are no provisions setforth on the table.

Motion to accept the offer that Mr. Steve Koronczok is making the city and that legal staff be instructed to prepare all necessary documents to cancel our relationship with Colonial and enter into a contract with Steve Koronczok's firm.

Moved : Cm. Guerra  
Second: Perez

Cm. Valdez asked what kind of savings has the city realized per year.

Mr. Nava stated that the savings in 1998 were \$88,000.00 per year, he is not sure what the growth is for participation at this point in time.

Mr. Pena stated that the saving is there regardless of who the insurance agent is or who the third party administrator is.

Ms. Annie Rendon stated that if council is not sure why other company did not what Mr. Kornoczok they need to research all the information, find out what the problem is, why he is so desperate to do this change now, and what the situation is before they agree on something.

Cm. Alvarado stated that the item here was to recognize Benefit Alliance as the agent on record, they still need to come back to the city with a proposal. What they have done at this particular point is just allowed him go ahead and continue to do the job that he has being doing or provide



a day care located at 605 Rancho Viejo added to Ms. Rendon's concern stating that their first priority as a childcare provider is the safety and welfare of the children and stagnant water creates health problems. She was asking that the problem in the area be taken care of with concrete. Mrs. Gonzalez stated that she has cleaned the ditch herself and wants council to see the area, it's a health hazard, there is stagnant water, there are mosquitos, and is muddy.

Rogelio Rivera, City Engineer, briefed that he did get a copy of the letter sent by Mrs. Rendon, he did go to the site, there are two problems. One is the plat on that lot has a drainage easement and that has been blocked. The backside of the lot has a concrete wall and a solid steel sliding gate, and if you close that off the water will not drain out. The person there have to be made aware that the drainage easement has to be kept opened. What they are going to do is have them open a slit on the wall big enough to allow the drainage to go out as big as the drainage easement. The other problem is the erosion problem that has been caused on the back side on a larger drainage easement and this is the one that goes into the Lowry Farms area (crosses from the Mines Road east and goes behind Rancho Viejo to the south and crosses to Lowry Farms where it hits the concrete line ditch) where the problem is. Where the earthen ditch and the concrete line ditch meet it causes a hidden current and has eroded the area where it holds water.

Mr. Pena stated that the drainage is a city easement, there is stagnant standing water and the city has to go out there and drain it, clean it, get the gentlemen that owns the easement that's blocking this to open it to get the proper flow.

Ms. Yvonne Trevino, owner 311 La Herradura, stated there has been a problem for several years with the drainage, she has to open the steel door every time it rains to get the water drain, the city is proposing to open a slit on the wall so that water drains. She wants to know who is taking responsibility on solving this problem.

Mr. Pena stated that it will be very difficult to get in there because of the fences, it may require a temporary solution to it to avoid major problems, but a long term solution may have to be developed in the Capital Improvements Program to concrete or cover with a pipe. They will meet with the residents and identify what needs to be done in a short term basis and then on a long term basis they will identify this area with all the other projects at the CIP projects.

Cw. Moreno spoke in reference to the drainage city ordinances and their restrictions that are not complied with.

Arthur Zuniga stated that Rancho Viejo was approved in 1988 the drainage ordinance was passed in 1990 under the new ordinance the regulations are different now and it does not make any difference on whether it is city or county property because the city's development regulations apply to the whole ETJ.

**G. Requests by Councilmember Consuelo "Chelo" Montalvo**

1. Discussion and possible action concerning a resolution seeking the designation of the City of Laredo as an international port. (Andres Sandoval will speak on this matter).

Andres Sandoval spoke of a project that will be exposed to council which was also presented in 1988 and a project that meant jobs for Laredo which is a main priority in Laredo. He stated that if this project is adopted Laredo would qualify for millions of dollars for jobs. He added that because of the actions of members of staff this project never moved, nobody was willing to move on it, but they did go on with the State Senator, State Congressman and they both supported the project and carried bills. This bill ended up in Governor Clements' desk, he signed a bill whereby Laredo upon request would become a bonafide port commission. That bill is still gathering dust in the shelves of the state capitol, because some people did not see it their way. He asked council to take what is already done, and that they name a blue ribbon committee to see this bill and that we apply for this status. In so doing we will be putting Laredo within the wheel of world trade. He mentioned all persons that supported the project.

