

CITY OF LAREDO  
CITY COUNCIL ANNUAL BUDGET WORKSHOP  
ON THE PROPOSED FY 1997-1998 BUDGET

CITY COUNCIL CHAMBERS  
1110 HOUSTON STREET  
LAREDO, TEXAS

THURSDAY, AUGUST 14, 1997  
6:00 P.M.

M97-W-27

M I N U T E S

AUGUST 14, 1997

**I. CALL TO ORDER**

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

**II. PLEDGE OF ALLEGIANCE**

Mayor Saul N. Ramirez, Jr. led in the Pledge of Allegiance.

**III. ROLL CALL**

IN ATTENDANCE:

SAUL N. RAMIREZ, JR.,	MAYOR	
JOSE R. PEREZ,	COUNCILMEMBER	, DISTRICT I
LOUIS H. BRUNI,	"	, DISTRICT II
ALFONSO I. "PONCHO" CASSO,	"	, DISTRICT III
CECILIA MAY MORENO,	"	, DISTRICT IV
ELISEO VALDEZ,	"	, DISTRICT V
JOE A. GUERRA,	"	, DISTRICT VI
MARIO ALVARADO,	"	, DISTRICT VII
CONSUELO (CHELO) MONTALVO,	"	, DISTRICT VIII
FLORENCIO PENA,	CITY MANAGER	
JAIME L. FLORES,	CITY ATTORNEY	

ABSENCES:

GUSTAVO GUEVARA, JR., CITY SECRETARY

**IV. PROPOSED ANNUAL BUDGET WORKSHOP FY 1997-98**

- a. Review and presentation of the proposed FY 1997-98 Annual Budget.

Mayor Ramirez announced that they will proceed with the motions made by City Council on the workshops and impact that those motions will have on the proposed 97-98 budget.

Florencio Pena, City Manager, made the presentation, added that they will also go through the pay plan adjustments and recommendations made by council. The second item will be the capital improvements program based on comments made regarding some adjustments that will be possible in that area. The final topic will be the scheduling of actions that are still required by council to adopt the budget.

Mr. Heberto Ramirez, Budget Officer, went through the motions individually and discussed the dollar impact each one had as follows:

Motion to accept the motions as presented by staff.

Moved : Cw. Montalvo  
Second: Cm. Alvarado

1. Motion to shift Alarm System Enforcement from the Police Department to Building Inspections.

No dollar impact.

2. Add Assistant City Attorney to the City Attorney's Office (Grade 40, Step 1)

Dollar impact is \$42,975.00

3. To establish an ad hoc committee for the salary plan and for the committee to make recommendation prior to the adoption of the budget.

No action and no dollar impact at this time.

4. To implement the Pension Plan recommendation of increasing the City's will increase their contribution from 7 1/2% to 10%.

No dollar impact because they have that amount in the health/benefits fund. There is a reserve appropriation so they are going to take the total to various funds, it is already within the proposed budget and will be appropriated.

5. Council will adopt an ordinance which will state that beginning fiscal year 97-98 the budget must have at least a 15% fund balance.

Mr. Heberto Ramirez stated there is no action required and no dollar impact on this.

Mayor Ramirez stated we now are at almost 16% and wanted to know what does .9% represent in dollars.

Mr. Ramirez answered \$500,000.00.

Mayor Ramirez stated that they need to put that amount as a revenue amount because since it is only 15% that needs to be kept, that the .9% doesn't have to be fund balance.

6. To hold a public hearing for CIP.

No action on this item necessary.

7. To use additional revenue funds from parking meters to be used to purchase parking in the downtown area.

No action on this item necessary.

8. To implement the South Laredo Looper route including the transfer area at the Cigarroa Recreation Center.

Mr. Ramirez stated this is an expense that El Metro is going to make, they have the funding for it, and it is an additional expense of \$142,968.

9. To implement the Loop 20 shuttle.

The dollar impact is \$78,192 and is also an additional expense for El Metro and is in their budget.

Cm. Perez stated there is one area lacking. He added that on the same motion he made on the last meeting there were constituents concerned about West Laredo and staff was supposed to come back with a recommendation about extending services to the Christen, Martin and West Laredo area, there were enhancements to be done to those routes for probably a school looper.

Mr. Joe Guerra, Office Manager for El Metro, stated they made a study of the West Laredo Looper and the estimated cost for that increase in service is \$1,951.00 per month. The service consists of additional 2 hrs 10 minutes for 20 days per month, the same equipment, but additional hours. The same buses will be used, they

will just extend them an hour and another hour in the afternoon for more frequency.

Cm. Perez wants to know if they can have two trips going each way, two (2) from El Cuatro and two (2) from the northern part. One approximately at 7:10 coming from the farthest part in the north because one already comes at 7:30 a.m. In El Cuatro area one takes off at 7:05 a.m. going to Jarvis Plaza then they connect to the one in Sta. Maria or at Main, but we need another one, two are needed. He asked if this is included in this proposal?

