

CITY OF LAREDO
CITY COUNCIL MEETING
CITY COUNCIL CHAMBERS
1110 HOUSTON STREET
LAREDO, TEXAS 78040
5:30 P.M.

M98-R-50

M I N U T E S

NOVEMBER 16, 1998

I. CALL TO ORDER

With a quorum present Mayor Elizabeth G. Flores called the meeting to order.

II. PLEDGE OF ALLEGIANCE

Mayor Elizabeth G. Flores called the meeting to order.

III. ROLL CALL

IN ATTENDANCE:

Elizabeth G. Flores,	Mayor
Alfredo Agredano,	Councilmember, District I
Louis H. Bruni,	Councilmember, District II
John C. Galo,	Councilmember, District III
Cecilia May Moreno,	Councilmember, District IV
Eliseo Valdez, Jr.	Councilmember, District V
Joe A. Guerra,	Councilmember, District VI
Mario Alvarado,	Councilmember, District VII
Consuelo Montalvo,	Councilmember, District VIII
Gustavo Guevara, Jr.,	City Secretary
Florencio Pena, III,	City Manager
Jaime L. Flores,	City Attorney

IV. MINUTES

1. City Council Meeting, October 5, 1998
City Council Workshop, October 16, 1998
City Council Workshop, October 28, 1998

Cm. Bruni stated there is a spelling correction on the October 5th meeting on page 11, last paragraph, the correction is Johnston's Frankenia. On the same meeting first paragraph on page 60 to correct the word tail to read table.

Motion to approve minutes with corrections.

Moved : Cm. Bruni

Second: Cm. Galo

For: 8

Against: 0

Abstain: 0

Motion to waive the rules of order and move item #35,

Moved : Cm. Bruni
Second: Cm. Galo
For: 8

V. INTRODUCTORY ORDINANCE

None.

VI. FINAL READING

Motion to waive the final reading of ordinances #98-O-293, #98-O-294, #98-O-295, #98-O-296, #98-O-297, #98-O-298, #98-O-299, #98-O-300, and #98-O-301.

Moved : Cm. Bruni
Second: Cw. Montalvo
For: 8

Against: 0 Abstain: 0

- 2. 98-0-293 Authorizing the City Manager to execute a lease with Juan Vargas d/b/a The Education Center for approximately 4,308 square feet constituting Building No. 1169 located at 4407 Foster Avenue at the Laredo International Airport. Lease term is for one (1) year commencing on October 1, 1998 and ending on September 30, 1999, monthly rent shall be \$850.00 **(City Council)**

Motion to approve Ordinance #98-0-293.

Moved : Cm. Bruni
Second: Cw. Moreno
For: 8

Against: 0 Abstain: 0

- 3. 98-0-294 Authorizing the City Manager to execute a lease with Jose Santos for approximately 4,612 square feet constituting Building No. 1112 located at 1603 E. Calton Road at the Laredo International Airport. Lease term is for one (1) year commencing on October 1, 1998 and ending on September 30, 1999. The monthly rent will be \$1,250.00. **(City Council)**

Motion to approve Ordinance #98-0-294.

Moved : Cm. Bruni
Second: Cw. Moreno
For: 8

Against: 0 Abstain: 0

- 4. 98-0-295 Authorizing the City Manager to execute a lease with Charles Haber d/b/a Bed Factory for approximately 9,024 square feet constituting

Building No. 1334 located at 4016 North Jarvis Avenue at the Laredo International Airport. Lease term is for one (1) year commencing on October 1, 1998 and ending on September 30, 1999. Monthly rent shall be \$1,804.00. **(City Council)**

Motion to approve Ordinance #98-O-295.

Moved : Cm. Bruni
Second: Cw. Moreno

For: 8 Against: 0 Abstain: 0

5. 98-0-296 Authorizing the City Manager to execute a lease with Charles Haber d/b/a Bed Factory for approximately 9,216 square feet constituting Building No. 1335 located at 4010 North Jarvis Avenue at the Laredo International Airport. Lease term is for one (1) year commencing on October 1, 1998 and ending on September 30, 1999. Monthly rent shall be \$1,804.00. **(City Council)**

Motion to approve Ordinance #98-O-296.

Moved : Cm. Bruni
Second: Cw. Moreno

For: 8 Against: 0 Abstain: 0

6. 98-0-297 Authorizing the City Manager to execute a lease with Charles Haber d/b/a Bed Factory for approximately 9,216 square feet constituting Building No. 1336 located at 3912 North Jarvis Avenue at the Laredo International Airport. Lease term is for one (1) year commencing on October 1, 1998 and ending on September 30, 1999. Monthly rent shall be \$2,425.00. **(City Council)**

Motion to approve Ordinance #98-O-297.

Moved : Cm. Bruni
Second: Cw. Moreno

For: 8 Against: 0 Abstain: 0

7. 98-0-298 Amending the City of Laredo FY 1998-1999 annual budget in the amount of \$18,000 for a grant from the University of Texas Health Science Center -South Texas/Border Region Health Professional Education Initiative, for library materials and equipment, providing for effective date. **(City Council)**

Motion to approve Ordinance #98-O-298.

Moved : Cm. Bruni
 Second: Cw. Moreno
 For: 8 Against: 0 Abstain: 0

8. 98-O-299 Authorizing the issuance of City of Laredo, Texas General Obligation Refunding Bonds, series 1998, and the execution of a purchase contract; and approving an official statement and the execution of an escrow agreement. (City Council)

Noe Hinojosa, Financial Advisor, together with Peter Tart, Bond Attorney, reported on City of Laredo General Obligation Refunding Bonds, Series 1998.

	10-12-98	11-13-98
Par Amount of Refunding Bonds	\$44,905,000.00	\$43,290,000.00
Amount Being Refunded	\$41,920,000.00	\$41,920,000.00
Average Interest Rate/Old Bonds	5.5702%	5.5702%
Net Interest Rate of New Bonds	4.4850%	4.7958%
Overall Savings	\$1,417,313.98	\$884,364.00
Net Present Value Savings	\$1,417,341.54	\$901,158.59
As a Percent of Refunded Bonds	3.3811%	2.1497%

	Needed to get 3%
Net Interest Rate of New Bonds	4.6177%
Overall Savings	\$1,291,070.11
Net Present Value Savings	\$1,268,369.71
As a Percent of Refunded Bonds	3.0257%

The above summary reflects the numbers ran on October 12, 1998, which were presented to Council on October 19, 1998. These numbers show little spread for the percentage, but in dollar amount they are substantial. The overall savings was over 1.17 million and the percent of the refunded fund was 3.38%. In the past, City Council has been rigid on what they would like to achieve as a savings threshold, it has always been a 3% of the refunded bonds. Mr. Hinojosa then presented a market index graph reflecting the last two months, here the tendency related to the Municipal Bonds average interest rates shows that the week of October 1, 1998 had the lowest rate for the past 30 years.

Mr. Hinojosa continued reporting, -"When we got the directive to proceed with this on October 19, 1989 we put a financing timeframe; and as of today we are contemplating that once this ordinance is adopted, we will go ahead and sell bonds tomorrow or Wednesday. Going back to the summary on today's date, the refunding is not close to what we thought

it would be in terms of achieving the goal of 3%. We are \$901,158.59 for 2.1497%. In order to get to the 3%, we will need an interest rate improvement of 18 or 19 basis points. This means, that we need a net interest rate for new bonds of 4.6177% in order to get the 3% on the bonds that we will be selling. We are 4.79% apart. After consulting with Mr. Tart, we want Council besides adopting and having this second reading, to adopt simultaneously this resolution cue which provides us, the professionals, a thirty-day window to continue to monitor the market. If the market comes back in the next 30-days, then we will execute and will provide the final numbers to appointees of this Council. This is a large financing, and sometimes because of the size of the financing, Councils would like to entertain something lower than the percent of threshold and focus more in the volume of dollars."