Cw. Moreno wanted recommendation from Interim City Manager, if he has any knowledge of what Mr. Sandoval is saying and if we can create another blue ribbon committee composed of people he mentioned.

Mr. Pena stated he recalls that bill, recalls it being passed in 1988, he does not remember exactly what the duties of the court commission would be, but they can have staff look at it and get a copy of the legislation, get a report regarding what the duties of that commission are and then if council wants to proceed to appoint the committee to look into further development of that commission at that time. He said he does not recall what the duties of the commission were at this time.

Cw. Moreno told Mr. Sandoval if he can wait until Mr. Pena brings back information by the next meeting in reference to this issue and at that time they can make a motion to create a blue ribbon committee.

Cm. Alvarado stated that the issue here is that Mr. Pena look at what the pros and cons are in setting up this international port and bring back a recommendation.

2. Discussion and possible action concerning entering into a twenty-five year lease with the Laredo Center for the Arts.

Mrs. Ann Vela, Secretary to the Laredo Center for the Arts, members of the board and Rebecca Sepulveda were before council representing the Board of Directors to request that art be cultivated, also requesting a commitment from council with the city on a long term basis for the arts center. She was asking help in obtaining a long term lease agreement with the city so they can encourage continued investment in the arts allowing it to grow into a cultural district.

Mr. Frank Renolski, Art Center Board of Director, spoke in favor of the 25 year lease agreement that will enable them to begin capital grant applications and to establish a private fundraising campaign. He spoke on the project, it will be a 19th Century restoration, be a state of the art facility, plus it will be a great opportunity to increase our bi-national tourist trade. He briefed that they are proposing to increase the square footage of the building to 20,000 sq.ft., there will be exhibition space, studio and a muti-media fiber optic wall that will be used for exhibitions from all over the world.

Motion that a lease for twenty-five (25) years be made for the Laredo Center for the Arts, with an option to renew for another 25 years.

Moved : Cw. Montalvo

Second: Cm. Guerra

For: 7

Against: 0

Abstain: 0

3. Discussion and possible action concerning street lights on Main Street and Washington Street.

Item tabled.

## XII. PUBLIC HEARINGS

49. Public hearing concerning approval of an amendment to the contract with the Texas Department of Health and Budget in the amount of \$200,000 for the restructured La Familia Health Care Project (previously known as the Diabetic/Hypertension Education Project) of the City of Laredo Health Department for the period beginning September 1, 1996, through September 30, 1997.

## INTRODUCTION OF AN ORDINANCE



Ordinance approving an amendment of a contract with the Texas Department of Health and Budget in the amount of \$200,000 for the La Familia health care project of the City of Laredo Health Department for the period beginning September 1, 1996, through September 30, 1997; and increase revenue line item 226-0000-323-4036 from \$0 to \$200,000 and expenditure line item 226-6046 from \$0 to \$200,000.

Item tabled.

50. Public hearing concerning an approval of an amendment to the contract with the Texas Department of Health and budget in the amount of \$55,996 for the HIV/AIDS Housing Opportunities for Persons with AIDS (HOPWA) Project of the City of Laredo Health Department for the period beginning July 1, 1996, through June 30, 1997.

#### INTRODUCTION OF AN ORDINANCE

Ordinance approving an amendment to the contract with the Texas Department of Health and budget in the amount of \$55,996 for the HIV/AIDS Housing Opportunities for Persons with AIDS (HOPWA) Project of the City of Laredo Health Department for the period beginning July 1, 1996, through June 30, 1997.

Item tabled.

51. Public hearing concerning an ordinance approving an amendment to the contract with the Texas Department of Health and budget in the amount of \$41,500 for the Chronic Disease Prevention Program, Breast and Cervical Cancer Control Project, of the City of Laredo Health Department for the period beginning July 1, 1996, through June 30, 1997.

#### INTRODUCTION OF AN ORDINANCE

Ordinance approving an amendment of a contract with the Texas Department of Health and Budget in the amount of \$41,500 for the chronic disease prevention program, breast and cervical cancer control project, of the City of Laredo Health Department for the period beginning July 1, 1996, through June 30, 1997; and increase revenue line item 226-0000-323-4055 from \$0 to \$41,500 and expenditure line item 226-6045 from \$0 to \$41,500.

Item tabled.