Mr. Guerra stated they are not included in the proposal, but will look into it so that they don't conflict with other routes.

Cm. Perez stated they had asked for more frequency in the mornings and the afternoons. He wants that they look into an additional trip to be sent from the northern part at 7:10 to come and be there at 7:45 or 10 minutes till the hour going to Christen/Martin area and getting there on time, which is the intent of the school looper.

Florencio Pena, City Manager, stated if there is full understanding of what Cm. Perez wants they can cost it out.

Mr. Perez stated the proposal in place now is not going to cost anything, the only thing they will be changing is the time from the El Cuatro route so they can connect with the one in Santa Maria. The additional trip is the one that is going to cost.

Mr. Guerra stated that El Metro staff will look at this again, come back with a recommendation and the fully allocated cost.

Cm. Perez wants staff to go ahead and include the school tripper which would include a bus or more frequency and put it into this year's budget. He wants El Metro to come back with an implementation plan to accommodate the two hours, one at approximately at 7:10 coming from Markley or farthest northern part, and the other one (an addition) coming at approximately 7:40.

Mayor Ramirez stated there was no motion necessary to incorporate this.

Mr. Guerra stated that as a point of clarification, Mr. Segovia, Transit Director, had mentioned that they needed five additional bus drivers to implement the four route changes and in actuality it is six (6) drivers that they need. He added they have incorporated six (6) bus drivers and wanted approval for the six bus drivers in total.

Mayor Ramirez asked if they are included in the changes.

Mr. Heberto Ramirez stated that the six drivers are not included in the changes.

Mr. Guerra explained that these drivers are needed for the new programs items #8, #9, #10. The original budget proposed did not include the drivers, when the motion was passed to include those routes, Mr. Segovia said he needed five drivers but in actuality he needs six.

Motion to amend motions #8, #9, #10 and approve the six (6) drivers, include the West Laredo route and include \$25,000 a year, if necessary.

Moved : Cm. Perez

Second: Cm. Alvarado

For: 8

Against: 0

Abstain: 0

Mayor Ramirez clarified that this is a secondary motion to the primary motion to adopt in their totality the motions that were acted upon during the workshops. These would amended motions #8, #9, #10 according to whatever the routing and assignments take place and added that it incorporates the West Laredo area.

Mr. Pena stated that as part of the motion they need to include \$25,000.00 a year.

Mr. Guerra stated they will look to see if they need an additional driver for the hours of service or if they can just use the existing drivers.

Cm. Bruni wants to include the Alta Vista area in the COPPS Program.

Cm. Guerra wants staff to revisit the whole COPS Program at Mall del Norte before approval.

10. To extend operating service hours to the Heritage Park and Mines Road routes.

Mr. Ramirez stated the dollar impact is \$86,568.

11. Taxicab Coordinator to be transferred to General Fund but El Metro will reimburse General Fund (Traffic Division)

Mr. Ramirez stated this \$30,011 is going to be an expense for the general fund, but they will have a transfer from El Metro for that same amount so it will have a zero effect.

12. To instruct staff to draft the ordinance prepared by the Citizens Advisory Committee deleting reference to a department so it can be implemented as a division of the Fire Department. In one year a restudy will determine whether or not an Environmental Services Dept. will be created.

There is no dollar impact on this item.

13. To request that the interlocal agreement between the City and Webb County for fire protection and emergency services be renegotiated.

Mayor Ramirez stated that this needs to be renegotiated on an as needed basis. He added that we do not want to give the conception out there that we want to go out and re-negotiate it, we are just exercising our right to keep the door open in case we should want to go over and re-negotiate it as a result of actions that may take place in the course of the fiscal year.

Jaime Flores, City Attorney, stated that this item will be on the agenda for Monday, so that City Council gives notice in compliance with section 4 of that local agreement which specifies that notice be given 365 days before the end of the fiscal year.

Mr. Pena stated that they will only place them in notice, that in the event there are some changes in the course of the year that we would be in a position to re-negotiate, on the other side if they feel that service

areas or calls to the county have gone down, they will also be in a position to ask us. They would also have to give us notice as well to re-negotiate. There has to be a notice requirement on both sides.

Mayor Ramirez stated this item will be in Monday's meeting to formally approve this action.

14. To look for security services for all parks.

Mr. Ramirez stated there is no action on this other than to research if it is feasible.

Cw. Moreno stated that they wanted the cost.

Mr. Pena stated they will look at two options (1) To contract out the services and (2) find out how much it would cost.

Mayor Ramirez stated that anything that would come in as a contract would in theory have to be less, we have room to expand the service to 10% within the contract. He wants staff to come back with a dollar amount to put a security patrol in the evenings or during the day, where parks have get a lot of day use so that they can get a feel of the dollar amount, maybe from 10:00 in the evening till the early hours in the morning to provide safeguards to the facilities after hours.