Cm. Galo wanted to know if there were any charges involved or other fees would be incurred with this refinancing.

Mr. Hinojosa replied there are not, this is net.

Mr. Peter Tart indicated the ordinance they are asking Council to consider for second reading tonight, authorizes the issuance of the refunding, but it is subject to a contract being signed by the Mayor and City Manager and it's only good for 30 days from the day of this meeting. So, if the savings are not achieved by December 16, 1998 and the City's financial advisor feels that it's worthwhile to pursue it; they will come before the City Council next year to ask for the introduction of the ordinance and go through the same process.

Cm. Galo asked if Council approves this refinancing and the interest rates drop, would this help?

Mr. Hinojosa replied that the market sets the tone for what is going to be anticipated. If the interest rates drop, it will help for the short run, but one of the hardest things today in the market place is that in lieu of the holidays, it is a lot to say when to pick the week to sell the bonds.

Cm. Galo wanted to know if there were any risks involved in this refinancing?

Mr. Hinojosa replied there are not. The only risk is that the savings will be let go by if we never

get there. Standard & Poors and Fisch has given an affirmed "A" rating for the City and are showing an stable outlook. Also, a bond insurance company that guarantees the principal and interest, has been selected and locked for \$88,000.

Cm. Galo wanted to know if this is the net present value over the 20 year-life of the obligation.

Mr. Hinojosa replied that's right. He also indicated that historically, the later part of November and the month of December are the worst times to go into the market. The market gets going until the third week of January. He does not want to rush anybody, time is with us.

Cm. Galo manifested that the 30-days will not be sufficient, we either hit the market now or wait until late January, so we need to make a decision.

Cw. Moreno wanted to know why the 3% is there.

Mr. Hinojosa said that the 3% has been there based on refundings done back in 1996. The Finance Committee from that time had entertained a 3% threshold and it was instituted by the professionals back then. When you do a refunding for savings, you want to get enough savings to merit paying the parties involved during the transaction. It is not unusual to find issuers to waive some of those thresholds and issue to a different threshold and that could be a dollar amount, which is basically what we are indicating now. In the old days 5% used to be a threshold, now because of prior interests history, a 3% threshold is comfortable one. Here the financing is bigger, we are refinancing seventeen bond issues and consolidating them into one big bond issue. Another benefit associated with the refunding besides the savings, is that it would be easier to pay for one big bond issue than the original seventeen.

Mayor Flores asked Mr. Hinojosa what would be a prudent minimum, in the industry, based on the amount of the issuance.

Mr. Hinojosa replied that personally he thinks that 3% is very prudent percentage, other than that one million dollars is a good amount to play with.

Mr. Tart said that this is not in the ordinance, because they don't want to tie their hands, they're

asking for a resolution. It is not on the agenda but it will just be a sense of the philosophy of the Council, because this puts tremendous responsibility on Noe, your financial advisor.

Mayor Flores instructed Mr. Hinojosa and Mr. Tart to write up the resolution since Council does agree with that.

Cm. Galo will like them to come back to us with a report if the market is getting away from us.

Motion to authorize our Bond Consultants a 30-day period to possibly get a \$900,000.00 refinance savings threshold.

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

Motion to approve Ordinance #98-O-299.

Moved : Cm. Bruni
Second: Cw. Moreno
For: 8 Against: 0 Abstain: 0

- 9. 98-O-300 Amending the City of Laredo FY 1998-99 Annual Budget by creating a position of Traffic Design Engineer, Grade 37, for the Traffic Department at a cost of \$50,400 including fringe benefits and a one-time capital outlay request in the amount of \$4,000 for a total of \$54,000 which will be funded from anticipated salary savings in the reserve appropriation line item, and authorizing the City Manager to implement said budget. **(City Council)**

Motion to approve Ordinance #98-O-300.

Moved : Cm. Bruni
Second: Cw. Moreno
For: 8 Against: 0 Abstain: 0

- 10. 98-O-301 Amending the City of Laredo FY 1998-99 Annual Budget by creating a position of Grants Administrator, Grade 40, for the Planning Department at a cost of \$64,837 including fringe benefits for an estimated 9 months and an initial capital outlay request in the amount of \$5,000 for a total of \$69,837 which will be funded from anticipated salary savings in the reserve appropriation line item, and authorizing the

City Manager to implement said budget.
(City Council)

Motion to approve Ordinance #98-O-301.

Moved : Cm. Bruni

Second: Cw. Moreno

For: 8

Against: 0

Abstain: 0

VII. RESOLUTIONS

11. 98-R-188 Accepting a general provisions contract with the Texas Department of Health and accepting a grant in the amount of \$183,186 for the Tuberculosis Prevention/Control Projects of the City of Laredo Health Department for the period beginning January 1, 1999, through December 31, 1999.

Motion to approve Resolution #98-R-188.

Moved : Cm. Bruni

Second: Cm. Alvarado

For: 8

Against: 0

Abstain: 0

12. 98-R-189 Accepting a grant from the Texas Department of Health in the amount of \$149,000 for the HIV/AIDS Prevention and Education Project of the City of Laredo Health Department for the period beginning January 1, 1999, through December 31, 1999.

Motion to approve Resolution #98-R-189.

Moved : Cm. Galo

Second: Cm. Bruni

For: 8

Against: 0

Abstain: 0

13. 98-R-190 Declaring the public necessity to acquire the historical property situated on, Lot 5, Block 26, Western Division, City of Laredo, Webb County, Texas; located at 802 Grant Street, and known as the Benavides-Herrera Home Project. Said property being delineated on the City Plat; and authorizing the City Attorney to initiate eminent domain proceedings to acquire said property if staff is unable to acquire through negotiations, due to inability to agree to a purchase price, conflict of ownership, owner refusal to sell, and/or inability to locate the listed owner.

Cynthia Collazo, Community Development Director, stated that this resolution is authorizing staff to file eminent domain proceedings to acquire this property.

Cm. Galo wanted to know which property is this and why are we doing this.

Larry Dovalina, Assistant City Manager, replied this is an abandoned structure located at the corner of Grant St. and Santa Ursula. The City obtained a \$250,000 grant from ISTEAL legislation, and a \$50,000 partial contribution from the Webb County Heritage. We need a formal appraisal and this is standard formatting that we have to do to acquire the property to declare the public necessity in order to be able to proceed with the acquisition of the property. This is being done for historical purposes.

Motion to approve Resolution #98-R-190.

Moved : Cw. Montalvo

Second: Cm. Alvarado

For: 8

Against: 0

Abstain: 0

14. 98-R-194 Resolution for vetoing the Webb County Appraisal District 1999 Budget. See City Managers Report for supporting information.

Florencio Pena, City Manager, commented that the resolution is worded this way because of the deadline of November 26, 1998. The budget was reviewed because the original budget's percentage was greater than the one being presented here.

Phyllis Colon, Tax Assessor Collector, informed that once the Appraisal District, put their budget together it is presented to all the governing bodies. If the majority of the participating governing bodies wish to veto, now is the opportunity.

Cm. Bruni added he attended the budget hearings and was able to shave-off \$250,000 from the budget. He thanked Ms. Colon for assisting him during the budget hearings. He feels that we have been fair and equitable and that we are getting our money's worth. Also we shaved-off some money on the GIS System.

Keith Selman, Planning Director, said that we do have a GIS System with street centerlines, blocks and paving sections. The GIS System is only going to be as good as the data that's in it. The key is that the Appraisal District will have to put the data in and enter polygons on property descriptions.

No formal action was taken.

VIII. MOTIONS

15. Approval of bid specifications and authorization to advertise for bids for the following:
- a) recycling bags -Public Works Department
 - b) auctioneering services - Public Works/Police Department

Motion to approve.

