

**CITY OF LAREDO
SPECIAL CITY COUNCIL MEETING
M2020-SC-06
LIVE WEB LINK: <http://laredotx.swagit.com/live> CITY COUNCIL
CHAMBERS
1110 HOUSTON STREET
LAREDO, TEXAS 78040
August 11, 2020
5:30 P.M.**

I. CALL TO ORDER

Mayor Pete Saenz called the meeting to order.

II. PLEDGE OF ALLEGIANCE

Mayor Pete Saenz led in the pledge of allegiance.

III. MOMENT OF SILENCE

Mayor Pete Saenz led in a moment of silence, remembering the fatalities of the COVID-19 pandemic to-date.

IV. ROLL CALL

In attendance:

Pete Saenz	Mayor
Rudy Gonzalez, Jr.	District I
Vidal Rodriguez	District II
Alberto Torres, Jr.	District IV, Mayor Pro-Tempore
Norma "Nelly" Vielma	District V
Dr. Marte Martinez	District VI
George J. Altgelt	District VII
Roberto Balli	District VIII
Jose A. Valdez, Jr.	City Secretary
Robert Eads	City Manager
Rosario Cabello	Deputy City Manager
Kristina L. Hale	Asst. City Manager & Acting City Attorney
Riazul Mia	Assistant City Manager

Citizen comments

On August 11, Joe Baeza, Interim Public Information Officer, read a public comment from Orlando Tamez into the record in which Mr. Tamez voiced his support for these proposals going onto the November ballot.

On August 12, Investigator Baeza continued public comments: Marco Hernandez asked Council to reduce their allocations, asking what is so discretionary that each Council Member needs \$500,000.

Armando Cisneros noted that Council discussed whether the August 7, 2020, Council meeting violated the Texas Open Meetings Act and stated that MPT Torres contradicted himself by first suggesting that Council not take any action on any specific item but then leading several motions himself about specific subjects or matters. As a result, Council voted on multiple proposals without providing sufficient notice to the public. He urged Council to do the right thing and gather public participation before putting anything on the ballot.

Mrs. Hale assured Council that the accusations made by Mr. Cisneros are completely false as the Charter amendment workshop was simply that: a workshop; it did not require posting of public hearings. Mr. Cisneros was erroneously referring to the two public hearings that are forthcoming for proposals that are anticipated to go onto the November ballot. Those two public hearings will accommodate public input as required by TOMA.

TAX: STAFF SOURCE DORA MALDONADO, TAX ASSESSOR COLLECTOR

1. Approval of the 2020 Certified Appraisal Roll from the Webb County Appraisal District for the development of the City's tax roll; acceptance of the No New Revenue and Voter-Approval Tax Rate Calculations for Tax Year 2020; and setting the date of September 14, 2020 to hold the Public Hearing and Introductory Ordinance for the proposed tax rate of \$0.634000/\$100 value.

Motion to allow staff to complete their presentation before entertaining any questions or comments from Council.

Moved: Cm. Gonzalez

Second: MPT Torres

For: 6

Against: 0

Abstain: 0

Cm. Mercurio Martinez and Cm. Vielma were not present.

Motion to approve as presented.

Moved: Dr. Marte Martinez

Second: Cm. Gonzalez

For: 5

Against: 2

Abstain: 0

Cm. Gonzalez

MPT Torres

Cm. Rodriguez

Cm. Altgelt

Cm. Vielma

Dr. Marte Martinez

Cm. Balli

Cm. Mercurio Martinez was not present.

Dr. Martinez noted that the vast majority of the City's increase was new properties that were added to the City's tax roll this year. Dora Maldonado, Tax Assessor-Collector, confirmed that existing properties were valued in the amount of \$8,379,470 market value and \$950,220 taxable. New properties were appraised at \$314,177,220 market value and \$298,870,320 taxable.

**CITY OF LAREDO
WORKSHOP
M2020-W-02
CITY COUNCIL CHAMBERS 1110
HOUSTON STREET
LAREDO, TEXAS 78040
August 11, 2020 @ 5:50 P.M.
August 12, 13, 2020 @ 5:30 P.M.**

In attendance:

Pete Saenz	Mayor
Rudy Gonzalez, Jr.	District I
Vidal Rodriguez	District II
Mercurio Martinez	District III
Alberto Torres, Jr.	District IV, Mayor Pro-Tempore
Norma "Nelly" Vielma	District V
Dr. Marte Martinez	District VI
George J. Altgelt	District VII
Roberto Balli	District VIII
Jose A. Valdez, Jr.	City Secretary
Robert Eads	City Manager
Rosario Cabello	Deputy City Manager
Kristina L. Hale	Asst. City Manager & Acting City Attorney
Riazul Mia	Assistant City Manager

V. STAFF REPORTS

1. Discussion with possible action regarding the proposed fiscal year 2020-2021 annual budget, to include proposing the 2019 Tax Rate.

Dr. Marte Martinez initiated a motion to accept the proposed annual budget as presented by management with the exception of Third Party Funding. He explained that management has worked very hard to make very little money stretch in order to meet the City's needs; he discouraged Council from haggling over funds as is historically done and to instead trust the management team. He clarified his intention to hear all staff presentations.

Cm. Altgelt voiced his opinion that this motion at this point equates to "putting the cart

this pandemic over shifting sands when it comes to the City's finances but has made some good in-roads to that end. He assured the public that the City is being very prudent with their taxpayer dollars and will continue to do so for core service; Mr. Eads confirmed that Council will be back in six months to reevaluate the budget because circumstances will be different at that time, hopefully for the better but different nonetheless. Adjustments and changes will be needed at that time.

Motion to proceed with staff presentations in the order they are presented on the agenda.

Moved: Cm. Altgelt

Second: MPT Torres

For: 8

Against: 0

Abstain: 0

2. PROPOSED BUDGET & GENERAL FUND HIGHLIGHTS - Gilberto Sanchez, Budget Director

Robert Eads, City Manager, reported that during the first quarter of FY19-20, Bridge revenues did not meet budget by \$627,058 or 3.5%. Property tax collection exceeded the budget by \$858,625 or 2.1%; sales tax exceeded the budget by \$349,195 or 4.2%. Overall revenues exceeded the budget by \$1,166,821 or 1.7%. The personnel overall expenses saw a savings of \$1,056,126 while Maintenance and Operations had an unfavorable variance of \$3.8 million due to encumbered purchases orders in the first quarter. Reserves and other expenses saw a savings of \$1 million for a total net variance in the General Fund of -\$704,190.

The second quarter saw Bridge revenues decline by \$916,154 from the proposed budget; a hiring freeze was issued by the City Manager's Office as a preventive measure on January 21, 2020. Sales tax had a positive trend until March, when the White House issued a state of emergency due to the novel virus COVID-19 (specifically March 1, 2020). Mayor Saenz issued a disaster declaration on March 16, after which international bridges were restricted for non-essential travel. April saw the biggest drop due at the international bridges due to pedestrian and non-commercial traffic. Sales tax has not met the proposed budget starting in April 2020; all other revenues began declining due to COVID-19 restrictions. Management issued an order to stop all spending that was not directly related to public health or public safety, and all City of Laredo public buildings remained closed to the public until further notice. He reported the overview of the financial impact due to COVID-19 as follows:

Revenues

Sales Tax	-\$2.3 million
Bridge	-\$5.6 million
Municipal Court	-\$1 million
Recreational Activities	-\$450,000
CARES Act	\$2.9 million
Total estimated revenues loss	\$7.3 million

Gilberto Sanchez, Budget Director, explained that the City collects fees for summer programs, pools, and other activities that are categorized as Recreational Activities. Since these programs or facilities were shut down since COVID-19 impacted the community, the City has not collected those fees. Mr. Eads noted that staff performed some cost-saving measures to offset the cost of maintenance and salaries, such as redirecting staff to contact tracing, receiving reimbursement from the CARES Act, and stopping the paving program for a total estimated expenditure savings of \$7.3 million.