15. To look at ways where custodial and recreation positions can be part time using programs such as COOP and look into the possibility of contracting out custodial services.

Mr. Ramirez stated they are recommending two part timers, however the cost of contracting out this service will be compared to the personnel cost and the most cost-efficient of the two options will be chosen. They adjusted \$16,000 in the budget for two people at \$8,000 each.

Cm. Perez explained that council had instructed staff that they wanted the part timers for the recreational program and part timers for the cleaning part.

Mr. Ramirez stated that the way the motion reads as per the City Secretary was to look for custodial services to contract services for hire or hire part timers to carry

out programs at the recreation centers. He added that this should read "custodial"

Mr. Pena stated that the \$16,000 should allow them to hire part timers or contract it out, they will look at the most efficient way.

Cm. Perez stated staff was going to look for two separate things the custodial aspect and the recreational aspect.

16. To proceed with recommendation of City Manager's Option D for the Bruni Plaza branch and to allow AARP to use conference room located at the library.

Mr. Ramirez stated that dollar impact is \$106,950 which is the cost of the librarian, a clerk, a part time custodian, make it a study center, includes electricity and the operations only.

Mayor Ramirez stated it is not a library, but a resource center.

Janice Weber stated there was \$61,000 for Capital Outlay for computers and reference collection. The \$106,950 is just for operating on an annual basis.

Mayor Ramirez asked if this means they are short \$61,000.

Mrs. Weber answered yes.

Mayor Ramirez stated they would take care of this later in the meeting.

17. To add custodial services at the South Laredo Library.

Mr. Ramirez stated they are going with \$8,000. One part timer is recommended, however the cost of contracting out this service will be compared to the personnel cost and the most cost-efficient of the two options will be chosen.

18. To proceed with the Automated Pilot Program for trash pick up in four areas of the City.

Mr. Heberto Ramirez stated that the city will buy containers but the citizens will become responsible for



their containers the dollar amount is \$342,000 financed through certificates of obligation or general obligation.

Mayor Ramirez recommended to council that they proceed with this program, but that we bring in the private sector. He added he discussed this with people from Southern Sanitation and maybe what they can do is instruct staff to look at an option of contracting with Southern Sanitation so that they buy the equipment and operate these routes and we in turn instead of making this capital outlay to \$342,000.00 would on a monthly basis pro-rate a certain amount from their tipping fees at the landfill as our contribution as a city to make this pilot program work. Then in turn cut down on \$342,000 for this capital outlay and be able to fund other equipment.

Motion to proceed with the program, that they bring in the private sector, instruct staff to look at an option of contracting with Southern Sanitation so that they buy the equipment, operate these routes and that on a monthly basis we would pro-rate a certain amount from their tipping fees at the landfill as our contribution, as a city to make this pilot program work. Then in turn, cut down on \$342,000.00 for this capital outlay and be able to fund other equipment.

Moved : Cm. Bruni

Second: Cm. Perez

For: 8

Against: 0

Abstain: 0

Mayor Ramirez clarified that what he is saying is to look at an option to be able to offset current fees that we charge them under their agreement so they can be a private sector participant in this project to automate our garbage operation and of course, coordinate it with our public works.

Mr. Pena stated that as long as they can legally structure the agreement, they will explore this issue.

Cm. Valdez stated they had previously discussed a pilot program the speed humps program during the year and nothing is mentioned or reflected as a motion or impact on the budget. He said they had identified streets and estimated cost per hump. He said they had agreed to

implement the program on next year's budget as a trial basis.

Motion to implement speed hump program on a trial basis.

Moved : Cm. Valdez

Second: Cm. Guerra

For: 8

Against: 0

Abstain: 0

- 19. To explore the sidewalk paving program for the Bustamante Street sidewalk approaches and corridors and to include all other LISD school corridors.

Mr. Ramirez stated there is no dollar impact.

- 20. The moneys in excess of \$100,000 from savings in the Fleet Fund in FY 96-97 only are to be other Public Works Division such as: Creek Maintenance, Right of Way, Street Maintenance Street Cleaning in FY 96-97.

There is no dollar impact.

- 21. To use moneys in landfill reserve to purchase 75 acres for landfill without going into debt.

Mr. Ramirez stated the dollar impact is \$750,000.00.

Conrado Hein, Finance Director, stated that on the purchase of that land he understood that it was 100 acres (75 acres for the landfill and 25 acres for the composing facility). The 25 acres will be funded through wastewater bond issue.

Mr. Heberto Ramirez clarified that the purchase will come from the landfill fund, the other 25 acres from the water or sewer/wastewater will be through a bond issue, it will not affect the tax rate.

Mr. Pena stated the \$750,000.00 is an estimate, it could be \$1 million.

- 22. Take money from Police Trust Fund to fund the initial cost of implementing an impound lot.