Moved : Cm. Bruni

Second: Cm. Agredano

For: 8

Against: 0

Abstain: 0

16. Approval of design specifications and authorize action to advertise for bids to construct the Stormwater Management and Ecology Demonstration Park at Laredo Community College on fast tract basis. This Ecology Demonstration Showcase will help to educate the local consultants and the developers about stormwater Best Management Practices (BMP) to reduce the water pollution and to comply with the federally mandated NPDES permit program.

Motion to approve.

Moved : Cm. Bruni

Second: Cm. Agredano

For: 8

Against: 0

Abstain: 0

17. Approval of the construction plans and authorization to advertise for bids for the Border Facilities for the Laredo Northwest International Bridge (Fourth Bridge) with tentative award January 4, 1999. The project consists of eleven building structures with related plumbing, electrical, sprinkler and security systems which include
- (1) City Administration Building,
 - (2) Federal Administration Building,
 - (3) Export Dock Building and Canopy;
 - (4) the Import Dock Building and Canopy,
 - (5) the Empty Truck Inspection Pavilion,
 - (6) Import Lot Exit Control Booth,
 - (7) Shade Structure Building,
 - (8) Truckers Pavilion,
 - (9) Export Control Booth,
 - (10) Primary Commercial Inspection Booths, and
 - (11) Dog Kennels Building
- and includes related site work, water, and sanitary sewer improvements, storm drainage systems, stormceptor systems, landscaping, signalization, security fencing, illumination and lighting systems, concrete and asphalt paving, project marker/sculpture, and miscellaneous improvements. Funding is available in the Bridge System Bridge #4 Taxable Bond Building Account No. 553-4071-535-9201.

James Humphris, Project Architect for the Border Facilities for the Fourth Bridge said that his firm Humphris & Sanchez is part of the a SEA Design Team. This is a \$33.5 million facility, covering 130 acres of property. Bids will be open on December 22, 1998. The project's completion date is set for September 15, 2000 (21 months). There is a provision asking contractors for an early completion on certain portions, so the project can start running by March 15, 2000. Mr. Humphris then gave a detailed presentation on this project.

Florencio Pena, City Manager, informed Council that he has received confirmation to hold a meeting on December 1, 1998 with the Mexican and U.S. federal agencies to review the timetable. He further added that the "convenio" with Mexico provides for a completion date of December 1, 1999. Informal meetings had been held regarding changing the completion date to March 15, 2000. So this upcoming meeting will help us decide on a convenient completion date.

Motion to approve.

Moved : Cm. Galo
 Second: Cm. Bruni
 For: 8

Against: 0 Abstain: 0

18. Approval of the construction plans and authorization to advertise for bids for Cells 11 and 12 at the City of Laredo Landfill to include construction of an approximately seven (7) acre composite landfill liner for Type I in compliance with Texas Natural Resource Conservation Commission Subtitle "D" requirements with tentative award on December 21, 1998. Funding is available in the Solid Waste Fund.

Motion to approve.

Moved : Cm. Bruni
 Second: Cm. Alvarado
 For: 8

Against: 0 Abstain: 0

19. Approval of the construction plans and specifications and authorization to advertise for bids for the 1998-1999 Street Recycling Project (205 Blocks) with tentative award on December 21, 1998. Funding is available in the Capital Improvement Fund.

Motion to approve.

Moved : Cm. Bruni
 Second: Cm. Alvarado
 For: 8

Against: 0 Abstain: 0

- 20. Award of a construction contract to the LOWEST BIDDER, Dominguez Development & Construction in the amount of \$38,435.62 for the Construction of Sidewalks at the Approaches to Clark Elementary School on Hillside Street from Yearly to Haynes, and concurrent approval of change order no. 1, a decrease of \$14,024.85 for a net award of \$24,410.77 to bring the construction contract amount within the project's budget. Funding is available in the Capital Improvement Project Clark Elementary Sidewalk.

Motion to approve.

Moved : Cm. Bruni

Second: Cm. Alvarado

For: 8

Against: 0

Abstain: 0

Cm. Guerra expressed concern with the above change order, he feels this will affect the project adversely.

Rogelio Rivera explained that in order to come within the budget the project was scaled down to the original scope.

There was discussion on the Jesse Martinez business area and if a sidewalk along Hillside Rd. will improve school children's safety.

Previous motion was amended.

Motion to award the construction contract to the lowest bidder, Dominguez Development & Construction the amount of \$38,435.62 for the construction of sidewalks at the approaches to Clark Elementary School on Hillside Street from Yearly to Haynes.

Moved : Cm. Guerra

Second: Cm. Bruni

For: 8

Against: 0

Abstain: 0

Motion was amended again,

Motion to award the contract to the lowest bidder for \$38,435.62 and approve the change of order no. 1, but we reserve the right to come back with proposals.

Moved : Cm. Guerra

Second: Cm. Bruni

For: 8

Against: 0

Abstain: 0

- 21. Award of an engineering contract for an amount not to exceed \$191,000.00, to Montgomery Watson, Dallas, Texas, to prepare, develop and implement a Risk Management Plan for the Utilities Department in compliance with the Clean Air Act. The plan will assess and evaluates the risk associated with the use of

compressed gases such as chlorine and ammonia, which are stored at the treatment plants. A Risk Management Plan is required to comply with the requirements of the Environmental Protection Agency (EPA) 40 CFR Part 68 Accidental Release Prevention Requirements, Risk Management Program under the Clean Air Act Section 112r(7). Funding is available in the Waterworks 1997 Bond EPA Clean Air Act Program.

Motion to approve.

Moved : Cm. Bruni
Second: Cm. Agredano
For: 8

Against: 0 Abstain: 0

- 22. Award of annual supply contract to LOW BIDDER, U.S. Filter Distribution Group, Laredo, Texas, in the estimated amount of \$73,359.86, for the purchase of water meters for the Utilities Department. The bid pricing is approximately 7% lower than the previous contract pricing.

Motion to approve.

Moved : Cm. Bruni
Second: Cm. Agredano
For: 8

Against: 0 Abstain: 0

- 23. Award of contract to lowest and most qualified bidder for the collection, transportation, storage, and disposal services of approximately 24,000 tires from the City of Laredo Landfill.

Motion to table for next meeting.

Moved : Cm. Bruni
Second: Cw. Montalvo
For: 8

Against: 0 Abstain: 0

- 24. Authorizing the award of a consultant contract to update the 25 year Laredo Metropolitan Transportation Plan to Wilbur Smith Associates in the amount of \$112,000.

Motion to approve.

Moved : Cm. Bruni
Second: Cm. Agredano
For: 8

Against: 0 Abstain: 0

- 25. Approval of amendment no. 1, an increase of \$30,000.00 to the engineering contract with NRS Consulting Engineers, Harlingen, Texas, for the 10 Year Water/Wastewater Capital Improvements Program in accordance with the Texas Local Government Code (TLGC), Chapter 395. The additional services are to prepare a twenty (20) year plan and an aerial map for both water and

sanitary sewer which will feature main lines and facilities as well as proposed improvements. The original contract amount was \$20,000.00. This amendment brings the total engineering contract to \$50,000.00. Funding is available in the Sewer System 1994 Bond Impact Fee Study.

Motion to approve.

Moved : Cm. Bruni

Second: Cm. Agredano

For: 8

Against: 0

Abstain: 0

26. Approval of City Staff's recommendation for termination of construction contract with Molano Construction, Inc., Laredo, Texas, for the Telecommunications Offices and Public Access Facility due to "Notice of Abandonment or Default of Contract" pursuant to paragraph C-9.08 of the construction contract documents and the Engineer's Certificate stating that sufficient cause exists to justify termination of the construction contract and take actions as are permitted under the terms of the construction contract. To date, Molano Construction Inc., has been paid a total of \$399,044.55 (or 51%) out of the \$788,068.00 total construction contract amount, with a balance of \$389,023.45 remaining on his contract. Funding is available in the Public Access Channel Building.