Mr. Sanchez presented the proposed FY2021 General Fund budget of \$209.4 million, a 1.3% increase (\$2.7 million) from last year's adopted budget. The City total budget among all funds totals \$749,216,482, comprised as follows:

Enterprise Fund	\$294.6 million
General Fund	\$209.4 million
Special Revenue Fund	\$104.6 million
Internal Service Funds	\$63.5 million
Other Funds	\$77.1 million

Mr. Sanchez explained that to balance the budget due to COVID-19 related effects, staff unfunded 94 positions in the General Fund, six positions in the Health Fund, and three positions in the Parking Meters Fund for a total savings of \$3,356,728. This is the largest number of unfunded positions in the last five years. He estimated that sales tax revenue will decrease from about 97% to about 95% due to COVID-related job losses and delinquencies. Estimates for the various revenue sources are merely guesses, requiring staff and Council to reevaluate the budget again in six months, if not sooner. He reported that due to Council's approval of an increase to the City's employee contribution rates for the healthcare plan, staff forecasts a revenue increase of about \$3.9 million in the next fiscal year; however, medical and prescription claims are projected to increase as well by about \$5.2 million.

Mr. Sanchez continued that due to the economic shutdown and limited operation due to COVID-19, there was little to no activity Downtown, resulting in a parking meter revenue loss of \$88,025. Due to the loss of a Safer Grant for the Fire Department, the City will have to transfer about \$1 million from the General Fund for one cadet and 24 firefighters.

Mr. Eads noted that while the City has had to do some creative thinking to redirect positions or pay for the necessary Police and Fire positions, starting on January 1, 2021, those redirected positions that are being paid for by CARES Act funds will come back under the City's responsibility to pay again. He stated that while funds from the Heroes Act would be appreciated and gratefully received, nobody on the management or budget team is counting on that Act to come to fruition.

Mr. Sanchez reported that the FY2021 General Fund Revenue has an increase of \$2.7 million from the previous year, largely due to the valuation of new properties

being added to the City's tax roll. Cm. Altgelt noted that smart, vertical growth will help offset long-term costs such as utilities and police and fire as opposed to suburban sprawl.

Dr. Martinez reminded Council that it is not possible to plan out every square foot of the City ahead of time, but management can make that smart growth a priority that will have a multiplier effect. Cm. Altgelt agreed, noting that the City can incentivize the kind of growth that it wants to see.

Mr. Sanchez continued that transfers from the Capital Improvements Fund result in a \$6.3 million (42%) change to the budget from last year. The FY2020 General Fund expenditures budget totals \$209.4 million, 63% of which (\$133 million) is Public Safety expenditures such as Police and Fire. Mr. Sanchez noted that the Property Tax revenues are not even enough to cover that expense, so the other revenue funds are relied upon to cover Public Safety and the rest of the City's General Fund expenses. The FY2021 General Fund increased in expenditures by \$2.7 million from last year; Police and Fire increased their budget by \$1.6 million and \$3.23 million, respectively. The other Departments all decreased their own budgets, which helped to offset the increased cost of Police and Fire. He noted that for the last 10 years, Departments have maintained the same operational budgets with the same amount of money despite rising costs and needs. Mr. Eads emphasized that for the last 10 years, Departments are being asked or told to do the same work and perform the same services with less money. This is the struggle that the City must deal with every year.

Mr. Sanchez reported the amount spend per dollar by category in the General Fund as follows:

Police	36%
Fire	27%
General Government	11%
Cultural & Recreational	9%
Public Works, Traffic, Health & Welfare	9%
Other Financing Uses	8%

General Fund expenditures by category were reported as follows:

Personnel	78%
Contractual Services	12%
Materials & Supplies	4%
Other Charges	3%
Intergovernmental Transfer	3%
Debt Service	0.01%
Capital Outlay	0.08%

Mr. Sanchez noted that the unfunded positions will not affect any services provided by the City. Mayor Saenz recalled in the past that not hiring funded positions were used

by management as a “drawdown” when finances were tight. Mr. Sanchez noted that the first position to consider will be part-time and seasonal positions. He reported that of the taxes collected by the City, 50% go to school districts, 23% stays at the City, 15% goes to Webb County, and the remaining 12% goes to Laredo College.

The City is providing \$1.27 million in tax relief to the community by providing exemptions for over 11,730 seniors or disabled individuals as well as frozen city tax payments. The usual valuation increases are around 6%; the proposed FY20-21 revised valuations only increase about 4.57%. Mr. Sanchez proposed multiple management options available to the City to mitigate worsening scenarios in the upcoming year that would throw the budget out of balance, such as a tax cap as proved by the State, closing recreation centers and pools, complete hiring freezes, closing libraries, furloughing employees (either including or excluding Police and Fire), declining a Cops grant for 11 police officers, closing the Max A. Mandel golf course, canceling this year’s Fire Department Academy, drawing down an additional 1% from the Draw Down Fund Balance, and layoffs.

Mr. Eads reminded Council that furloughing Police and Fire may result in a legal challenge from the associations.

3. THIRD PARTY FUNDING - Tina Martinez, Community Development Director

Tina Martinez, Community Development Director, reported that Third Party Funding Advisory Committee is allocated \$404,814 from the General Fund and \$552,000 from Hotel/Motel occupancy tax revenues. Staff recommends that funding distribution be contingent upon event materializing, meaning that if Third Party Funding agreements are made through hotel/motel tax revenues, that funding is only distributed if the tax revenue is actually realized. Funding distribution may also only be used for food/shelter/health base needs for General Fund applications, and staff is also recommending a 25% reduction for all qualifying organizations and eliminating incomplete applications or non-qualifying organizations. Ms. Martinez explained that funds are reimbursed for events, so if that event does not happen then those funds will not be reimbursed to the organization. That money is not carried over with the organization as per the terms of Third Party Funding agreements.

Robert Eads, City Manager, confirmed that staff can compile a list of the Third Party Funding events that did not happen and/or will likely not happen for Council’s consideration for the determination of those funds.

Ms. Martinez reported that there are some organizations that have historically been funded even though they do not qualify for the public benefit requirement because those funds pay for salaries. She also noted that the Committee and staff recommend prioritizing organizations that meet food, health, and shelter needs, of which there are 15, over other organizations that cater to other objectives like art or sports.

Dr. Martinez countered that some organizations may be considered recreational, like

recovery programs.

Cm. Altgelt noted that since Border Region's request is specific to first aid training and not mental health resources that they defund this organization in the amount of \$10,962 and use the balance to avoid a 25% reduction of SCAN funding.

Cm. Vielma voiced her understanding that Border Region is about to reopen a mental health facility that requires first aid training, noting her preference to keep their funding. Dr. Martinez countered that the Laredo Fire Department can provide that first aid training. Cm. Vielma noted that if the Fire Department could commit to that, she would accept Cm. Altgelt's suggestion as an amendment.

Ramiro Elizondo, Interim Fire Chief, confirmed that the Fire Department can provide training but must cover the expenses for the card, which is \$25 per. Due to COVID-19 guidelines at this time, the trainees would have to attend an online course and then come to the Fire Department for completion.

Motion to remove the funding of Border Region and to use those monies to fund SCAN without a 25% decrease, as amended.

Moved: Cm. Vielma

Second: Cm. Mercurio Martinez

For: 8

Against: 0

Abstain: 0

Motion to approve funding for NeighborWorks in the amount of \$3,000 and Catholic Charities in the amount of \$1,000, as amended.

Moved: MPT Torres

Second: Cm. Gonzalez

For: 8

Against: 0

Abstain: 0

Cm. Altgelt reminded Council that they committed to keep Ruthe B. Cowl funded in the amount of \$100,000 annually and initiated a motion to not fund the organization fully without a 25% decrease.

