

CITY COUNCIL ANNUAL BUDGET WORKSHOP
ON THE PROPOSED FY 1993-94 BUDGET

LAREDO STATE UNIVERSITY
UNIVERSITY HALL, ROOM 141 AND 142

M93-W-24

M I N U T E S

AUGUST 7, 1993

I. THE FOLLOWING ARE PROCEEDINGS OF THE ANNUAL BUDGET WORKSHOP HELD ON THE 7TH DAY OF AUGUST, 1993, AND WHICH WAS CONTINUED FROM THE 6TH DAY OF AUGUST, 1993.

With a quorum present, Mayor Saul N. Ramirez, Jr., called the workshop to order.

II. IN ATTENDANCE:

SAUL N. RAMIREZ, JR.,	MAYOR		
JOSE R. PEREZ, JR.,	COUNCILMEMBER,	DISTRICT I	
JACINTO P. JUAREZ,	"	DISTRICT II	
ARLENE RASH ALDRIDGE,	"	DISTRICT III	
CECILIA MAY MORENO,	"	DISTRICT IV	
BLAS CASTANEDA,	"	DISTRICT V	
EDUARDO PERALES,	"	DISTRICT VI	
JOSE GERARDO (JERRY) PEREZ,	"	DISTRICT VII	
FELIPE CARDENAS,	"	DISTRICT VIII	
PETER H. VARGAS,	CITY MANAGER		
JOSE SALVADOR TELLEZ,	CITY ATTORNEY		
CARLOS VILLARREAL,	ASST. CITY MANAGER		
JESUS NAVA,	ASST. CITY MANAGER		

ABSENCES:

GUSTAVO GUEVARA, JR., CITY SECRETARY

III. PROPOSED WATER AND WASTEWATER ANNUAL BUDGETS -

Tomas Rodriguez, Utility Services Director

- A. WATER FUND REVENUES AND EXPENDITURES
- B. WATER FUND CAPITAL IMPROVEMENTS
- C. WASTEWATER FUND REVENUES AND EXPENDITURES
- D. WASTEWATER FUND CAPITAL IMPROVEMENTS

Tomas Rodriguez, Utility Service Director, made the presentation

Motion to consider the recommendation of Mr. Rodriguez to proceed with the user fees under option #1 for water services for new developments.

Moved : Cm. Perales
Second: Cm. Cardenas

For: 8

Against: 0

Abstain: 0

IV. PROPOSED EL METRO TRANSIT ANNUAL BUDGET -Rick Pulido, El Metro General Manager

- A. OPERATIONS AND MAINTENANCE
- B. 1/4 CENT SALES TAX REVENUES & PROJECTS
- C. STATUS OF DOWNTOWN METRO CENTER

Transit

Rick Pulido stated there would be no fare increase, no increase on handicapped transportation any other fees included in the Transportation Division.

Motion to extend El Metro services free of charge for El Metro Employees and City Employees on Regular Bus Shuttle and Park & Ride services on regular business hours form Monday thru Friday; that cards be issued for this purpose; and that Councilmembers also be included.

Moved : Cm. Castaneda

Second: Cm. Perez

For: 8

Against: 0

Abstain: 0

Motion that staff explore a feasibility study of contracting with the private sector (taxicabs, ambulatory services, etc.) for participation on transporting persons with disabilities. (Those individuals who are disabled, but can walk.)

Moved : Cm. Juarez

Second: Cm. Cardenas

For: 8

Against: 0

Abstain: 0

V. PROPOSED INTERNATIONAL AIRPORT ANNUAL BUDGET - Jose Flores, Airport Programs Director

- A. AIRPORT FUND REVENUES
- B. PROPOSED EXPENDITURES
- C. STATUS OF NEW TERMINAL PROJECT

Jose A. Flores, Airport Director, made the presentation. He explained airport activities such as airport and foreign trade zone program measurements, passenger enplanement activity, and air cargo activity. Mr. Flores outlined construction plans for the Laredo International Airpark Subdivision and presented a capital outlay summary which included various building repairs throughout the year for \$100,000 and ground improvements of various parking areas for \$20,000.