Motion to approve.

Moved : Cm. Bruni

Second: Cm. Agredano

For: 8

Against: 0

Abstain: 0

27. Authorizing the City Manager to execute a three-month extension to the City of Laredo's current management contract with Ryder/ATE Management and Service Company, Inc., at the rate specified under the terms of the existing contract, specifically, for a monthly fee of \$26,747, from January 1, 1999 through March 31, 1999.

Motion to approve.

Moved : Cm. Bruni

Second: Cm. Agredano

For: 8

Against: 0

Abstain: 0

28. Approval of the request for proposals (RFP) for professional transit management services for the Transit System. The proposal will require qualified firms to furnish a General Manager, an Assistant General Manager, and a Transit Center Manager to perform management services in accordance to City policies and procedures. The RFP also requests that the management firm provide consulting and technical assistance for compliance with

established Federal Transit Administration (FTA) and Texas Department of Transportation (TxDOT) requirements.

Cm. Galo indicated that the RFP item #3, states either the General Manager or the Assistant must be a local resident of the City of Laredo.

Florencio Pena, City Manager, said this was a result of the previous contract, he recommended, if Council wishes, to strike out the section about the Manager Trainee and Qualified Local Resident.

Cw. Moreno inquired when the Workshop on the Transit System's issues would take place.

Florencio Pena, City Manager, reported the deadline for applicants' conferences is set for December 2, 1998; receipt of proposals on December 18, 1998 and then the City Council Workshop. He inquired who will be interviewing these firms, would it be the Council or Metro Committee?

Mayor Flores indicated it should be up to the Committee of Council to make a recommendation, since they have more experience on this matter.

It was determined that the Council Committee of the Metro Government will review the applicants and then make recommendations to the full Council. Also this process would be open to any councilmember wishing to participate.

Motion to amend as discussed, to eliminate the local resident requirement.

Moved : Cm. Galo
Second: Cm. Bruni
For: 8

Against: 0 Abstain: 0

29. Acceptance of the Market Street Tennis Courts Improvements and approval of final payment in the amount of \$73,247.27 to Paragon Builders, Inc., Laredo, Texas. Funding is available in the Market Street Courts Community Development.

Motion to table for next meeting.

Moved : Cm. Galo
Second: Cm. Bruni
For: 8

Against: 0 Abstain: 0

30. Authorize the purchase of six mobile radios for the Fire Department through the Houston Galveston Area Council of Governments (HGAC) - Cooperative Purchasing Program, in the total amount of \$15,901.44. These radios will be purchased

through the cooperative purchasing contract vendor Motorola and will be installed on the new vehicles. Delivery of these radios is expected within ninety days.

Motion to approve.

Moved : Cm. Bruni

Second: Cm. Agredano

For: 8

Against: 0

Abstain: 0

31. Authorizing the City Manager to accept a final determination of monetary damages arising from a class action lawsuit settlement with the United States Gypsum Company regarding an asbestos property damage claim at the Health Department facility at 2600 Cedar.

Motion to approve.

Moved : Cm. Bruni

Second: Cm. Agredano

For: 8

Against: 0

Abstain: 0

IX. CITY MANAGER'S REPORT

32. Presentation of the impact of increasing the over 65 exemption and of granting a homestead exemption to home owners.

Florencio Pena, City Manager, indicated that over the last several months some councilmembers have expressed interest in adopting a homestead exemption and to increase, if possible the elderly's homestead exemption for the elderly. He presented a report reflecting the impact on the tax rate. As the tax exemption for particular group of property owners decreases, the effective tax rate automatically increases. There is also a timeframe in order to get this process going.

Phyllis Colon, Tax Assessor Collector, explained why there is a timeframe in order to implement these exemptions. She reported that the Tax Appraisal District begins putting their records together as of January 1st and all the information must be gathered by March 31st in order to feed it into the computer. This will provide them a projected tax base. So, we will have up to February to make a decision on this.

Mayor Flores asked, -"what is the combined loss of revenue and the proposed increase if both exemptions were to be approved?"

Ms. Colon replied that if we select the \$5,000 homestead exemption the increase will be 1.5718 cents, and if we raise another \$5,000 for the elderly's exemption, the increase will be less than a half cent. So the combined exemptions would have almost a 2 cent increase impact. But these figures are just

projections, it depends on the how much the tax base will increase, and on how many people sign up for homestead. Also she found out, based on figures, that 80% of Texan cities do give some type of homestead exemptions.

Mayor Flores said that the City has been trying to get people into houses, there are many ongoing projects and programs but if the homestead exemption gets implemented, it would show good faith from Council.

Mr. Pena advised that unfortunately our state law mandates how we treat some of our public hearings and this will be looked by the general public as a tax increase.

Mayor Flores invited the public viewing this meeting to contact their Councilmember and share with him/her how this impact them directly.

33. Presentation and possible action of the Webb County Appraisal District 1999 Budget. The Webb County Appraisal District Board of Directors approved a proposed budget for 1999 with a 21.58% increase. Each jurisdiction may approve or veto the presented budget. If the majority of the jurisdiction veto the proposed budget, the Chief Appraiser must redo the budget.

There was no action nor discussion on this item.

34. Advising the City Council of a request by the Laredo Housing Authority Board of Commissioners to become a third party funding entity for the amount of any current and future payments in lieu of taxes. The Housing Authority will contract for Housing Development services such as Comprehensive Housing Counseling, Homebuyer Counseling, Affordable Housing Development, Employment of a Grant Writer, City Cemetery Fence Improvements, Family Self-Sufficiency Services, Matching Funds for Federal Grants, and Single Family New Construction.

Abraham Rodriguez, Housing Authority Director, and Mr. John Peter Montalvo, Chairman of Board of Commissioners for the Laredo Housing Authority, spoke on the above issue.

Mr. Rodriguez informed that the Housing Authority has been paying payments in lieu of taxes because they are a tax-exempt agency. They have a surplus of outstanding bond for \$133,000 and will advance about \$27,000 to \$37,000 a year in payment in lieu of taxes. He is proposing that the City make those monies available to the Housing Authority so they can initiate the outlined activities such as developing empty lots and upgrading neighborhoods. They are also offering ongoing homebuyers counseling programs to help people, living in public or assisted housing, to purchase their own home. They are having difficulties getting resources because they are understaffed, so

they are contemplating the possibility to hire a grant writer to increase their funding.

He expressed that he is not familiar with third party funding, but feel that since they would need to request the money, it will take them longer to receive the funds. He indicated that he will prefer the city to receive the funds and then advance them to the Housing Authority, but as discussed with City staff, the City prefers the third party funding.

Mayor Flores asked Mr. Rodriguez if they wanted to enter into a third party funding or if they were proposing another kind of arrangement.

Mr. Montalvo replied that whatever can be worked out will be fine but they need to have quick access to the money. Another factor to consider is that many parties compete for the Third Party funding, and what they want is the money to be earmarked only for housing developing activities.

Florencion Pena, City Manager, added that an arrangement outside the third party funding can be made, but it will need to be a contract form.

Mr. Rodriguez stated they approached this issue as reimbursement because they wanted to use some of those monies as leverage to other funds. And if they apply for other funding it becomes non-federal they can match those funds. Another alternative is to waive the payment in lieu of taxes, and the Housing Authority keeps the money dealing with HUD's compliances. This provides flexibility to match grants.

Cm. Galo asked what were the \$133,000.00.

Mr. Rodriguez replied that the Housing Authority owes this money to the City, this amount was accumulated for over three years.

There was discussion on why this monies were not paid to the City before, then Mr. Rodriguez assured the Laredo Housing Authority will not compete with the programs that the City of Laredo is offering.