Cm. Balli agreed that this organization has provided services to adults and children regardless of their insurance coverage or ability to pay.

Motion to fund Ruthe B. Cowl in the amount of \$100,000 without a 25% decrease.

Moved: Cm. Altgelt

Second: Cm. Balli

For: 8

Against: 0

Abstain: 0

Cm. Rodriguez initiated a motion to fund Mercy Ministries in the amount of \$11,000 without a 25% decrease.

Motion to fund Mercy Ministries in the amount of \$11,000 without a 25% decrease.

Moved: Cm. Rodriguez

Second: Cm. Mercurio Martinez

For: 8

Against: 0

Abstain: 0

Cm. Altgelt initiated a motion to defund the Literacy Volunteers of Laredo and utilize the savings to offset other funding changes made by Council.

Motion to defund the Literacy Volunteers of Laredo and utilize the savings to offset other funding changes made by Council.

Moved: Cm. Altgelt

Second: Dr. Marte Martinez

For: 7

Against: 1

Abstain: 0

Cm. Gonzalez

Cm. Mercurio Martinez

Cm. Rodriguez

MPT Torres

Cm. Vielma

Dr. Marte Martinez

Cm. Altgelt

Cm. Balli

Motion to approve the remaining funding and 25% reduction recommendations from staff regarding Third Party Funding except for Casa de Misericordia, to be taken separately.

Moved: Cm. Altgelt

Second: Cm. Gonzalez

For: 8

Against: 0

Abstain: 0

Motion to approve funding for Casa de Misericordia as recommended by staff with the 25% reduction.

Moved: Cm. Altgelt

Second: Cm. Gonzalez

For: 7

Against: 0

Abstain: 1

Cm. Gonzalez

Cm. Vielma

Cm. Rodriguez

Cm. Mercurio Martinez

MPT Torres

Dr. Marte Martinez

Cm. Altgelt

Cm. Balli

MPT Torres noted that the Boys & Girls Clubs submitted their application before the pandemic broke out in Laredo; while they applied for funding under recreation, he voiced his opinion that they could apply the funding for something else or in some other way. He reminded Council that the Clubs provides many programs for Laredo's youth and also relieves many of the City's recreation centers' workload. Fees for the Boys & Girls Club are minimal. Mr. Eads agreed that Council committed to provide funding for the Club.

Cm. Martinez initiated a motion to fund the Boys & Girls Club in the amount of \$20,000. Cm. Altgelt asked for an amended that the City defund the Laredo Amateur Boxing Club and Laredo Children's Museum/Imaginarium and use the savings to offset the funding to the Boys & Girls Club of Laredo. Cm. Martinez accepted the amendment.

Cm. Martinez voiced his understanding that the Laredo Amateur Boxing Club is postponing their events.

Motion to defund the Laredo Amateur Boxing Club and the Laredo Children's Museum/Imaginarium and use the savings to fund the Boys & Girls Club of Laredo in the amount of \$32,000 with no reduction, as amended.

Moved: Cm. Mercurio Martinez

Second: Cm. Altgelt

For: 8

Against: 0

Abstain: 0

Cm. Altgelt initiated a motion to forebear or defer collection of rent for the upcoming year for the Laredo Little Theatre Company.

Motion to forebear or defer collection of rent for the Laredo Little Theatre Company for the upcoming year.

Moved: Cm. Altgelt

Second: None

Motion dies for lack of a second.

Mr. Eads explained that because of the FAA restrictions, the City is legally bound to fund that rental fee. Mrs. Hale reminded Council that the City cannot pay for an organization's rent; they can pay for services but not operations. The Laredo Little Theatre Company submitted their application for funding for rent, which makes them a non-qualifying organization.

Cm. Gonzalez initiated a motion to defund the Laredo Little Theatre Company and give those savings to the Boys & Girls Club of Laredo. Cm. Rodriguez asked if Council could give discretion to management to fund the Club with more money.

Rosario Cabello, Deputy City Manager, reported that she took a tour of the Boys &

Girls Club of Laredo and confirmed that it is closed and in need of repairs. She noted that since the club is closed, the funding could be used towards renovating the building.

Cm. Altgelt suggested an amended that management be given the authority to ensure that those funds go to necessary repairs but also direct any funding up to \$50,000 for programs for safe recreational activities and to lease at no cost the City's mountain bike fleet and instructors. Cm. Gonzalez accepted the amendment.

Dr. Martinez voiced his support of funding the Boys & Girls Club due to the fact that many City and other recreational facilities are going to be closed, and children need something to do as their parents are likely required to go to work. If facilities are providing online programs, such as what the Club is doing, then that should be supported. Mr. Eads confirmed that management is committed to this as well.

To that point, Cm. Altgelt suggested that Council consider also retrofitting Bibliotech locations to create safe online learning spaces.

Cm. Vielma suggested an amendment to authorize the Boys & Girls Club to provide their after-school programs in City facilities while they renovate their own facilities; Cm. Gonzalez accepted the suggestion as an amendment. Cm. Vielma and Cm. Gonzalez clarified that the Boys & Girls Club would use their own staff in these facilities.

Mrs. Cabello reminded Council that the City will require the Club to get the appropriate liability insurance if they are to use City facilities with their own staff, to which Council agreed. MPT Torres noted that the Club, as a national organization, likely already has such coverage.

Motion to defund the Laredo Little Theatre Company and give those savings to the Boys & Girls Club of Laredo for an amount of \$50,000 and to give management the authority to ensure that those funds go to necessary repairs and programs for safe recreational activities and to direct staff to lease at no cost the City's mountain bike fleet and instructors to the Boys & Girls Club of Laredo and authorize the Boys & Girls Club of Laredo to use City facilities for their after-school programs while they renovate their own facilities, as amended.

Moved: Cm. Gonzalez

Second: Dr. Marte Martinez

For: 8

Against: 0

Abstain: 0

Cm. Altgelt initiated a motion to direct management to work with Laredo Little Theatre Company to prevent the loss of their theatre space or eviction.

Mrs. Hale cautioned Council that due to FAA restrictions, the City cannot waive rent for the Laredo Little Theatre and have specific guidelines and restrictions for providing

funding to third parties, which may preclude the City Manager from helping the organization avoid eviction. Ms. Martinez explained that the Airport has a deferment program that might help achieve this objective; Mr. Eads noted that this program only came about because of the CARES Act and staff coordination last month.

Cm. Altgelt amended his motion to that effect.

Motion to direct management to work with the Laredo Little Theatre Company to participate in the rental deferment program as presented by staff under the CARES Act, as amended.

Moved: Cm. Altgelt

Second: Cm. Vielma

For: 8

Against: 0

Abstain: 0

Ms. Martinez explained that the Children Advocacy Center requested funding for forensic interviews, crime victim compensation applications, court school training, child advocacy, medical appointments, a multi-disciplinary team, community awareness and outreach, and other services. Cm. Altgelt noted that these uses constitute the organization's entire operating budget.

Motion to fund the Children Advocacy Center at 100%.

Moved: Cm. Mercurio Martinez

Second: Cm. Vielma

For: 8

Against: 0

Abstain: 0

Cm. Rodriguez initiated a motion to fund Sacred Heart, Laredo Crime Stoppers, and Rio Grande International Study Center at 100%. Cm. Altgelt noted that Laredo Crime Stoppers receive grant funding and additional monies from other entities; Ms. Martinez explained that they are requesting funding for rewards to informants reporting criminal activity as well as advertising.

MPT Torres countered that Laredo Crime Stoppers do not receive funding from many other parties; that is a misconception. They used to be under the Sheriff's Office and are now under the Laredo Police Department, who they assist with anonymous tips. They actually do not qualify for the previous funding that they would have otherwise received.