Further research by staff indicated that Police Trust Fund could not be used, however, other expense line items in police budget are eligible to be offset by the

local law enforcement grant. There was no action on this.

Mr. Agustin Dovalina, Interim Chief of Police, stated that the Police Trust Fund monies can only be used strictly for law enforcement purposes this only includes equipment and things of that nature.

Mayor Ramirez stated that since our efforts are to better enforce the wrecker ordinance which is law enforcement, also have clearing house for all stolen vehicles or the such, could the actual structure, the fencing, building and the equipment to operate it be purchased out of that fund to set up an impound? It would also be used for seized vehicles as a result of illegal drugs being transported in those vehicles and it would help facilitate our law enforcement effort.

Mr. Dovalina stated this is a question that they might be able to address to the Attorney General. There is also a question about the income generated out of that impound, will it be coming back to the actual trust fund or the general fund?

Mr. Hein suggested a ruling from the Department of Justice on these questions.

Mayor Ramirez stated it is a good idea and one that falls within the scope of law enforcement as to what degree it would help compliment our law enforcement efforts. If it means us having to repay for all the capital expenditures done at this facility over a period of several years, will we be able to operate it out of our general fund.

Mr. Dovalina stated this is something that would have to be further explored by getting the Attorney General's opinion.

Mayor Ramirez requested that an opinion be asked from the Attorney General and that in general terms explain to them our concept and what kind of conditions we have put upon it, so that they know that operating expenses would come out of general fund and any revenues that are generated. That if it would require us to repay the amount that we would just pro-rate that amount over a period of five years or whatever it is and get it back to the fund.

Mayor Ramirez clarified if staff is saying all we can do is spend it in equipment or capital improvements to see if those expenses would be eligible expenses even if they were on a reimbursable basis over a multi-year period.

Cm. Valdez discussed item #18 before moving on. He questioned in reference to the pilot programs.

Cm. Bruni asked if it is appropriate to include Alta Vista on the COPS Program.

Mayor Ramirez stated that they can get a cost estimate on it, but they will go into more detailed discussion later in the meeting.

23. Staff to make recommendation on the privatization of the landfill. Council wants staff to consider 1) Price 2) Pros & Cons 3) Find out if other companies are interested.

Mr. Joe Guerra stated that every Sunday they spend \$2,000.00 to keep the landfill open, plus pay 1.25 for every tonnage to the state, 40% of all the trash that goes in there is from outside the city, they estimate tonnage at 2,600 tons per year at \$65.00 a ton, losing \$165,000.00 for people outside the city limits. He asked if they can bring back an ordinance to establish that the "freeday" be only for city residents or people living inside the city limits.

Mayor Ramirez asked that staff look at a method and see what kind of a system can be brought back to see if it is something that is feasible. If they can come back with some sort of system to be able to do that, then it would be fine. As an alternative if we see that it might become a administrative nightmare, look at the possibility of just charging for the direct pass on the \$1.25 that the state charges and charge \$1.00 or .50 as an option or alternative.

Mr. Guerra stated the ordinance has to be amended because the ordinance does not address that the customers have to show verification of address on whether they are residents inside the city limits or outside city limits.

Mr. Guerra spoke of sewer sludge, current operations and stated they want to charge for sludge.

Mr. Roman stated that in balance they have to see what the impact is on our current operations.

Cw. Moreno disagreed to this because this turns back into additional water fees for the customers, every time we look to increase by tapping onto to fees.

Motion to instruct staff to bring back an ordinance change, so that on our "freeday" garbage disposal at our landfill, that a system be brought back to City Council to charge non-residents for going out on Sundays.

Moved : Cw. Moreno

Second: Cm. Perez

For: 8

Against: 0

Abstain: 0

24. To transfer \$200,000 from Landfill Fund to NPDES Fund.

The transfer of \$200,000 will come from Federal and State Mandate Fees of the Landfill Fund.

25. Staff to comeback with recommendation in reference to the agreement with Laredo National Bank to make roadway in South Laredo for LNB's South Laredo Branch. This includes area west of the Fire Station and relocation of recreational center parking lot.

Mr. Heberto Ramirez stated there is no action on this item, there is no dollar impact amount. He understands that the bank will come up with monies. Mr. Rivera has to come back with figures as to how much it will cost.

Cm. Perez stated they already have the cost estimates, instruction was for staff to meet with LNB representatives, come up with figures as to the possibility and feasibility of how much they could partner with. He added this needs to be done in a fast track because they are in construction right now.

Rogelio Rivera, City Engineer, stated that they have come up with a plan with the cost estimate. The total paving/parking area totals approximately \$143,000.00. As to who is going to pay what he does not know, because he has not talked to the bank at all.

Cindy Collazo, CD Director, stated they are currently working with the bank. She added that they requested that council allow them to come back after October to see if there are any balances and at that time they can present the recommendation to council and perhaps look at it as a new project with working with the bank.