Motion to contract with the Laredo Housing Authority Board of Commissioners for amount of any current and future payments in lieu of taxes.

Moved : Cm. Galo

Second: Cm. Alvarado

For: 8

Against: 0

Abstain: 0

35. Contract be approved with Andrea McWilliams for an amount of \$5,000 per month beginning December 1, 1998 and ending

September 30, 1999 for state legislative representation services. Funding is available from the General Fund Reserve Appropriation Account.

Florencio Pena, City Manager, informed that he has discussed this contract with Ms. McWilliams, and such contract has a provision for renewal at Council's discretion.

Mayor Flores recommended that because of Ms. McWilliams credentials and expertise, she should concentrate on the Municipal Franchise Fee issues.

Cm. Galo expressed concern with the fee payable to Ms. McWilliams, he feels it's excessive if she is only going to handle one particular area.

After some discussion, it was determined that Ms. McWilliams will handle only the Municipal Franchise Fee issues.

Mayor Flores added that we expect Mr. Martinez, our legislative consultant, to handle everything else. That's why we had the legislative session discussion last summer. Mr. Martinez is responsible for representing this Council on each and every issue that arises.

Cw. Moreno expressed concern on the legislative consultants' work, she would like to have reports from them.

Mr. Pena informed that the contract with our legislative consultants provides for monthly reports on their activities.

Mayor Flores added that Mr. Martinez has been working for us all summer, and he has submitted reports to our City Manager. She asked for copies of these memos and reports for Council. She added that it is important that we establish a way to contact our legislative consultants through the City Manager's Office or through Councilmembers offices.

After some discussion the utilities municipal franchise fees issue was brought up. It was determined that Ms. McWilliams should handle the electric deregulation issue since it will create a burden to the consumers.

Motion to approve contract with Andrea McWilliams for an amount of \$5,000 per month beginning December 1, 1998 and ending on September 30, 1999, to represent the City of Laredo before the Texas State Legislation and Texas Agencies on matters pertaining to Municipal Franchise Fees and Electric Deregulation.

Moved : Cm. Bruni

Second: Cm. Alvarado

For: 8

Against: 0

Abstain: 0

36. Requesting Council's opinion on the scheduling of update reports for the following water projects:
1. Closure of Aquifer Storage and Recovery Project
 2. Update on USGS Well inventory
 3. Strategy to develop a groundwater development plan
- The presentation will take approximately 5-10 months each with additional time needed for questions and answers. The proposal is to do it at a regular council session, to schedule an evening workshop, or a working luncheon.

Motion to table this item.

Moved : Cm. Bruni

Second: Cm. Agredano

For: 8

Against: 0

Abstain: 0

37. Awarding a contract to Laredo Development Foundation for fiscal year 1998-1999 in the amount of \$185,000 and authorizing the City Manager to sign and implement the contract.

Motion to award contract to Laredo Development Foundation for fiscal year 1998-1999 in the amount of \$185,000 and authorizing the City Manager to sign and implement the contract.

Moved : Cm. Alvarado

Second: Cm. Guerra

For: 8

Against: 0

Abstain: 0

Cm. Galo had a question on item #17 on the contract, which says no funds are to be used to cover any expenses that are distributed to an employment contract and the city is not liable for any payment of wages, fringe benefits and/or other related salaries. Does this mean that these funds cannot be used to pay salaries?

Florencio Pena, City Manager, replied it does not. He explained the amount we fund can be used by the agency for salaries, but it's stipulated that no more than 50% of their budget can be used for wages. He attended a meeting and learned that LFD had approved an employment contract beyond the one-year appropriation that the city provides. He just wants to ensure that the city will not be liable in the event there are problems between the employee and LFD. After consulting with the City Attorney's office, there was belief that since the City pays the wages, there could be an interpretation that the City is recognizing employment contracts.

There was discussion on how this provision was not clear. Perhaps it needs to be reworded or be written as a disclaimer. Even Mr. Frank Leach, Director of Laredo Development Foundation, stated that he did not understand how his employment contract

with LFD might affect the City. It was determined that this provision should be amended.

Mr. Jaime Flores, City Attorney, after reviewing the provision stated, "what we are looking to do here is to recognize Mr. Leach's salaries, wages and fringe benefits but not beyond this contract period. We will recognize wages, salaries and fringe benefits but only up to the end of this contract which is September 30 of 1999. I agree with council that the contract doesn't say that. The clause here says no funds for **any** wages, benefits or related salaries and it doesn't talk about this particular contract period, it just says **any**. And under this provision we would not be obligated in recognizing any billings on Mr. Leach, individually, that's your contract. What we are looking to change here is to recognize these salaries. But only until the end of this contract, if Mr. Leach's contract with LFD goes beyond, then that's not our liability. Is this the amendment that council wants to make?"

Mayor Flores and Council concurred that yes, this is the amendment they want to make on the contract. So, there is a motion to approve the contract with the amendment and Mr. Jaime Flores will take care of it.

38. Consideration with possible action regarding proposed projects to be submitted to Texas Department of Transportation for grant funding under special programs.

Motion to approve.

Moved : Cm. Bruni
Second: Cm. Agredano
For: 8

Against: 0 Abstain: 0

39. Consideration and action to cancel City Council Meetings affected by the Thanksgiving and Christmas Holiday season. The two meetings that may be considered include Monday, November 23, 1998, and Monday, December 28, 1998.

Motion to cancel only the City Council Meeting affected by the Christmas Holiday season which is Monday, December 28, 1998.

Moved : Cm. Bruni
Second: Cm. Agredano
For: 8

Against: 0 Abstain: 0

40. Request for Executive Session pursuant to the Texas Government Code Section 551.071 (1)(A)(B) to discuss pending litigation and settlement offer in the lawsuit styled Jaime Jalomo v. City of Laredo, Cause No. 97CVQ00427D in the 111th District Court of Webb County Texas, and return to open session for possible action.

Motion to go into Executive Session pursuant to the Texas Government Code Section 551.071 (1)(A)(B) to discuss pending litigation and settlement offer in the lawsuit styled Jaime Jalomo v. City of Laredo, Cause No. 97CVQ00427D in the 111th District Court of Webb County Texas

Moved : Cw. Montalvo

Second: Cm. Galo

For: 8

Against: 0

Abstain: 0

After Executive Session Mayor Flores announced that no formal action was taken.

Motion to authorize the City Manager to proceed with settlement of the lawsuit styled Jaime Jalome vs. City of Laredo, Cause Number 97-CVQ-00427D.

Moved : Cm. Guerra

Second: Cm. Alvarado

For: 8

Against: 0

Abstain: 0

X. COMMUNICATIONS

Presentation by H.E.B. Store Director, Curtis Grace concerning the annual "Feast of Sharing" to be held at the Laredo Civic Center on Sunday, November 22, 1998.

Mr. Curtis Grace, H.E.B. Store Director, commended the great support from the City of Laredo. This particular time is a special one for them, because Laredo was the first city in which H.E.B. started its "Feast of Sharing" dinners. Now they are doing it in 21 cities in the state of Texas and one in Monterrey, Mexico. This year has two special meanings for H.E.B.: First of all, this is the 10th "Feast of Sharing" and now it has become a Laredo tradition. Second, this is their 70th year doing business in the great City of Laredo. He informed that the dinner date has changed to Sunday, November 22, from 10:30 a.m. to 3:30 p.m.

Ivonne Moreno, H.E.B. Store Director, added that they are very proud of the relationship with the City of Laredo, particularly with the facilities that they have been able to use at the Civic Center and also for the partnership with EL Metro, who will provide free rides on the dinner day.

Mr. Grace invited the Mayor, City Council and all the citizens, if possible, to attend this "Feast of Sharing" and thanked the City for the continuous support.