Ms. Martinez reported that the Rio Grande International Study Center requested to leverage matching funds for a two-year grant from the US Bureau of Reclamation to create a new watershed group.

Motion to fund Sacred Heart, Laredo Crime Stoppers, and Rio Grande International Study Center at 100%.

Moved: Cm. Rodriguez
Second: Cm. Mercurio Martinez
For: 8 Against: 0 Abstain: 0

Dr. Martinez noted that the RGISC watershed group is vital to the community; he asked if Environmental or Utilities staff can do anything or participate in a way to justify funding. Mrs. Hale confirmed that this use of funds legally meets the public purpose standard.

Riazul Mia, Assistant City Manager, confirmed that the Departments frequently work with RGISC for these type of objectives. Cm. Altgelt initiated a motion to fund the Rio Grande International Study Center for the watershed grant matching funds from either the Utilities or Environmental Services Department in the amount of \$17,000.

Motion to fund the Rio Grande International Study Center for the watershed grant matching funds from either the Utilities or Environmental Services Department in the amount of \$17,000.

Moved: Cm. Altgelt
Second: Dr. Marte Martinez
For: 8 Against: 0 Abstain: 0

Ms. Martinez reported the Committee's recommended total budget of \$552,000 for the Hotel-Motel Tax Occupancy for FY20-21 among 12 organizations. Mr. Eads requested that Council give him the broad authority to withhold funding if the events or hotel-motel tax revenues do not materialize. Cm. Altgelt initiated a motion to this effect.

Mr. Eads noted that staff is already aware of some of these events being canceled; Ms. Martinez clarified that they are being canceled in the current year. Mr. Eads explained that Border Olympics has called the City Manager's Office and unofficially informed them that they will cancel their event this year. Nothing has been produced in writing to-date, and more cancellations from other organizations may likely happen in the future.

Cm. Rodriguez voiced his support of management's recommendation. Mr. Eads noted that since Hotel-Motel funds do not affect the General Fund, he discouraged moving funding from one organization to another; giving the City Manager the broad authority to grant or withhold funding from this source would be enough.

Ms. Martinez confirmed that the Laredo Farmers' Market has moved to curbside pick-up. Cm. Altgelt voiced his hope that the Farmers' Market funding would not be affected and amended his motion to this effect.

Ms. Martinez reported that Laredo Main Street always submits three applications, one of which is to pay the salaries of the Director and Assistant Director; Mrs. Hale

explained that this is not an allowable expense for third-party funding with hotel-motel taxes. Cm. Altgelt asked for staff to bring clarification back to Council.

MPT Torres noted that if Mrs. Hale is saying that this type of expense cannot be funded, then Council may not want to move forward with the matter at all. Cm. Altgelt noted that management will have the authority to make that determination; Mr. Eads confirmed that if Mrs. Hale is advising that it is not an allowable expense, then management will not authorize the funding.

Motion to authorize the City Manager to withhold Hotel-Motel Tax Third Party Funding if the events or revenues do not materialize but direct staff to not affect the Laredo Main Street Farmers' Market funding as long as the funding exists contingent to legal interpretation by the City Attorney's Office, as amended.

Moved: Cm. Altgelt

Second: Cm. Rodriguez

For: 8

Against: 0

Abstain: 0

MPT Torres initiated a motion to direct the City Manager and City Attorney evaluate, through the Internal Auditor, any third party funding contracts for contract compliance to ensure that none of the organizations are violating the terms and allowable uses for the City's funds.

Motion to direct the City Manager and City Attorney evaluate, through the Internal Auditor, any third party funding contracts for contract compliance.

Moved: MPT Torres

Second: Cm. Gonzalez

For: 8

Against: 0

Abstain: 0

4. **BRIDGE - Yvette Limon, Bridge Director**

Yvette Limon, Bridge Director, reported that as of June 30, 2020, the estimated FY19-20 bridge toll revenues was \$59,497,099, a decrease of \$10,315,428 (14.8%) from the previous year; the proposed FY20-21 toll revenues is estimated at \$60,092,070 (an increase of 1% from last year's estimate) as of June 30. She reported the toll revenue breakdown as follows:

<u>Category</u>	<u>Dollar Amount</u>	<u>Percentage</u>
Commercial Traffic	\$41,207,499	72.5%
Non-Commercial Traffic	\$12,261,183	22.1%
Pedestrian	\$3,069,248	5.4%

Mrs. Limon estimated that the Department's FY19-20 expenditures total \$59,555,572 and projected a proposed FY20-21 annual expenditure of \$60,808,022, an increase of \$1,252,450 (2.1%). She reported the expenditure breakdown as follows:

<u>Category</u>	<u>Dollar Amount</u>	<u>Percentage</u>
Administrative Fees, General Fund	\$33,162,496	53.7%
Capital Outlay	\$49,914	0.10%
Capital Improvement Fund	\$2,336,034	3.9%
Intergovernmental Transfers	\$11,346,418	19.1%
Personnel Services	\$8,714,161	14.6%
Materials & Supplies	\$704,367	1.2%
Contractual Services	\$3,241,952	5.4%

The Department is currently operating with 34 vacancies and seven unfunded positions with the closure of vehicular traffic at Bridge I. Commercial traffic decreased by 181,114 vehicles this year, a 7.64% reduction. Mrs. Limon estimated that this will increase to 2,209,877 vehicles in FY20-21 (an increase of 21,880 vehicles or 1.0%). All border city ports are experiencing a proportionate decrease in southbound commercial traffic market shares. Since Laredo trades in the auto industry while other cities deal more in perishables, Laredo has a slightly more drastic downward trend. The Bridge System continues with the FAST Lane Relocation project, which is close to being fully designed. Progress is also being made on the World Trade Bridge weigh-in-motion scales and curve paving for existing exit lanes. The Laredo International Bridge Master Plan is in the data-collection phase at this time. Expositions for the Bridge System have been postponed this year due to COVID-19, but Mrs. Limon confirmed that staff will continue to promote the port virtually.

Mr. Eads and Mrs. Limon assured Council that these estimates are highly conservative; there is good potential that these numbers will all improve in the next fiscal year. Cm. Altgelt asked for a staff report at the next Council meeting regarding a status update on Bridge IV/V.

5. FIRE - Ramiro Elizondo, Interim Fire Chief

Ramiro Elizondo, Interim Fire Chief and Emergency Management Coordinator, reported that, through Council and management help, the Fire Department made some necessary equipment replacements and improvements for a total of \$2.6 million investment. The Department currently has 389 staff members with 18 current vacancies and 28 potential vacancies by the end of the year. The proposed FY20-21 budget is \$57.4 million, a \$308 million increase from last year. Personnel makes up about 90% of that budget with contractual services constituting 3% and materials and supplies making up the remaining 7%. Emergency responses increased slightly this last year with more expected in FY20-21.

Chief Elizondo reminded Council that the backup fire engines are nearly past their usable life; staff relies heavily on Council and management support to replace their fire engines and do their best to maintain them as long as possible. However, as time passes, there is less and less that can be done to keep these engines functional.

Cm. Altgelt initiated a motion to direct staff to develop a robust preventative maintenance and chassis rehabilitation program and include options for lighter, more efficient units in the purchase of new fire engines.

Motion to direct staff to develop a robust preventative maintenance and chassis rehabilitation program and include options for lighter, more efficient units in the purchase of new fire engines, as amended.

Moved: Cm. Altgelt

Second: Cm. Mercurio Martinez

For: 6

Against: 0

Abstain: 0

MPT Torres and Cm. Vielma were not present.

Chief Elizondo confirmed that the Fire Department responds to about 65 structural fires a year. In the dry seasons, there may be a brush fire every day that requires Departmental response. He estimated that EMS-assisted responses will total 3,807 incidents for FY19-20 and projected 4,150 responses in FY20-21. Arson fire investigations remains constant at about 35 or 36 investigations per year.