26. To change the name of the Environmental Health Division of the Health Department to Health Protective Services Division.

There is no dollar impact.

27. To enter into an interlocal agreement with Webb County to regulate the services provided by the Welfare Services Department.

This item was taken together with item #29.

Mr. Heberto Ramirez stated that in talking to Mrs. Collazo she stated that ESG funds would not be available for this because of the fact that staff is recommending that the general fund not have any funds therefore, the Emergency Shelter Funds cannot be allocated for this purpose. They have excluded \$120,000.00 out of the general fund, or are in the process of doing it.

Mayor Ramirez stated that this \$120,000 had been accounted for in the general fund before looking at this alternative.

Mayor Ramirez stated that in this interlocal agreement that we clearly set up a system of accountability, the necessary safeguard for us to be able to monitor it and make sure that we are getting the money to the people that need it the most.

28. To increase the appropriation budgeted to the Animal Shelter from \$108,563 to \$120,000 and for the Animal Shelter to contact Webb County to increase their contributions.

Mr. Heberto Ramirez stated that this will have an \$11,437 impact.

29. To allow staff to use Community Development's homeless prevention funds to fund welfare agency in lieu of general funds.

Mr. Heberto Ramirez stated further research by staff indicated that the ESG Funds could not be used to fund the Central Welfare Agency. The dollar impact is \$120,360.

Cw. Montalvo wants staff go 50% of whatever amount we have and that the county go with the other 50%.

Cm. Guerra wants staff to approach the county on this issue.

Mayor Ramirez stated that instead of cutting it in half why not restrict it to only residents of the City of Laredo. He suggested that they restrict the funds to citizens with proof of residency in the city.

Cm. Valdez does not want these monies to be cut in half, but wants the county to match the \$120,000. He wants to know what kind of in-kind services the city is providing and what in-kind of services the county is providing.

Mayor Ramirez stated that \$120,360 is a drop in the bucket compared to the requests. He added he thinks that a good first step is to say that we are going to restrict it to city residents and then based on that, they can track the money much easier and at the same time attach to a motion that the internal auditor monitors the monies over the next three or four months of the fiscal year so we can see what kind of impact it has on its utilization.

Mayor Ramirez suggested that this stay status quo and take this to the table to bargain.

Motion to pursue dialogue with county on the city's concerns, on the 50/50 match issue, and fund this at \$120,000.00.

Moved : Cm. Valdez

Second: Cm. Guerra

For: 7

Against: 1

Abstain: 0

Cw. Montalvo

Mayor Ramirez clarified the motion, to leave the \$120,000 and to proceed with the discussions to increase this amount.

30. To develop a contract with Del Mar Big League for the purchase of equipment upon legal opinion from the City Attorney and 501C certification.

The dollar impact is \$3,300.00.

31. To accept all third party funding submitted in the budget. As per City Attorney the City cannot fund the Calvary Organization because its faith-based organizations. Council asked staff to continue to explore possibilities of funding faith-based organizations.

Mr. Ramirez stated there is no action on this needed as far as dollars.

Jaime Flores clarified with regards to the House Bill 2471, which exempts organizations from registration, that says that if this organization were to prove that the organization is in fact a religious organization, however they are still looking at the general conflict with the constitution and will be providing a final written opinion on that.

Cm. Valdez wants staff to check what other cities are doing to help these type of organizations.

32. Council approved to contract with SCAN (Stop Child Abuse and Neglect) Inc. \$50,000; Paisano Girl Scouts with \$10,000; Bethany House \$12,000.

Mr. Ramirez stated these are all general fund and they have included expenditures of \$72,000 for these items.

Cm. Alvarado wants council to consider holding the \$10,000 on the Paisano Girl Scouts until they comply with the requirements of United Way, they are asking for breakdowns of the monies.

Cm. Perez stated he does not think they should stop the allocation, that the auditors should have done this procedure already.

Mayor Ramirez suggested to incorporate language in our agreement, and that the language be clearly stated that the monies are to be accounted for services and activities within the City of Laredo.



33. To have staff look into the criteria used by United Way to fund third party funding.

Mr. Ramirez stated that Council will like to implement a policy upon suggestions received, there was no action on this item.

34. To accept the Hotel-Motel third party funding as presented and to add St. Augustine Church with \$20,000; The Latin American Hall of Fame \$4,000; LCC Ballet Folklorico \$5,000 and to look into the possibilities of funding a Municipal Band.

These third party fundings totaled \$29,000, and do not include the municipal band.

Cm. Perez wants estimate figures for a municipal band.

35. To set aside \$10,000 from CDBG Fund for the three block study on Iturbide Street for the proposed \$1 million project. (FY 1996-97 Funds).

These funds would be transferred from the current Economic Development loan activity in the 22nd Action Year.

36. To explore the possibility of allocating \$240,000 to CVB once the delinquent Hotel-Motel Tax is collected.

No action on this.