### **XIII. MOTION TO RECESS AND CONVENE AS THE LAREDO MUNICIPAL HOUSING CORPORATION**

52. Public Hearing to consider and adopt Resolution No. 96-RMH-094 to amend the Articles of Amendment to the Articles of Incorporation of the Laredo Municipal Housing Corporation (LMHC) that will allow the Laredo Municipal Housing

Corporation (LMHC) to purchase and develop land for subsequent sale to eligible qualified families. On May 20, 1996, the LMHC Board of Directors authorized the purchase of fifty buildable residential lots in the Riverhill Subdivision Unit I from J.C. Trevino, Richard E. Haynes and Arnulfo Gonzalez, Jr. This amendment will allow for Laredo Municipal Housing Corporation to comply and continue to address the housing needs through the Lease/Purchase Program. The LMHC will have the powers to borrow funds, mortgage property, construct, purchase land, rent, lease and sell and/or otherwise convey residential properties for the purposes of providing public housing or affordable housing to the citizens of Laredo.

96-RMH-094 Amend the Articles of Amendment to the Articles of Incorporation of the Laredo Municipal Housing Corporation (LMHC) allow the Laredo Municipal Housing Corporation (LMHC) to purchase and develop land for subsequent sale to eligible qualified families. On May 20, 1996, the LMHC Board of Directors authorized the purchase of fifty buildable residential lots in the Riverhill Subdivision Unit I from J.C. Trevino, Richard E. Haynes and Arnulfo Gonzalez, Jr. This amendment will allow for Laredo Municipal Housing Corporation to comply and continue to address the housing needs through the Lease/Purchase Program. The LMHC will have the powers to borrow funds, mortgage property, construct, purchase land, rent, lease and sell and/or otherwise convey residential properties for the purposes of providing public housing or affordable housing to the citizens of Laredo.

Item tabled.

#### **XIV. MOTION TO RECESS AND CONVENE AS THE LAREDO MASS TRANSIT BOARD**

53. Consideration and action regarding a previous Mass Transit Board action of June 3, 1996 to award a contract to America's Bus Craftsmen (ABC Bus), Ft. Worth, Texas, in the amount of \$190,000 to purchase two 1994 transit coaches for charter service operated by the Laredo Municipal Transit System (El Metro); and to purchase only one of the two 1994 coaches and return the other one to America's Bus Craftsmen. Said company has agreed to this action. In order to transfer ownership of the bus to El Metro, an estimated \$39,531.00 will be required to convert the engine to compressed natural gas (CNG). This purchase was made from the General Fund with possible reimbursement through charter fees back to the General Fund. With possible Executive Session as authorized by Texas Government Code Section 551.071 to discuss contemplated litigation with America's Bus Craftsmen (ABC

Bus).

Item tabled.

54. Approval of amendment no. 3, an increase of \$7,840.00 to the professional engineering and architectural contract with Wilbur Smith Associates Engineers, Houston, Texas, for additional design services for the Phase "B" Laredo for additional design services for the Phase "B" Laredo Intermodal Transit Center. These additional services are required in order to provide office space to move the Community Development Department to the Transit Facility. This amendment will bring the total contract amount to \$789,730.00. Funding for the project is available from Transit System Professional Fee - Architectural & Engineering Account.

Item tabled.

**XV. RECESS AND CONVENE AS THE LAREDO CONVENTION AND VISITOR'S BUREAU BOARD**

55. Authorizing a payment in the amount of \$10,000.00, to the Washington's Birthday Celebration Association for the cost for the W.B.C.A. fireworks display held on July 4, 1996, at the Lake Casa Blanca, and other related expenditures associated with W.B.C.A.'s Centennial Celebration not to exceed \$31,000.00. Funding for this project is available in the Support for the Arts Line Item located in the Convention and Visitor's Bureau Budget.

Item tabled.

**XVI. ADJOURNMENT**

Motion to adjourn.

Moved : Cm. Bruni

Second: Cm. Perez

For: 7

Against: 0

Abstain: 0

Adjournment time: 11:00 p.m.

I HEREBY CERTIFY THAT THE ABOVE MINUTES CONTAINED IN PAGES 01 TO 50 ARE TRUE, COMPLETE, AND CORRECT PROCEEDINGS OF THE REGULAR CITY COUNCIL MEETING HELD ON AUGUST 5TH, 1996. A CERTIFIED COPY IS AT THE CITY SECRETARY'S OFFICE.

  
 GUSTAVO GUEVARA, JR.  
 CITY SECRETARY

Minutes approved on: September 3, 1996