Dr. Marte Martinez initiated a motion to direct staff to develop an equipment list for improved efficiency in responding to calls in hard-to-reach areas of the City. After some brief discussion, he withdrew his motion in order to reconvene for Wednesday, August 12.

Motion to direct staff to develop an equipment list for improved efficiency in responding to calls in hard-to-reach areas of the City.

Moved: Dr. Marte Martinez

Second: Cm. Mercurio Martinez

Motion withdrawn.

Following an overnight recess, Chief Elizondo explained that fire inspectors serve three main functions:

- Develop, maintain, educate, and enforce the adopted codes and standards of the Department
- Focus on Fire code requirements, fire/new building permits and inspections, routine inspections, and ensuring that life safety systems in building are properly installed and maintained.
- Educate the community on fire safety and hazard prevention

Fire inspectors performed 5,804 fire inspections, 112 public education presentations, 926 plat/plan reviews, 117 public complaint investigations, and 100 fire investigations. Currently, three of the fire inspectors are firefighters (a captain, a driver, and a firefighter) with a combined salary of about \$290,000. Article 6.2Q of the Laredo Firefighters' Association collective bargaining agreement, the Association has

managerial rights to “exercising the right to use civilians in the Fire Department to perform duties that do not require a certified firefighter and do not replace positions or duties currently being held or performed by certified firefighters except as mutually agreed to by the City and the Association.” Chief Elizondo noted that both he and the union do not recommend moving all fire inspection positions to civilians as having a certified firefighter out in the field is greatly beneficial to citizens.

Andres Jimenez of the Fire Department explained that other cities use other positions for this purpose called “fire protection engineers” for an average salary of \$75,000; this is not cost-effective for Laredo. Using firefighters in these positions also supports the checks and balances system in the City; also, converting those positions back to the fire trucks does not save any money since those firefighters will move to the fire truck at the same pay, which will require the Fire Department to hire additional civilians to perform those inspection duties. The only savings would be in admitting three fewer cadets in the next Fire Academy. He emphasized that the experience of these firefighter inspectors is an essential asset to the community. He confirmed that two of the three firefighter inspectors are certified paramedics.

Cm. Altgelt noted his opinion that paramedics would be best utilized saving lives. While he agreed that the City would not save money on this conversion in the short-term, there is a long-term savings potential in this conversion. The bureaucracy and cost-prohibitive nature of getting Downtown buildings up to code keeps many of the buildings vacant or condemnable, encouraging new development in the outskirts of the City.

Mayor Saenz asked why the process always necessitates a physical inspection, asking if the Department does not receive plans that could be reviewed instead. Mr. Jimenez confirmed that contractors submit plans that the Fire Department reviews, but a physical inspection is needed to ensure that the building was built to those specifications. Often, Fire staff will perform the inspection and determined that doors or hardware were not installed where they were supposed to according to the (compliant) plans. Physical inspections keep contractors and building owners honest. Inspectors will not perform inspections without stamped plans that the contractors are supposed to obtain from the Building Department.

MPT Torres noted his observation that the complaint that the fire inspectors may be “too strict” may not be due to having certified firefighters or civilians as inspectors but rather a high level of bureaucracy in the system. If Council wishes to make the process easier, he suggested that the solution lies in removing an extra layer of bureaucracy rather than converting positions.

Mr. Jimenez reminded Council that all of the Codes work together: Building, Fire, etc. MPT Torres asked if any exceptions could be implemented for Downtown historical buildings, citing issues that he has heard regarding sprinkler system requirements that result in great expenses to these buildings.

Cm. Balli voiced his opinion the discussion went off topic and asked Council to consider the matter at hand: whether to convert fire inspector positions to civilian staff.

Cm. Altgelt initiated a motion to direct management to begin a conversation with the Laredo Firefighters' Association to transition the certified paramedics currently serving as fire inspectors into the field and open the vacancies for civilians.

Mr. Jimenez noted that salary comparisons for the various positions among other cities are available online. He added that the Fire Department's turnaround time for fire inspections is not very long. Dr. Martinez voiced his doubt that the only mistakes being made are the developers changing their plans; if a Department is moving very quickly, it is more likely that something periodically falls through the cracks.

Cm. Martinez agreed with Mr. Jimenez's argument that the City should be working toward bringing the lower-rung employees up rather than bringing down higher-paid employees.

Cm. Balli countered that the motion to begin a conversation about this matter is nonsensical as Council has just heard from the Fire Marshall on the matter.

Motion to direct management to begin a conversation with the Laredo Firefighters' Association about the feasibility of transitioning the certified paramedics currently serving as fire inspectors into the field and open the vacancies for civilians.

Moved: Cm. Altgelt

Second: Cm. Mercurio Martinez

For: 6

Against: 1

Abstain: 0

Cm. Rodriguez

Cm. Balli

Cm. Mercurio Martinez

MPT Torres

Cm. Vielma

Dr. Marte Martinez

Cm. Altgelt

Cm. Vielma was not present.

Chief Elizondo reminded Council that removing fire prevention components to the fire inspections puts Laredo's firefighters in danger if they are ever called to respond to a fire. He reported that Fire Station 6 has requested ambulance activation to help alleviate heavy ambulance traffic in the area, which receive approximately 1,494 calls a year. The cost would be a one-time cost of \$330,000 for the ambulance and equipment, an annual \$1,021,500 personnel cost (the Department would need nine additional positions at annual salaries of \$72,000 plus \$31,000 in benefits), and additional \$48,000 annually for other operations.

Cm. Vielma voiced her understanding that the law requires a nine-member crew for

the ambulance, but it appears to simply be a clause in the Association's contract; she initiated a motion to approve the cost for an ambulance but to discuss an amendment to the Laredo Firefighters' Association collective bargaining agreement that allows for cross-trained personnel to utilize the appropriate vehicle for each response.

Mr. Eads cautioned Council that any approval of funding would require a source of funding; there are no identifiable sources of funding at this time and nearly nothing for the City to use to approve additional expenditures. CARES Act dollars have already been directed towards an eligible ambulance; past that, the City cannot use or be reimbursed for any more CARES Act funds for this purpose. MPT Torres noted that while he supports first responders and law enforcement and appreciates how needed an additional ambulance may be in the community, he would heed management's recommendation. The recurring expenses is also a cause for concern.

Chief Elizondo noted that the Department will have about 30 vacancies by the end of the year; if not for the staffing associated with this ambulance, he would be fighting to acquire this piece of equipment. However, there is not enough personnel to utilize this ambulance this year.

Dr. Martinez reminded Council that purchasing a new ambulance today does not mean that it will go into service right away; he ordered one last year and it has still not become available, though it was received by the City. He emphasized the importance of preparing for the upcoming Fire Academy with the necessary equipment and with the intention of protecting Laredo's citizens.

Rosario Cabello, Deputy City Manager, stated that it takes about 18 months to complete the testing and all necessary processes for the new Fire Academy. Once the Academy begins, the City will have to pay these individuals, and she reiterated that there is no funding source to provide that pay. Dr. Martinez asked Cm. Vielma to defer her motion for this year given the budget shortfall and the uncertainty of the upcoming year.

Cm. Altgelt noted that the City has a small fleet of unusable ambulances and a pandemic still in effect with whatever unknown viruses or superbugs that may be mutating; securing ambulances and paramedics to meet the potentially increased medical needs of the community should be addressed in a feasible way. Chief Elizondo noted that approving more overtime would be the only way to achieve that objective; the Fire Department simply does not have the staff to man more ambulances.

Cm. Vielma voiced her opinion that just the purchase of the ambulance would be beneficial because it would replace an unusable unit in the fleet. Chief Elizondo reiterated that the new ambulance has an inherent staffing issue that would bring up grievances in the Department. District V was supposed to get a new ambulance and was passed up two years in a row despite having three nursing homes and other high medical need.