37. To use the money received from the pending litigation with CP&L to update City Hall's wiring to Category 5 cable.

The approximate amount of money needed will be \$40,000-\$60,000. They have included \$60,000 but he does not know if it is sufficient, they are going with this estimate at this time.

38. A stability fund to be created with 20% of the water availability money set aside for water rights will be used only in the event that \$1 million is lost in operating revenues as a result of rainy weather. The amount used will be reimburse back into the water availability line item once funds are recaptured from operations.

It was suggested that a reserve be setup.

39. Convert four temporary employees presently in the Utility Billing Division into permanent status.

This will cost \$70,037 and will have an impact on the water fund.

40. To convert twenty (20) employees presently on temporary status to permanent status for the amount of time the project funding permits the Utilities Department.

Mr. Ramirez explained the dollar impact of \$298,032. These monies includes fringe benefits, water/sewer fund were already paying for most of these except fringe benefits.

Cw. Moreno what happens after the projects cease?

Mr. Roman stated they are contingent on the availability of funds for projects.

41. To remove \$150,000 from PFFCO and to look into lease buying equipment between equipment between \$10,000-\$150,000.

What they have done is taken the small equipment out of that proposed issue, a total of \$161,811.00 and assuming that the departments can generate some savings, they will allow them to purchase any capital outlay, rather than put the total into this year's budget.

Cw. Moreno stated that some of this things need to be funded. She wants staff to show council what in essence is being cut so they can decide if this is the right thing to do. She wants a list with breakdowns.

42. To reclassify City Secretary's position to Grade 43 Step 4.

A total of \$5,078 is the dollar impact.

Cw. Moreno stated that she believed that this would not have a dollar impact on salary.

Cm. Perez stated the motion was to reclassify to Grade 43 Step 4.

43. To use PL 112 funds to hire a Planner I and Planner II for the Planning Department.

There is no action needed because the funds are available through contractual services, they will shift the monies to salaries.

44. Bring back as an action item for consideration the moving of CD to Transit Center.

Mayor Ramirez stated they were going to bring back the cost estimate and what would be gained by doing that for revenues to El Metro.

Mr. Heberto Ramirez stated the rental space is 7,600 ft. the cost is .50 per foot, a total of \$3,800 a month or \$45,600 a year, the phone expense is \$229.00 per month, construction is a payment of \$113.00 spread out over five years which is \$1,800 a month.

Mayor Ramirez stated CD cannot pay phone and construction, that is maintenance and operation, it is against HUD rules. He asked that they bring this back in actual impact to the budget.

Mr. Pena stated there is no impact to the general fund, the only reason is for space availability.

45. That the City Manager, on the bond money, look at the possibility of bringing fourth what the financial implications are to be able to develop a \$30 million bond program. Just the dollar amounts, not the projects, just to have a clear picture of what it would cost to have a bond program to go out for \$30 million worth of projects.

Note: This item was discussed at the end of the meeting.

Cm. Casso showed graphs showing population vs. debt; revenues bond vs. total expenditures from 1985-1996; and C.O.'s vs. Bond debt. He stated that our revenues are not keeping up with expenditures, our debts have gone up.

Cm. Casso was not in favor of the bond election this year, maybe next year after there is a state plan in

place. He would like to see the development of an Economic Development Corporation.

Cm. Perez was in favor of the bond sale.

Cw. Montalvo stated her main concern is going to bond election and then having to come back and hike taxes.

Cm. Alvarado stated we still need to analyze the current and upcoming needs at this point in time. He feels that council needs to sit down with the community, with the economic focus group, look at where we are going, look at major ticket items, and look at how we are going to fund them. He added he does not agree, that we should not go into the \$30 million bond election until they have actually addressed what projects have priority and what they are going to cost.

Cm. Guerra stated he agrees with Cm. Alvarado. He said \$30 million is excessive. He said he has five proposed projects for his district, in street project he has 11, in park construction he has three, that perhaps he would be more in favor of going more into \$18-19 million instead of \$30 million.

Cm. Valdez stated he was in favor of the \$30 million bond sale and wants to put this up before the voters.

Florencio Pena, City Manager, stated the council has an option. The option is not to continue with this program, put it in hold and lower taxes. In revenues it would lower it by \$1.3 million.

Cw. Moreno asked if we wanted to take advantage of this window, by when would we have to decide.

Mr. Pena stated we would have to have the debt incurred by August of 1998.

Mayor Ramirez stated that gives us the opportunity to go before the public and tell them. Council can tell the the citizens we can do so much with an increase, anything after that would require "x" amount to do it.

Cm. Bruni stated he had 15 things for his district.  
(No list was submitted)

Mayor Ramirez stated they can still submit the application to EDA.

Cw. Moreno asked that they submit the Santa Maria Reconstruction.

Mayor Ramirez stated that with the windfall that they are anticipating from the airport money, to use that money as an enterprise money to finance the Public Works facility.