Cm. Castaneda asked how active the Foreign Trade Manager was in promoting the airport.

Mr. Flores mentioned several operations he does such as, security, lease agreements, manages foreign trade and other

related administrative operations.

Cm. Castaneda suggested that he be reeled in the operations of the Economic Development Program that is funded by EDA.

Mr. Flores stated that air freight cargo is increasing and generating approximately \$60,000.00 a year for which we will be eligible for Federal Entitlement due to this activity.

VI. PROPOSED BRIDGE SYSTEM ANNUAL BUDGET -Andrew Ugarte, Bridge System Director

- A. BRIDGE FUND REVENUES
- B. PROPOSED EXPENDITURES

Andrew Ugarte, Bridge Director, made the presentation. He outlined the significant changes during fiscal year 1992-93 and 1993-94. He elaborated on program measurements, bridge traffic figures, and capital outlay summary totaling \$35,700.

Major changes expected for Fiscal Year 1993-94 include the partial rehabilitation and repairs of Bridge I Toll Plaza and building; continued upgrading of Bridge I and II toll collection equipment; and coupon control system.

VII. SUMMARY AND WRAP-UP

Mr. Vargas stated that as per council direction they were asked to look at the Sidewalk Program; Drainage Project on Springfield; and Drainage project on McPherson.

He added what they had done first was:

Springfield Drainage	\$ 200,000
McPherson (north Del Mar)	100,000

He added they went back and transferred \$100,000 from the Anna Truck Route (Santa Maria).

Cm. Perez made a motion to the effect of the Transit Expansion of the South Laredo Branch, to ask the council to give the citizens the opportunity to vote to see whether they would like the expansion. He added that we are going to have a feasibility study done on the existing facility of the new library, that whenever this feasibility is done, to see what it takes to serve that particular area of town.

He again asked, "that council give the opportunity to the citizens to vote on this matter and to add the amount that is required, or whatever the feasibility shows, to place it on a million dollars plus whatever we need to act on."

Motion that whatever the feasibility indicates that we need to make this up-to-date as a far as space is concerned and that it be placed in the bond election.

Moved : Cm. Perez
Second: Cw. Aldridge

There was discussion on this item.

Mr. Vargas stated that they had talked about the possibility of looking at the present facility, whether or not the library is up for the expanding in the present facility and meets the requirements. He said that the Health Department is relocating and will have some additional space for this facility.

Janice Webber, Library Director, gave specifics and talked about state requirements.

Cm. Perez asked that they use the same factor in the projections that are made for the new library, which is 300%. He added that he would like to submit this as a projection and that they use this same formula.

Cm. Perez clarified the motion, "to include the South Laredo Branch for the Expansion that is made for the requirements of a projected use of 18,000 per capita for that area and using that same formula of the new library and whatever the monies it takes to do that."

Mayor Ramirez suggested that \$50,000.00 be set aside just for the expansion, because this is not a bond proposal. That instead of putting it in the bond program, that it be appropriated out of funds this year so we can expand it next year.

Cm. Perez withdrew his first motion.

Motion to set aside from the expansion of the Santo Nino Library. (\$50,000.00)

Moved : Cm. Perez
Second: Cm. Castaneda
For: 8

Against: 0

Abstain: 0

Diana Arredondo, Finance Director, explained the Tax Debt Analysis and the current assessed valuation of \$2.7 Billion and how one cent in property taxes will produce \$270,000 in Revenues based on calculations. She explained the \$26 million worth of projects, basically the original 22 that were on the CIP Booklet that was provided in May. Mrs. Arredondo added that they added \$4 million based on direction provided by council yesterday, for the West Laredo Overpass and indicated that the maximum debt service per issue and calculated the tax increase per issue. She indicated that the property values on five different values

of homes and showed what the tax increases will be for the property owners reflected from \$25,000 - \$125,000. Also, additional increase by issue by value of home. The tax rate will be .08935 almost nine cents. She reminded council that the current tax rate of .5101 is divided between operations (.3294) in debt service (.1087). She also showed analysis of tax increase for the period of 1990 thru 1994. The debt service did increase by eight cents so we have a shift going from operations to debt service. There is actually three cents less for operation and a total eight cents for debt service, but because of the increase in excess valuation we have been able to minimize that to four cents.