Chief Elizondo agreed that the ambulance is needed but with personnel; it would not be any good to buy an ambulance without personnel because it will sit unused or reserved as backup. Mr. Eads noted management's agreement with both the Council Member and Chief Elizondo; everything is on the table as a potential cut, including this ambulance. While health and safety were priorities for this budget, he reminded Council that they have not heard yet from the Police Department or Health Department or seen the other features that were prioritized in this budget.

MPT Torres stated that purchasing the ambulance with unknown funds would be pointless if it is going to sit unused as per Chief Elizondo's presentation. Cm. Altgelt voiced his frustration that the City appears to be hamstrung with the Firefighters' Association's collective bargaining agreement, asking if there is any ability to negotiate temporary changes or reallocations to help the citizens of Laredo in a time of crisis where first responders are having delays in some parts of the City.

Chief Elizondo countered that there are no delays in first response times.

Cm. Rodriguez reminded Council that North Laredo has at least five ambulances while South Laredo has only two. If there is an ambulance to be purchased, there is a bigger need in South Laredo. Mayor Saenz suggested that Council consider their District Priority Funds for this need if they feel very strongly about ambulances in their districts.

Gilberto Sanchez, Budget Director, agreed that the Fire FTEs and equipment are needed but reminded Council that they will both have recurring costs for the General Fund, which the budget cannot accommodate at this time. The only available source of recurring revenue that could be utilized is the 8% tax cap offered by the state, which he noted neither Council nor staff supports. Mr. Eads added that nearly all of the FTEs that were added during this budget presentation have been for public safety.

Cm. Vielma withdrew her motion.

Motion to approve the cost for an ambulance but direct staff to discuss an amendment to the Laredo Firefighters' Association collective bargaining agreement that allows for cross-trained personnel to utilize the appropriate vehicle for each response.

Moved: Cm. Vielma
Second: Cm. Altgelt
Motion withdrawn.

Cm. Vielma initiated a motion to move the ambulance from Station 3 to Station 6. MPT Torres argued that this seems to be a personal issue rather than a budgetary one, voicing his discomfort discussing this matter at this meeting.

Kristina L. Hale, Assistant City Manager and Acting City Attorney, noted that this is a

unmarked units (\$115,028) as well as a camera system upgrade for \$10,817 out of the Police Trust Fund. The Department's current booking room lock/entry system was replaced for a total cost of \$167,500 out of the trust fund, and the records management system will be converted to Tyler Technologies for \$1,646,476 (paid equally between the Police Trust Fund and Municipal Court). The new system will provide Police, Fire, and Municipal Court departments with Public Safety software and services including Computer Aided Dispatch, Records Management, and electronic citations. Chief Treviño reported that FY20 Police Department Projects include peer support, four emotional support dogs, a Downtown substation, and a Lexipol/policy manual update through an accreditation process estimated to be January 2021. The Downtown substation will allow walk-ins seeking police services; the move-in date is estimated to be late August with an estimated completion date of December 2020.

Chief Treviño reported that the Police Department received almost \$6 million in state and federal grants and submitted applications for over \$7 million in grants for 2021. Crimes against persons (CAPERS) increased slightly in 2019 while crimes against property (CAPROS) decreased. He assured Council that police officers are doing everything they can to make Laredo the safest city to live in Texas. The Department is using statistical data as well as the real time crime center to multiply the police presence in the community; there is also a new LPD app that allows citizens to submit anonymous tips for any suspected criminal behavior that they observe. The app is being promoted on the Department's social media pages and website. He clarified that most crimes against persons, particularly assaults, occur among people who know each other, not necessarily strangers. He confirmed that the Community Relations division can visit with Homeowners' Associations or businesses to provide training and tips on how to make their homes or businesses less attractive for burglaries or other crimes. Because of the daily reports compiling statistical data, the Department has increased the patrols in the community to improve public safety.

Robert Eads, City Manager, voiced his understanding that park dedication fees can be used for police camera installation in the parks, though he noted that staff can confirm that fact. He clarified that cameras are such a diminutive asset that Council should not try to finance them with District Priority Funds. He added that cameras without lighting are not useful, and lighting is needed in all parks across the City.

Dr. Martinez disagreed, noting that callboxes and cameras would help citizens feel safer while they are in parks. He asked staff to confirm if those installations could be paid for with District Priority Funds. Cm. Altgelt reminded Council that some brutal murders and other tragedies or crimes have occurred in Laredo's parks. While he agreed with Mr. Eads's argument that cameras may not be a desirable purchase to finance, he noted that the long-term result of increased public safety in parks would be worthwhile if the City can fully address lighting and cameras across all areas of all parks once and for all.

Dr. Martinez noted his intention to see a five-year plan on incorporation of callboxes

and cameras in the City's parks in strategic locations to improve public safety. Although that cannot be done today, he asked staff to emphasize this objective moving forward. He initiated a motion to task management with a plan to properly fund and execute callboxes and cameras throughout the City of Laredo, specifically its parks, as a capital outlay project using any available resources.

Mr. Eads reminded Council that there are over 850 cameras throughout the City and counting, both indoors and outdoors; the real time crime center has access to all of them. Chief Treviño added that the longevity of camera systems are like any computer system; after two years, they should be revisited for any upgrades.

Motion to task management with a plan to properly fund and execute callboxes and cameras throughout the City of Laredo, specifically its parks, as a capital outlay project using any available resources.

Moved: Dr. Marte Martinez

Second: Cm. Altgelt

For: 8

Against: 0

Abstain: 0

Chief Treviño reported that, for the third year in a row, Laredo was listed as the Safest City in Texas in relation to auto theft crimes by the National Insurance Crime Bureau (NICB); the City is also ranked 286 out of 300 national cities for auto theft crime. He cited numerous additional community outreach programs that are completed throughout the year. The Police Department has submitted \$1,374,861 to the Finance Department for CARES Act reimbursement due to COVID-19 related expenses. COVID-19 enforcement was reported as follows:

Parks Checked	5,577
Complaint Calls	2,735
Inquiries	2,850
Business Checks	11,242
Price Gouging Checks	104
Citations Issued	1,215
Arrests	4
Total	27,027

Chief Treviño requested to use the contract labor budget and a portion of minor apparatus budget to create three new needed FTEs with zero financial impact to the current proposed budget. The positions are a custodian and Clerk III in Administration as well as a Clerk III in Records. Dr. Martinez initiated a motion to approve this request.

Motion to approve the request for three new FTEs using the contract labor budget and a portion of minor apparatus budget for zero financial impact to the current proposed budget.

Moved: Dr. Marte Martinez

Second: Cm. Gonzalez

For: 8

Against: 0

Abstain: 0

The Department also requested capital outlay such as \$3,266,000 for 46 fully equipped marked police units (at an approximate cost of \$71,000 each) to replace units that have been disposed of or sidelined due to total loss, maintenance issues, or the units' end of life in which the cost to maintain these units exceeds their value. Also requested is \$308,000 to replace 11 unmarked vehicles at an approximate cost of \$28,000 each for a capital outlay total of \$3,574,000.

Motion to postpone the capital outlay acquisition for six months.

Moved: Cm. Altgelt

Second: Cm. Rodriguez

For: 8

Against: 0

Abstain: 0

Chief Treviño informed Council that the Department is continuing Phase I (the design phase) for the annex building; the Department may need to reconsider the location due to FAA's denial of the land sale. A funding source will need to be identified in order to move into the construction phase of this project.

Cm. Altgelt initiated a motion to direct staff to add to the legislative agenda the removal of FAA restrictions so that the City may develop the old Air Force base area for both City departments and economic development opportunities.

Motion to direct staff to add to the legislative agenda the removal of FAA restrictions so that the City may develop the old Air Force base area for both City departments and economic development opportunities.