Mayor Ramirez quoted, "we got a clear picture of what we would like to do, I think that we would like staff to bring back to us a comprehensive capital improvement program that would allow, as we have in prior years, take to the voters a menu of projects that they can pick and chose from like we've done in the past and be able to tell the citizens of Laredo that, when we have the selection, that "x" amount of projects can be funded without any tax increase and that the rest we would be looking at "x" amount of money like in the past. Also, with that plan put in motion I would request that we hold rank as council, to be able to get this to happen. He also requested that the Economic Advisory Council that have been working now for close...how long now...to 8 or 9 months that we need to start seeing stuff from them now and put it in the fast track."

He added that we clearly chart out our Economic Development Plan so at the same time we can go out to the public, if its the wishes of the City Council and the concurrence of this committee after its review, to consider the sales tax as well because that tax after it is voted on is still going to take a year before we collect on it. If we want to get ahead of that curve, we need to start working on it now.

On the Capital Improvement Plan he asked that staff come back with a comprehensive plan that reduces the scope of the five year plan, but puts into motion the projects that are so necessary over the next couple of years to keep moving in that direction and take it to the voters before August, so that one way or the other, we are moving with our Capital Improvement Plan.

Motion to go with the \$30 million bond sale.

Moved : Cm. Perez

There was no second to the motion.

Mayor Ramirez asked that no amount be set yet, until staff comes back with an accurate figure that reflects the needs of our districts and not just their recommendations.

Cm. Perez stated it was o.k. not to set an amount.

Mr. Jesus Hinojosa was concerned about the retention ponds, he does not want to wait until a catastrophe happens again and then council has to act on it, so he asked that they consider the bonds election, maybe not the \$30 million but maybe less.

Mr. Robert Hubert, resident of District I, stated that the bond issue is very controversial, but that the residents also want the projects. If they are not going to get the bond, they will have to find the money somewhere else and it seems this is the only answer.

Cm. Bruni stated he needs the \$1.6 million drainage project for District II, and 15 other projects. He is not in favor of increasing taxes, but wants these 16 projects done.

Florencio Pena spoke in reference to the extension of Bartlett, the only part that might be funded if EDA and the \$2.5 million is available would be up to Gale Street, subject to bonds being sold and EDA granting approval.

Mayor Ramirez clarified that there is already a motion and a second to accept in their totality, except for the pay plan which was not acted on, the motions acted individually during the budget workshops.

Mayor Ramirez stated he had traditionally funded the Women's Commission and asked that council endorse his request, that they specifically set aside \$8,000.00 for the Women's Commission as a separate line item.

Moved :	Cm. Perez		
Second:	Cm. Bruni		
For:	8	Against:	0
		Abstain:	0

Mayor Ramirez stated this is a secondary motion to be

included in the primary motion on all these items.

Mr. Pena summarized that they had a \$17,000.00 deficit before they came in here, they thought they would make it up by salary balance, he informed council of what they added, \$120,000.00 for the Welfare/County, added \$15,000.00 for security for parks, so he is still at about \$152,000.00 that he still needs to go back and adjust in the budget or will they want to drawdown the fund balance by \$500,000.00.

Mayor Ramirez stated it could be called a drawdown, but all they are doing is maintaining it at 15%. It is not a drawdown in his eyes, because council said all they want to hold 15%, so anything above 15% is open ground.

Mr. Pena stated there was a problem with the charters which allows drawdown for one time expenditures.

Mayor Ramirez stated that then all the repairs to buildings, put them in those \$500,000 and the money that is in the general fund already, look for the difference.

Mr. Pena stated they will find one time drawdowns of the \$152,000.00, but the balance will come from that \$500,000.00.

Cw. Montalvo stated they also need \$61,000 for computers for the library?

Mayor Ramirez stated that is a one time drawdown right there, that the motion was not picked up at the budgets, it is there it only needs to be found.

Motion to adopt the changes as amended and added, to be incorporated into the budget.

Moved :	Cw. Montalvo		
Second:	Cm. Alvarado		
For:	8	Against:	0
		Abstain:	0

- 46. That the building repairs ranging from \$100,000 to \$285,000 be considered under current budget and that we not go out on bond money to do those and come back with a funding source other than drawdowns to make all the building repairs.

Mr. Ramirez stated that out of the proposed budget where

they had Center for the Arts, Municipal Court, etc., what they are recommending is to fund the Center for the Arts for \$125,000.00, within the current budget with the amendments of all the motions being made. Set aside \$25,000 for the Bruni Library so that it can be converted.

For the Municipal Court is for the expansion of the ground floor space, it is not really for repair for \$225,000.00 this was the cost estimate given by Municipal Court.

Mayor Ramirez wants that they look at these projects and revisit them and see which ones are essential, fund those that are essential out of that half a million that they picked up earlier this evening and bring back what they can phase into this fiscal year towards the end and fund the balance of whatever is going to be necessary for the beginning of next year.