Fire Stations

Motion to accept Mr. Vargas recommendation to use \$200,000.00 to staff and equip an emergency response unit in a mini pumper to station in San Bernardo while a more centralized station is built.

Moved : Cm. Perales
Second: Cm. Cardenas
For: 8

Against: 0

Abstain: 0

The Councilmembers elaborated how they felt as far as the proposing of the projects for a bond election.

The Councilmembers stated they supported the projects.

Mayor Ramirez had reservations, he stated he felt it was very ambitious to go out for everything, almost \$27 million. He added that they are all good projects and that he had no problem supporting them, but he again stated he had reservations in doing them all together. Anytime any project is brought to the voters, it has to be something extraordinary such as water and sewer or an absolute necessity and even those get turned down something, he said.

Mr. Vargas stated that they felt the certificates of obligation is the most effective financial mechanism in order to construct the the convention center. It would save the city approximately \$80,000 a year. In order to have an election, the state law states that there shall not be an election on certificates of obligation unless there is a petition by 5% of the qualified municipal voters of the previous election.

Mr. Vargas recommended the C.O. approach and asked council to pass a resolution for intent of an election.

Mayor Ramirez suggested to move ahead with the police building, the fire stations, that we go into a two phase development of our fire facility and meet its immediate needs, but also committed to expanding it's training capacity and to another

phase, do the same thing with the library go with Phase I and Phase II, also the recreation centers. He stated "if we cannot do it all at once, do it in sections, put a phase function but also adaptable to what you want to go into...even if it means separating them into two phases". He added, "two bond elections." He clarified, "its easier to get projects going and meeting our needs now then to try saying let's go for everything at once."

Cw. Moreno asked, "when we say split in two, are we talking about this November and then vote again in two years in another November."

Mayor answered, "Yes."

Cm. Perales made a motion to go with the Mayor's suggestion.

NO SECOND.

Cm. Juarez suggested that they let the people decide which one they want first.

Mayor Ramirez suggested "these are the projects we are developing and this is what we would need, but we are getting them ready for the second installment."

Mr. Vargas stated that perhaps a better move would be a two or three phase program instead of trying to do everything at once. He added, "this year we are going with these projects and the next year, or the year after with these others."

Mr. Vargas stated we could for example say, we could have two fire stations and a third one will come back in three years for authorization.

Cw. Moreno suggested that they go with three projects now, then the other for later.

Mayor suggested that they go out with the traditional amount that they go out to the people often for different capital improvements in the community and build up from there.

Motion to evaluate the \$26,650,000.00 and that staff give council a two tier approach on these projects.

Moved : Cm. Juarez
Second: Cw. Aldridge
For: 8

Against: 0

Abstain: 0

Cm. G. Perez pointed out that action was taken on the West Laredo Overpass previously, and that it should be on the election regardless of what is planned.

Mayor Ramirez suggested that they start working with the

overpass with \$4 million if we go out on November.

On the issue of the convention center Mr. Vargas pointed out the timetable schedule to be followed for the issuance of the City's Certificates of Obligation according to a memorandum from McCall, Parkhurst & Horton.

Mr. Vargas read that the following schedule should be followed for the issuance of the City's Certificates of Obligation as follow:

1. Resolution authorizing publication of notice of intention to issue Certificates of Obligation should be adopted by the City Council at a regular meeting on August 16, 1993.
2. Notice of intention to issue Certificates of Obligation must be published one day a week for two consecutive weeks with the first notice to be published in the Laredo Morning News on August 19, 1993, with the second publication on August 26, 1993.
3. Ordinance authorizing the Certificates of Obligation will be introduced for first reading at the City Council's special meeting on August 23, 1993. The second and final reading of the Ordinance will be adopted at a regular meeting on September 7, 1993.