Cm. Valdez gave public thanks to Mr. Grace for all that H.E.B.

does for the community and how much they give back to the community, because they have been excellent corporate partners sponsoring several fundraisers for Laredo.

Cm. Guerra addressed the passing away of an extraordinary individual, our former Mayor J.C. Martin, Jr. "Mayor Martin was considered a legend in his own time, but also an individual who was very much a human being who cared very deeply about the community he helped build and the city that he helped to shape. My prayer is that eternal rest be granted on to him." Then Cm. Guerra asked everyone present to observe a moment of silence in Mr. Martin's memory.

After silence was observed, Mayor Flores thanked everybody.

Mayor Flores announced The Laredo Youth Conference Coalition presented a plaque to the City of Laredo in appreciation to our support. It's signed by Rose Delgado, President of the Coalition, Judge Danny Valdez and Judge Raul Vazquez. The conference was held today, UISD students attended in the morning and LISD students in the afternoon. Mayor Flores thanked the Coalition for another wonderful year of celebration for our children.

XI. CITY COUNCIL PRESENTATION AND DISCUSSION

41. Requests by Mayor and City Council members for presentation and discussion.

A. Request by Mayor Elizabeth G. Flores

1. Discussion and possible action to approve a request for the use of the main public library by the IRS Volunteer Income Tax Assistance Program (VITA) beginning on February 1, 1999 to April 15, 1999.

Motion to approve.

Moved : Cm. Guerra

Second: Cm. Bruni

For: 8

Against: 0

Abstain: 0

Mayor Flores informed there would be four sites in Laredo assisting people with limited income, non-English speaking persons and the elderly. This will be posted on public access so everyone will be aware of it.

B. Request by Council member Alfredo Agredano

1. Discussion and possible action concerning the placement of a traffic signal at the intersection of Hwy 83 and Southgate.

Cm. Agredano stated there are many problems on this intersection. Three accidents have taken place recently, in one of them an elderly man died after being hit by a truck. He wants to get a traffic light here. He has a petition with over 500 signatures requesting a light.

Roberto Murillo, Traffic Engineer, reported that he attended a meeting with the area residents and informed them about leftover monies from CDBG funding for traffic signals. However, his understanding is that those monies are restricted.

Cynthia Collazo, Community Development Director, reported that there is a balance of \$61,000 available in that particular action for the signals; but she has two directives from City Council, one is for \$250,000 for Chacon Creek and \$150,000 for the bathhouse at the Three Points Park. It is up to Council to decide how these monies would be used. Community Development requested all City's departments that utilize CDBG funding, to report their funding needs and left over funding.

Cw. Moreno asked if a traffic study was done on this intersection.

Roberto Murrillo replied that the traffic study was initiated by TXDOT and they did warrant the need of the light, even though no funds were identified at that time.

Motion to put a traffic signal at the intersection of Hwy. 83 and Southgate using the CDGB funds that have been identified.

Moved : Cm. Agredano

Second: Cm. Bruni

For: 8

Against: 0

Abstain: 0

C. Request by Council member Louis H. Bruni

1. Confirmation by the City Council of the appointment of Rosemary Rienecker to the City of Laredo Tree Board USA.

Motion confirming the appointment of Rosemary Rienecker to the City of Laredo Tree Board USA.

Moved : Cm. Agredano

Second: Cm. Galo

For: 8

Against: 0

Abstain: 0

2. Status report on the Weather Modification Program with possible action. (Cm. Joe Guerra and Cm. John Galo)

Cm. Bruni informed that he is very excited about the Weather Modification Program. He had a very productive luncheon with former Governor Dolph Briscoe, Joe Finley and Gene Walker, who are local ranchers, Lewis Bracey, CEO of Uvalde State Bank, and Jay Myers, whose group formed a five-county-area, northwest of Laredo. This group is in the process of acquiring a permit from TRNCC for weather modification. They are expecting to start on April 1, and are looking at TRNCC funding 5 cents/acre. The total cost would be between 8 to 10 cents/acre. Cm. Guerra, Larry Dovalina, Mr. Pinzon, Mr. Roman and our City Manager also attended this meeting.

Fernando Roman, Utilities Director, gave a brief overview on the meeting. The purpose of the meeting was to introduce a coalition or association between the City of Laredo, other parties in Webb County, and the Winter Garden Association for weather modification. Laredo needs interlocal agreements, resolutions, and/or contracts with other parties in Webb County, so that a mechanism is developed to collect some monies; and a contract with the Winter Garden Association. The association would like to have either a political subdivision or some type of responsible group that will pay the bill.

The City of Laredo has money available to fund this project. The cost for the 2.2 million acres of land in Webb County is about 9.5 or 10 cents, totaling \$220,000. TNRCC will cover 4 cents/acre, thus reducing the burden to \$130,000. This means that the city, county and private sector coalition will need to raise those \$130,000. The next step is to identify the private sector, so we will get a list from the Tax Appraisal District. So far, we have been dealing with five of the major landowners, so we need to reach the other landowners and ask them to participate in this program. We have estimated that it would probably cost about \$60 to \$80 per thousand acres, so it's a reasonable amount to pay for once a year. The major task will be getting the landowners participation and getting their checks in the mail, but the City of Laredo has been ready putting aside money to start this project.

Cm. Valdez stated that when Cm. Bruni brought up this idea, the private sector was willing to participate, and talking about the seed money, is it coming from the private sector?

Larry Dovalina, believes former Governor Dolph Briscoe, committed in the meeting to pay his fair share and he asked the other landowners that were present to go along

with him. A meeting with the Winter Garden Association was scheduled for November 23, 1998, and he will try to meet with the rest of the landowners before that meeting taking place. Former Gov. Briscoe said he was going on vacation, otherwise he would attend that meeting because he wants this project to go forward.

Cm. Bruni added that the Finley's, Walker's, Killam's and Dolph Briscoe have large amounts of acreage in Webb County and they are willing to participate in this program. Looking at the cost, between \$40 and \$80 per thousand acres, to have this service is minimal compared to a drought situation in which money is spent at the feed store and cattle goes into stress. This drought situation also affects one of the biggest industries in Webb County, which is the white tail hunting, that provides us money and economic development. It is now time to get into this project and move ahead with this group that has started its implementation. He feels we need to move in this direction since we are getting funding from TNRCC and we have the support of the larger landowners.

Mayor Flores wanted to know who would be managing getting all the landowner together and telling them what their percentage is.

Mr. Roman replied that this would be done from his office, also some landowners have committed to bring the major players, but the mailing and correspondence will be done from his office.

There was concern from Mayor Flores and Cw. Montalvo if Mr. Roman had the staff and time to do that. They are aware that Mr. Roman is pressured to do many things. Since this is a very important program, he needs to speak up and ask for help. Council does not want other issues to suffer because of this large project.

Florencio Pena, City Manager, said this project is very far along, the Winter Garden Association filed the application that included Webb County. We need to enter into a contract with this association to pay our share, we need to meet with the landowners to see if we can get a contribution from them to show an effort from the private sector. Hopefully by April we will start seeing the program in effect. On the long term, we need to meet with our legislative representatives Mr. Cuellar and Senator Zafferrini, to see if legislation can create a taxing plan, that would allow us to charge the cost of this program in an equitable way.

Cw. Montalvo asked why is the city getting involved when

the county can do it.

Cm. Bruni replied that this particular project will greatly benefit Webb County and the City of Laredo. It is something that we all should pursue, the County will see that the City is taking a very active role in what is best for this area. It's sad to see a drought devastation where wildlife and cattle are dying. It is hard to sit here without looking at options available to enhance the production of rain, as well as options for water supply. Without water, there would be no economic development. We cannot attract big companies if our water supply is not enough to support their business.