47. The other consideration is to increase the tax rate from \$0.53413 to \$0.53993.

This has an impact of \$149,459 and this is included with the other expenditures.

48. On the salary pay plan, that staff look at 3 options with the underlying factor (a) that we eliminate steps 1 and 2 and add one more step at the top as one option: (b) eliminate the first two steps, but don't add one at the top; and (c) eliminate just one step and don't add anything to the top. That the 5% stays, but this change instead of going into effect in October, that it goes into effect 6 months into the budget or at their anniversary dates. The goal is to reduce the cost and to carry out the other goal which is to become more competitive in the open market.

Mr. Dan Migura made the presentation before council. He explained the three salary plan options. Option A with an impact of \$449,842 in addition to the \$27,960,565. Option B with an impact of \$404,660, and Option C with impact of \$149,251. He also explained the modified options with 5% and 3% on annual reviews.

Cm. Perez & Cm. Bruni were out at this time 8:10 p.m.



Cw. Moreno stated that council is trying to afford this, but if no low cost options are presented then they may not fund it at all.

Mayor Ramirez stated that if they eliminate step 1 and 2 on a position, it automatically creates a 6% raise. In essence some employees might be getting a 11-12% raise as a result of the 5% and the elimination of the step or upgrading of the step.

Cw. Moreno stated that the information they specifically asked for was not what was brought forth.

Mayor Ramirez stated that they still need to look at this figures because he thinks there is at least \$250,000.00 at the 5%, if they look at the 3% cost of living we would be looking at \$600,000.00 of savings this coming year that we have not factored in to developing and narrowing the gap to be more competitive in the work force.

Mr. Conrado Hein stated that at any step we are out of the market.

Mr. Pena stated they are trying to reduce the cost over the long term, the projection of what this current is going to cost and he thinks we cannot afford it. He added we are not competitive, our pay plan is outdated, and have compression of the pay plan which means they have been hiring people at steps 3 and 4 because we cannot be salary competitive. Another problem is that a large number of employees that are heading the top. One of the major goals that needs to be introduced is that you get an increase based on performance not on the basis that you come to work every day.

Cm. Casso stated he is in favor of merit system.

Mr. Pena stated they are changing the system.

Mayor Ramirez stated they did not hear of the system change during the budget, that is why they asked for other options.

After lengthy discussion no action was taken on this issue. It will be scheduled for more meetings.

49. That as we look the different Capital Improvement

Projects in the next few days such as drainage streets, and other activities like facilities such as the Public Works, that the Council comes back with projects that may have an impact in their districts as well as other districts and if we do decide it is a referendum we want to go with, that the projects that we put before the voters for the referendum are the kind of projects that transcend district boundaries and impact the entire city, including those projects that have large amounts of money that otherwise we could not fund them any other way. That staff provide their list as well.

Note: This item was taken together with item #45.  
No project lists were submitted to the City Secretary's Office.

Phyllis Colon, Tax Director, stated she will provide a schedule of tax notices and rates.

Mr. Pena stated they will present the timetable and tell council what goes on after this.

There are two items pending are the pay plan. They want the committee to meet before they get into the next fiscal year.

Other things they would like to see from Mr. Pena are the timetables that are involved in this financing process to see what opportunities there are to call for a vote, but not just to see the projects he is recommending, but to encompass projects that Councilmembers have brought up that perhaps have been in our CIP that have been delayed or moved on to other years. Other projects that otherwise would have taken place if we had the funding for it, so at that time they can pick and chose, take that list to the Economic Development Council and let them know that this is what they are thinking about, in this regard.

Cm. Casso stated that before he get in the wagon on this bond referendum and the sales tax, for the record he said, "I will not get in the wagon until I see what the Economic Development Council is going to recommend once they reach a consensus and they make the recommendations then I'll support the bond referendum and the economic sales tax, but I want to wait until I hear from them first."

V. ADJOURNMENT

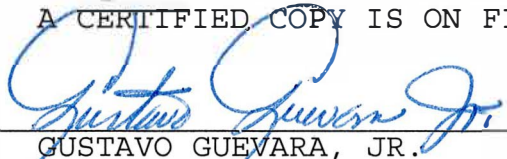
Motion to adjourn.

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

Against: 0                      Abstain: 0

Adjournment time: 9:55 p.m.

I HEREBY CERTIFY THAT THE ABOVE MINUTES CONTAINED IN PAGES 01 TO 27 ARE TRUE, COMPLETE, AND CORRECT PROCEEDINGS OF THE CITY COUNCIL ANNUAL BUDGET WORKSHOP HELD ON AUGUST 14, 1997. A CERTIFIED COPY IS ON FILE AT THE CITY SECRETARY'S OFFICE.

  
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GUSTAVO GUEVARA, JR.  
CITY SECRETARY

Minutes approved on: September 2, 1997