If a petition signed by 5% or more of the qualified voter of the City is presented to the City Council requesting an election on the issuance of the Certificates of Obligation, an ordinance calling an election shall be passed on first reading in September 7, 1993 and the second and final reading on September 13, 1993. This election will be held on the regular election date of November 2, 1993.

1. Notice of Election must be published one day a week for two consecutive weeks in both English and Spanish with the first notice to be published in the Laredo Morning News on September 24, 1993, with the second publication on October 1, 1993.
2. Notice of Election in English and Spanish should be posted by the City Secretary at the City Hall, County Courthouse, Federal Building and U.S. Post Office on September 24, 1993.
3. Absentee voting at the City Secretary's office begins on October 13, 1993 and continues through the close of business on October 29, 1993.
4. Resolution Canvassing Election Returns should be adopted by the City Council at a special or regular meeting held not earlier than the second day or later than the sixth day from the date of the election.

Cw. Aldridge had concerns as to where the location would be and asked that council work with her and not shut her off and suggested that they work together. She stated they were rushing into the project again.

Mayor Ramirez asked if everyone felt it should go for election on November.

Cw. Aldridge asked that they bring options to make a final determination on the 16th.

Mayor Ramirez suggested that they get together to see the options and decide on those, so by the 16th they have the fact sheet.

Mr. Vargas stated that they have set a series of town hall meetings that have been schedule for August 11th thru August 18th.

Mr. Vargas stated that by Monday morning he would work on these options and that by Monday afternoon they would have the five options ready and they will discuss them on the 16th and have official action on the 16th.

Aid to Other Agencies

Mr. Vargas stated that they had made recommendations to hold the funding at the current level and that the presentations for Aid to other Agencies were scheduled for the 16th. He added there were several new areas that they wanted to point out to council in which they need direction in funding, the Laredo Art Association which is a new appropriation and the City Convention & Visitor's Bureau under the Hotel-Motel Operating Budget for 1993-94.

Cm. Perales stated that LJC is another taxing entity and as a tax entity does not need council to appropriate monies under the third party funding.

Cm. Juarez stated that these are for activities that they are asked to perform outside the city.

Mr. Vargas stated that it meets the criteria for funding and they have been funded for many years. He said this was up to the council's wish on whether or not the council wishes to continue funding.

Mr. Vargas stated another issue was that council directed them to incorporate a Business & Conventions Bureau. They had budgeted \$525,000.00 for promotional activities, last year they budgeted \$500,000. He said that council had given direction including a resolution that was directed to establishing of a Conventions and Visitors from the City of Laredo for the purpose

of promoting. Mr. Vargas asked council on how to proceed with this, on whether or not to continue funding the Laredo Chamber of Commerce.

Cm. Juarez stated that they need the support of other entities, that it should go in a bond issue or a bond election.

Mr. Vargas stated that in order to close the resolution for the budget they needed direction from council, but that they could wait until August 16th or the 23rd on this issue.

(Mayor Ramirez stepped out momentarily.)

Motion that the city take over the Convention and Visitors Bureau.

Moved : Cm. Perales
Second: Cm. Cardenas

Mayor Ramirez returned at this time and asked if the motion was as it stands now, or if they wanted recommendations and further information on the issue.

Mayor Ramirez, stated the motion was out of order because Cm. Perales was chairing the workshop when he stepped out.

Mayor Ramirez asked for the motion, he stated there was no motion.

Cm. Perales stated that his motion was, "that the activity become part of the city, the Laredo Conventions and Visitor Bureau."

Moved : Cm. Perales
Second: Cm. Cardenas

Cw. Moreno questioned as to the funding with tax money.

Mr. Vargas stated there are three different way to do it.

- (1) Subcontract with the chamber
- (2) Subcontract with the third party entities; or
- (3) Setup a city department.

He added that last year they had gone thru the three options and what the advantages were for each one.

Mr. Vargas stated that staff was recommending a separate entity, not necessarily a city department. He does not recommend a city department because he thinks it would be too restricted, what he recommends is an entity owned and operated by the city similar to the El Metro where in fact the council would setup a board.

Cm. Perales asked the second to amend and follow staff's