Mr. Roman concluded by saying the long term plan is that eventually, the whole Rio Grande Basin becomes a weather modification district with some type of taxing entity. It is worth it, to fund this program for one or two years to keep it moving to the point that it becomes a permanent program. The experts said that the annual rainfall average will increase by 30% to 40%, after the program is implemented on a long term basis. He doesn't think we have the ability to fund this year after year, we need to bring the state holders at some point to take it over.

D. Request by Council member John C. Galo

1. Discussion on the possibility of placing additional street lights around St. Augustine School, Ryan Elementary and the Market Street Tennis Courts to help illuminate these areas that have heavy pedestrian and evening traffic with possible action.

Cm. Galo informed that the lights on Cortez, behind the tennis courts have been fixed. He is now looking at Musser Street, it has only one light in a two-block area. There is a jogging trail that some residents use during the evening. The San Augustine School area is not quite as heavy but if we have to prioritize, he would like it to be the streets around Ryan Elementary.

Florencio Pena, City Manager, said the standard spacing for lighting is 300 ft., per ordinance and that's being required from developers. However council can direct staff to put additional lighting, specially in recreational areas.

Mayor Flores wanted to know if these lights have been upgraded or replaced by lights with higher lumen.

Robert Murillo, Traffic Engineer, reported about their

five-phase program to upgrade the city's streets lights. This program is almost 90% complete. He is not sure if this area is being worked yet, but will do a survey and determination of what is needed on this area. Normally it requires to put additional lights in an existing pole, upgrade the lumen or add additional lighting.

Cm. Valdez inquired about the black-hole area at Zacate Creek. Wants to know if something has been done here.

Mr. Murillo informed that a survey have been requested for that area. They are awaiting for CP&L's proposal. There were also proposals requested for Market and Iturbide streets at Zacate Creek. As soon as they get the proposals, they will report back to council. They have periodic meetings with CP&L on the status of lighting proposals.

Larry Dovalina, Assistant City Attorney, added that the Traffic Department handles the complaints related to streets lights that are out. This is the only way we have to track how long it takes CP&L to fix a light. CP&L's agreement with the City is that the light will be fixed within five days after it's reported.

Cm. Galo inquired if a traffic study has been done at the corner of Springfield and Galveston. Because one resident is claiming that three accidents, involving her house, have occurred in the last two months. Also, it's been reported that seven accidents have taken place in this intersection on this year.

Mr. Murillo replied that a traffic study was done in the area two years ago. He will look into doing another one.

2. Status report on the Market Street Tennis Courts Project concerning the construction contract's completion date, days under penalty, total paid to date and expected completion total cost with penalties deducted.

Cm. Galo stated this reverts directly to item #29, which says that the project was completed on a certain date. There was tennis tournament on October 13, and the facilities were not completed at that time.

Rogelio Rivera, City Engineering, reported that the final inspection was done on October 12. He submitted to Council the substantial completion report by Design Group International, architect, dated October 12. The last change order on this project was for a completion date of October 13, as approved by council. The item that was pending at the completion time was the sewer tap that the

city was going to do.

Fernando Roman, Utilities Director, reported that the sewer tap was not done earlier because they did not want to cut Market St. They have a contractor boring in another area but as soon as he finishes, he will start working on Market St.

Cm. Galo said the completion date was supposed to be September 10, then we authorized 23 additional days, are these business days or calendar days?

Mr. Rivera replied that the 23 additional days were business days, not calendar days. There was discussion on this issue. Staff needs to check the original contract for this project to see if the 150 days were specified as "business" or "calendar" days.

Cm. Galo thinks it is unusual to make a contract stipulating "business days" so he wants to defer item #29, until we know for sure that the clause does not read "calendar days".

Mr. Rivera concluded by saying that this project is complete except for the sewer connection and lighting for the practice slab. Parks & Recreation is finishing the new service connection with CP&L.

E. Request by Council member Cecilia M. Moreno

1. Status report on the painting of the water tanks on Lyon with a start date.

Fernando Roman, Utilities Director, informed RFP's were published last Friday and bids will be open on December 4, 1998. We may either get a commercial painting company or an artist acting as a contractor. The project will begin as soon as the contracts are executed, it may be until early January.

2. Status report on the 1997-98 CDBG sidewalks with a start up date.

Rogelio Rivera, City Engineering, informed that we have two contracts, one by in-house forces working on 70 blocks of which 65 are completed. The other contract awarded last month to Pete Gallegos Paving included 123 blocks. So far Pete Gallegos has completed seven blocks, the project completion date is October 1999.

Cw. Moreno questioned why we gave Pete Gallegos more than twelve months do sidewalks, why so much time? It seems we

are doing paving of streets faster than sidewalks.

Mr. Rivera replied that those are 123 blocks, it's not a small project. Also, considering the rising cost of concrete, if we compress the contact time we are going to be looking at premium costs on some of these contracts. That is why we are extending this particular contract, we are looking at the high costs of concrete.

Cw. Moreno's argument was that it takes a whole year just to bid, and after we award the bid it takes another whole year. It looks like we want to keep the money to earn interest. It looks like we are not interested in the project. It is very frustrating that everything takes forever.

There was discussion and controversy regarding why projects don't move faster. Cw. Moreno sustained that it takes forever just to get the projects going. Council has approved monies for several projects and they have not seen any of them.

Mayor Flores thinks that it is not because there is no will, we recently hired more engineers, maybe is just too much work. She told Mr. Rivera if he needs more help, to ask for it because the city is growing, there are many projects and some older projects are getting behind.

Mr. Rivera reported that we just received RFP's for the new CIP's. On the other hand, the CIP's approved with bond money are being worked, some are on different design stages, some are under contract.

Mr. Pena indicated that beginning December, staff will bring the Capital Improvements Program to Council meetings in order to provide the councilmembers information on the timeframes. He then added than on this particular project (1997-98 CDBG sidewalks), the process of sidewalks selection took some time. It was until summer when the final decision was made. Cw. Moreno disagree with him, she stated that the decision was done before that.

Cm. Galo said that concrete prices have risen over 50%, so the longer we wait the more expensive these projects will become. That's why we should compress the time, even the contractors may want to do it.

Mayor Flores manifested that it is not a matter of waiting, she thinks there is something else that we don't know about. We need to know.

Mr. Larry Dovalina, added that the sidewalks projects involve utilities relocation work. In many cases the crew has to stop working and wait for utilities to relocate electrical or telephone poles, lines, etc. Another issue, addressed by Mr. Pena earlier, is the process of getting plans and specs approved by Council before going for bids; this delays the project approximately thirty days. If we were allowed to go for bids, without formal approval of plans and specs, and just bring the bids to Council, maybe the process will speed up; but that's a choice that Council needs to make.

Mayor Flores asked Mr. Dovalina to put this on the agenda because the process needs to be reviewed. This council does not intend to hold up anything, but we need to understand the entire process.

Cynthia Collazo explained why this project took longer, the 1997-98 CDBG sidewalks project is federal funded, and because of that we had to clear the funds with HUD. The environmental clearance from HUD was received until December 31, 1997 because HUD's rejection due to the newspaper failing to include the name of the streets involved in the project. Although it was not our error, we had to publish again. We requested Council to select the sidewalks for this project on December 31, 97. The WSPC were selected on March 2, 98. Council recommendations were received until April 20, 98; some councilmembers submitted them earlier and others took longer. The design work was completed by July 30, 98 and Council's authorization was on August 24, 98. We advertised on August 29, 98 and September 6, 98, prebid on September 8, 98 and open the construction's bid on September 14, 98. The contract was awarded until September 28, 98 and we got the notice to proceed on October 14, 98. We would like to push these projects as quickly as we can, but sometimes because of federal dollars requirements it is not possible. We also have to consider utilities set backs and sometimes retaining walls need to be installed.

Cw. Moreno declared that the blocks for a particular project can be identified before getting the funds; they don't get any indication that a project is about to start; and unless they put something as an item on the agenda, they don't hear on status from staff. She then asked if there was money appropriated for McClelland.