Moved: Cm. Altgelt

Second: Dr. Marte Martinez

For: 7

Against: 0

Against: 0

Cm. Gonzalez was not present.

7. **MUNICIPAL COURT - Jesus Dominguez, Municipal Court Judge Ana L. Rodriguez, Municipal Court Clerk**

Ana Rodriguez, Municipal Court Clerk, reported the proposed FY20-21 revenues to be \$5,186,841 (a 3.6% increase over the FY19-20 estimate) with \$2,258,753 in expenditures. In-person proceedings were suspended beginning March 16, 2020; virtual courts began April 6.

Robert Eads, City Manager, noted that Municipal Court has a large collection balance that they will coordinate with their recently-contracted collection firm. This is expected

to bring in significant revenues in the upcoming year. Mrs. Rodriguez confirmed that the collection agency agreement was awarded February 2, 2020; however, the pandemic delayed the onset of those collection services. She added that staff is looking into more online options for citizens to enter pleas or pay fines without having to make an appearance.

Mrs. Rodriguez reported that 50,227 cases were filed in FY19-20 (a 12% decrease from last year) with 118,974 cases closed. In FY20-21, she projected that 57,000 cases will be filed and 60,000 cases closed. Municipal Court expects to allocate the payment of 17,000 paid cases to the proposed detox center, about \$350,000. She confirmed that all of Municipal Court's revenues go to the General Fund. The Court has 28 FTEs with four vacancies and two unfunded positions; she noted that staff are not requesting any changes to their personnel this year.

MPT Torres noted that both Associate Municipal Court Judges are both funded at 50%; Council has discussed multiple times whether to fully fund them and noted that now might be appropriate to do so given the virtual hearings ongoing at this time. He asked about the feasibility of unfunding the vacant Court Clerk positions and instead fully funding those Associate Municipal Court Judges.

Rosario Cabello, Deputy City Manager, reminded Council that the vacancies in Municipal Court are frozen; if more cases are filed, then that would potential provide more revenues. She suggested that Council wait for revenues to come in before making a decision on this issue. Mrs. Rodriguez noted that if the COVID-19 situation improves, Municipal Court may hold in-person and virtual hearings that may necessitate the Associate Municipal Court Judges working more than half-time. She cautioned Council that the Department cannot afford to have those three vacancies (Court Clerks) taken away. She confirmed that staff utilizes the renovated court rooms despite holding virtual hearings.

Cm. Vielma observed a significant improvement in the Municipal Court's distribution of cases; it is faster and easier for citizens to have their cases heard and completed. She voiced her opinion that the distribution of personnel is best left under the purview of the Judge. Mr. Eads noted that management and staff agreed that they were not requesting personnel changes at this time but would reevaluate the situation in the next six months.

Dr. Martinez noted that the City will experience a significant return on investment with the potential personnel changes, though he agreed that if Judge Dominguez has not made these requests then Council should respect that.

Mrs. Rodriguez explained that before the onset of COVID-19, the Municipal Court completed eight court dockets plus about 10 scheduled trials each week; since virtual court proceedings began on April 6, the Court has been completing about 10 court dockets and two to three bench trials per week. As of August 6, Municipal Court has completed 174 court sessions with 4,821 participants over 30 trials. The Municipal

Court building closed to the public effective June 29 and will continue with virtual court proceedings. Before staff resumes in-person proceedings, they will be required to submit a COVID-19 operational plan for approval; virtual proceedings are still expected to continue even after in-person proceedings resume. Online court payments have increased each month, and the Court acquired an x-ray/scanner through the building security funds this past year. Municipal Court completed a Disaster Recovery Services project this year for \$13,000; in-progress projects include an online record search (\$5,000) and a paper-light content management program that offers more online services (\$40,000) and is expected to be fully transitioned before the Court resumes in-person proceedings.

Dr. Martinez voiced his opinion that there is a potential to have magistrate hearings at Municipal Court, noting that he deferred to Judge Dominguez on the matter. Mrs. Rodriguez noted that it has been vaguely discussed with no plans being formulated.

8. HEALTH - Richard Chamberlain, Interim Health Director

Richard Chamberlain, Interim Health Director, reported that the approved FY19 budget was \$19,577,108; the proposed FY20 budget is \$19,268,271 with 235.48 FTEs, of which 176 are grant-funded. Of the proposed FY20 budget, 74% (\$14,187,947) is grant-funded while the remaining 26% (\$5,080,297) comes from the General Fund. He reported all funding sources as follows:

Department of State Health Services	\$10,542,893	55%
General Fund	\$5,080,297	26%
Federal	\$2,236,667	12%
Other	\$1,408,414	7%

Mr. Chamberlain reported General Fund Expenses by category as follows:

Personnel	\$3,306,639	65%
Contractual Services	\$1,444,247	28%
Materials & Supplies	\$303,751	6%
Debt Service	\$25,660	1%

The Health Department has committed to “holding the line” on the General Fund balance by refraining from filling six FTEs and reducing overtime. The Department has secured several new grant awards for various purposes, as follows:

<u>New</u>	
Special Needs Project	\$127,561
Veterans Mental Health Project	\$150,000
COVID-19 Response	\$824,218
IDCU COVID	\$1,177,074
Diabetes Prevention (Pending)	\$125,000

The Department's COVID-19 response can be funded through CARES Act reimbursements through December 31, 2020; 26 employees were transferred for contact tracing. The Department also performs testing, laboratory support, personal protective equipment securement, and technology assistance. All Health services have continued throughout the year through innovative service delivery methods. Aside from COVID-19, the Health Department also addressed the continuing needs of other public health challenges in the community, such as degenerative disease, behavioral disease, substance use, injury prevention, and emerging and novel communicable diseases.

Mr. Chamberlain reported the Department's capital outlay needs to include a phone system (\$71,748), a 40-camera security system (\$123,000), and Vital Statistics software (\$57,507) for a total of \$252,255. Personnel needs include a Clerk III (\$45,345) and Registered Nurse II (at 25%, or \$24,846) positions for a total of \$70,191.

Council thanked Mr. Chamberlain for his dedication and efficiency as Interim Health Director during the pandemic.

9. **PARKS & RECREATION - Juan Jose Gomez, Parks & Recreation Director**

Juan J. Gomez, Parks & Recreation Director, reported that of the Department's 229.34 FTEs, there are currently only 157 FTEs employed at this time; 24 positions have been unfilled and unfunded. Multiple employees were temporarily reassigned to other Departments to assist with COVID-19 responses or other services due to the reduction of Parks services being offered during the pandemic.

Robert Eads, City Manager, reminded Council that the Parks Department took great initiative and made difficult sacrifices and adjustments to help meet the needs and struggles of the City.

Cm. Mercurio Martinez initiated a motion to direct staff, at the discretion of management, to negotiate with the school districts for a Memorandum of Understanding for the use of swimming pools.

Mr. Eads suggested that the motion give the discretion to the City's health authority rather than the City Manager; Cm. Martinez accepted the amendment but included both entities.

Cm. Vielma asked for an amendment to allow private schools or private teams to participate in MOUs as well, to which Cm. Martinez agreed and added Laredo College to the motion as well.

Motion to direct staff, at the discretion of management and the local health authority, to negotiate with the public and private school districts, Laredo College, and private teams for Memoranda of Understanding for the use of swimming pools, as amended.

Moved: Cm. Mercurio Martinez

Second: Cm. Vielma

For: 8

Against: 0

Abstain: 0

Mr. Gomez noted that the Department's outdoor biking has seen a total of 2,466 riders; Cm. Altgelt recalled the day before allocating the City's bicycle fleet to the Boys & Girls Club of Laredo, which now seems premature as many residents are utilizing the City's bicycles. He initiated a motion to rescind the allocation of the City's bicycle fleet to the Boys & Girls Club of Laredo.