Ms. Collazo reported there are \$25,000 identified for that project. They have recommendations from the traffic department. The only thing holding this project is the release of funds, they are waiting for the written

confirmation.

Mayor Flores asked Ms. Collazo to inform Council when projects are getting stagnant in the process. Council should be kept informed, specifically on projects concerning their districts; because constituents keep on calling them and if there is no activity they will think that the councilmember did not act upon it. And this is not the case. Furthermore, councilmembers think staff is not acting upon it.

It was agreed that staff would report status on stagnant reports, in fact the City Manger had already requested staff to do so. This will provide Council more details on what's going on. The City Manger, Mr. Pena, will provide a CIP report to Council on the first meeting of the month. Also, the Assistant City Manger, Mr. Dovalina, indicated that weekly meetings with staff have been initiate. Here staff reports status on projects under construction. The meetings are held on Fridays at 1:30 P.M.

Cw. Moreno expressed her concerns on projects that have been identified but not started yet. She asked for status on the 1200 block of Frost drainage project, which was approved a while back.

Mr. Rivera reported they have the preliminary plans. Problem areas take a lot of study, they have items like dealing with property owners, obtaining easements, underground facilities, etc. He will report back to Cw. Moreno on this project.

F. Request by Council member Eliseo Valdez Jr.

1. Discussion and possible action concerning the request from Ms. Josefina Torres, principal of Alma A. Pierce Elementary to consider Logan at Eistetter a one-way street around the school as part of the traffic circulation study recently approved.

Cm. Valdez noted that this recommendation is coming from the school's principal and parents.

Robert Murillo, Traffic Engineer, reported this is one of the schools approved on the last meeting. The consultant will make a study at the area and bring back recommendations.

Cm. Valdez wanted to know when will the study we done and when can we expect a recommendation or report.

December 31, 1999.

Motion to open the public hearing.

Moved : Cm. Alvarado

Second: Cw. Moreno

For: 8

Against: 0

Abstain: 0

There was no public input.

Motion to close the public hearing and introduce.

Moved : Cw. Montalvo

Second: Cw. Moreno

For: 8

Against: 0

Abstain: 0

Ordinance Introduction: City Council

44. Public hearing amending the contract with the Texas Department of Health and budget in the amount of \$149,000 for the HIV/AIDS Prevention and Education Project of the City of Laredo Health Department for the period beginning January 1, 1999, through December 31, 1999.

INTRODUCTION OF AN ORDINANCE

Ordinance amending the contract with the Texas Department of Health and budget in the amount of \$149,000 for the HIV/AIDS Prevention and Education Project of the City of Laredo Health Department for the period beginning January 1, 1999, through December 31, 1999.

Motion to open the public hearing.

Moved : Cw. Moreno

Second: Cm. Alvarado

For: 8

Against: 0

Abstain: 0

There was no public input.

Motion to close the public hearing and introduce.

Moved : Cm. Agredano

Second: Cw. Montalvo

For: 8

Against: 0

Abstain: 0

Ordinance Introduction: City Council

45. Public hearing amending the City of Laredo FY 1998-1999 Annual Budget by creating an additional position of Bridge Toll Equipment Technician, Grade 36, for the Traffic Department Bridge System at a cost of \$25,595 including fringe benefits which will be funded from anticipated savings in operational

line items, and authorizing the City Manager to implement said budget.

INTRODUCTION OF AN ORDINANCE

Ordinance amending the City of Laredo FY 1998-1999 Annual Budget by creating an additional position of Bridge Toll Equipment Technician, Grade 36, for the Traffic Department Bridge System at a cost of \$25,595 including fringe benefits which will be funded from anticipated savings in operational line items, and authorizing the City Manager to implement said budget.

Motion to open the public hearing.

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

There was no public input.

Motion to close the public hearing and introduce.

Moved : Cm. Agredano
 Second: Cm. Alvarado
 For: 8 Against: 0 Abstain: 0

Ordinance Introduction: City Council

XIII. MOTION TO RECESS AND CONVENE AS THE LAREDO MASS TRANSIT BOARD

Motion to recess as City Council and convene as The Laredo Mass Transit Board.

Moved : Cm. Guerra
 Second: Cm. Alvarado
 For: 8 Against: 0 Abstain: 0

46. Authorizing an agreement with Bonanza Consultants and investments, Inc., for bus bench and shelter advertising sales and service.

Motion to authorize agreement with Bonanza Consultants and investments, Inc., for bus bench and shelter advertising sales and service.

Moved : Cm. Galo
 Second: Cm. Agredano
 For: 8 Against: 0 Abstain: 0

47. Motion to waive all bus fare collection on Sunday, November 22 1998, as participation in the City of Laredo's co-sponsoring the HEB Feast of Sharing. This action will introduce new riders to El Metro and support this community event. The estimated

revenue loss, net of HEB's \$1,000 contribution, will be \$1,700.00

Motion to waive all bus fare collection on Sunday, November 22 1998, as participation in the City of Laredo's co-sponsoring the HEB Feast of Sharing.

Moved : Cm. Alvarado

Second: Cm. Galo

For: 8

Against: 0

Abstain: 0

48. Authorization to sell surplus vehicles to the highest bidder. Said vehicles have exhausted their lives. All vehicles are being offered "as is" with no implied or express warranties or claims of serviceability.

Motion to authorize to sell surplus vehicles to the highest bidder. Said vehicles have exhausted their lives. All vehicles are being offered "as is" with no implied or express warranties or claims of serviceability.

Moved : Cm. Galo

Second: Cm. Agredano

For: 8

Against: 0

Abstain: 0

49. Authorization to proceed with public hearings on realignment of the three Santa Maria and San Bernardo bus routes; the two Santa Rita bus routes; and eliminate the Las Americas bus route and implement a new route #19 Santo Niño that will serve the productive sections of the Las Americas. As part of the realignment of the Santa Maria and San Bernardo bus routes it is proposed to add one more bus to each of the routes to increase frequency.

Motion to approve.

Moved : Cm. Galo

Second: Cm. Alvarado

For: 8

Against: 0

Abstain: 0

Motion to adjourn as The Laredo Mass Transit Board and convene as City Council.

Moved : Cm. Galo

Second: Cw. Moreno

For: 8

Against: 0

Abstain: 0

IX. CITY MANAGER'S REPORT

Request for Executive Session pursuant to Texas Government Code Section 551.072 to deliberate the purchase, exchange, lease, or

value of real property because a deliberation in open meeting would have a detrimental effect on the position of the City of Laredo in negotiation with third persons, and return to open session for possible action.

Motion to go into Executive Session pursuant to Texas Government Code Section 551.072 to deliberate the purchase, exchange, lease, or value of real property because a deliberation in open meeting would have a detrimental effect on the position of the City of Laredo in negotiation with third persons.

Moved : Cw. Montalvo

Second: Cm. Galo

For: 8

Against: 0

Abstain: 0

After Executive Session Mayor Flores announced that no formal action was taken.

Motion to authorize the City Manager to execute five contracts for the amount 2,472.70 acres ft. of Class B Water Rights, for the total purchase price of \$1,014,903.75.

Moved : Cm. Bruni

Second: Cm. Agredano

For: 8

Against: 0

Abstain: 0

XIV. ADJOURNMENT

Motion to adjourn at 9:25 P.M.

Moved : Cm. Guerra

Second: Cm. Agredano

For: 8

Against: 0

Abstain: 0

I hereby certify that the above minutes contained in pages 01 to 37 are true, complete, and correct proceedings of the Regular City Council meeting held on the 16th day of November, 1998. A certified copy is on file at the City Secretary's Office.



Gustavo Guevara, Jr.
City Secretary

Minutes approved on: January 4, 1999

Minutes prepared by: Patricia Ortiz