Motion to rescind the allocation of the City's bicycle fleet to the Boys & Girls Club of Laredo.

Moved: Cm. Altgelt

Second: Cm. Vielma

For: 8

Against: 0

Abstain: 0

Mr. Gomez reported the Parks & Recreation Department's proposed FY20-21 budget at \$14,724,546. Staff maintains approximately 1,185.50 acres of parkland and assists with numerous projects, events, and festivals throughout the year. The Horticulture and Forestry Division continues to operate the Canseco House, community gardens, tree planting, and other programs. From October 2019 to mid-March 2020 when the recreation centers were closed to the public, Mr. Gomez reported that over 143,000 members attended the recreation centers. Summer programs are a large revenue stream for the Department but were not offered this summer due to COVID-19. Projects have been completed and are forthcoming in every Council district, including the City of Laredo-TAMIU tennis court complex.

10. TRANSIT - Claudia San Miguel, Transit General Manager

Claudia San Miguel, Transit General Manager, reported that the Department's FTEs are in line with previous years except for the addition of two part-time cleaners that are fully dedicated to cleaning buses at the Transit Center after each trip. The Department's proposed FY20-21 budget for Maintenance & Operations is \$16,886,512 with CARES Act reserves of \$5,280,032. While El Metro has experienced a reduction in ridership, every dollar in the budget is being used for its intended purpose, such as fleet repairs. She confirmed that about 50% of the City's bus stops are missing shade structures.

Cm. Rodriguez reminded staff that prior Council action directed an ordinance or mandate to shade all City bus stops. Mrs. San Miguel voiced her understanding that the motion was related to sidewalks, not bus stops. Rosario Cabello, Deputy City Manager, clarified that staff would have to review the minutes of that action because it was based upon funding, to her recollection.

Robert Eads, City Manager, agreed that the motion was for sidewalks rather than bus stops; the other issue is that the \$4 million for street paving is no longer available as the monies were reallocated for emergency issues and budget shortfalls. Street paving stopped when the pandemic began in mid-March.

Dr. Marte Martinez reminded Council that they wanted to wait for a road study to be completed before they began paving these streets. Cm. Gonzalez suggested bringing this matter up at the next Council meeting.

Motion to direct staff to create a procedural plan for completing the remaining shaded bus stops.

Moved: Cm. Rodriguez

Second: Dr. Marte Martinez

For: 8

Against: 0

Abstain: 0

Mrs. San Miguel reported that the fixed route ridership decreased by about 75%; those lost fares as well as the waiver of fares for about six to seven weeks had a significant financial impact on the Department. She noted that every study available to her shows that El Metro needs transit hubs (and the land to place them) that stop bringing every bus Downtown. Several capital projects and fleet updates are in the works despite the budgetary constraints.

11. **PUBLIC WORKS - John Orfila, Public Works Director**

John Orfila, Public Works Director, reported the proposed FY20-21 annual budget as \$11,169,345, an increase from last year's estimated \$9,443,584. This increase is largely due to the Public Works Department acquiring the City Cemetery and the construction duties of the Parks & Recreation Department. The Department has 170 FTEs and completed 154 projects in the last year. He noted the Department's performance measures for the last year, as follows:

Street Paving Projects	248 blocks
Storm Drainage Maintenance	189 inlets
Creek Maintenance	150 acres
Building Maintenance	1,350 work orders
Street Repairs-Pot Patchers	22,300 pot holes
Street Cleaning-Sweepers	41,090 lane/miles

Mr. Orfila agreed that over-irrigation is the main problem with street paving issues because it undermines the sidewalks, curbs, and gutters. He presented a Maxx Gravity Premixed Slurry Seal Applicator that will help extend the life of the City's streets; Robert Eads, City Manager, informed Council that this item is on the agenda for the August 17 Council meeting for approval. The funding comes from Public Works funds, not from the General Fund. He cited numerous completed and ongoing projects within the Department.

MPT Torres and Cm. Mercurio Martinez commended the Public Works Department for their excellent maintenance and beautification of the City Cemetery.

17. CAPITAL IMPROVEMENT PLAN - Riazul Mia, Assistant City Manager

Riazul Mia, Assistant City Manager, reported that the City has \$358 million proposed for next year in the total \$1.2 billion FY21-25 Capital Improvement Program. Staff identified up to \$358 million for FY20-21 in funding sources. Multiple major projects are forthcoming in FY20-21, bond-funded in the Enterprise Fund for \$53,500,000, including:

- Line rehab and contingency/water breaks
- Sewer rehab and contingency/sewer breaks
- Lyon tank improvements (District 4)
- 36" SS rehab (District 3)
- El Pico improvements
- Unitec elevated tank
- Cuatro Vientos booster station
- Loop 20 water line for TxDOT
- North Laredo Wastewater Treatment Plan demolition/relocation of belt press
- Zacate Creek tunnel
- Backwoods gravity line
- Heritage Park interceptor
- Water tank improvements
- Springfield extension

The Department is also proposing a \$16 million bond sale for Solid Waste for equipment replacement, landfill purchase, and the design and permit for a new landfill cell. The Department requested a total of \$34,365,589 for capital outlay but could only fund about \$16 million through the Enterprise Fund; the remaining \$18 million in the General Fund could not be funded.

Motion to adopt the Capital Improvement Plan as presented.

Moved: Cm. Altgelt

Second: Cm. Gonzalez

For: 7

Against: 0

Abstain: 0

Dr. Marte Martinez was not present.

13. UTILITIES - Michael Rodgers, Interim Utilities Director

Michael Rodgers, Interim Utilities Director, informed Council that the City has two water plants, six wastewater plants, 1,119 miles of water lines, 785 miles of sewer lines, 75,550 water accounts and 70,173 sewer accounts. The Department added four

FTEs in FY20-21 for distribution to provide for more flushing and valve maintenance. He cited several completed Utilities projects, such as the Downtown waterline replacement, San Isidro 2.5 MG elevated storage tank, Administration building expansion at Daugherty, a materials storage canopy, and the South Laredo Wastewater Treatment Plant 12 to 18 MGDD expansion.

Ongoing Utilities projects include the following with their associated costs:

Honeywell Energy Efficiency Program Phase 1	\$10,009,256
Risk & Resiliency & Emergency Response Plan	\$169,897
El Pico Reliability Improvements	\$1,867,000
60" Water Transmission Main Erosion Control	\$168,000
Energy Efficiency Program	\$1,342,072
Flores St. Drainage Improvement	\$408,451
Water Master Plan (five-year plan)	\$983,875
Lyon St. Booster Sta. North Ground Tank Rep.	\$9,017,077
El Pico Repairs & Improvements	\$5,346,204
Downtown Waterline Replacement	\$460,859

Dr. Marte Martinez noted that the City has been unable to utilize its sludge for anything useful, stating that Waco and Houston have dried their sludge and used it for fertilizer or other efficient purposes or sale. He asked if something similar could be done in this community. Mr. Rodgers stated that since the sludge is so spread across the City, that creates some issues for staff as far as treatment and odors; the economy and various applications of sludge is not as easy to address as suggested by Dr. Martinez. The new landfill going further out gives staff the opportunity to haul the sludge and do something with it. Most other Texas cities "land apply" their sludge in which farmers will take it for their purposes as long as the municipality removes the debris from it. However, there are not farms in the vicinity to take Laredo's sludge. He clarified that the sludge does help the landfill to an extent with its degradation process, though it costs \$700,000 a year to haul it away.

Dr. Martinez initiated a motion to direct staff to research a program for the use of sludge as a revenue stream. He asked that staff bring a report back to Council in the next couple of months.

Com. Mercurio Martinez asked that staff research the consolidation of that solid waste from all of the plants; Dr. Martinez clarified that it is all taken to the landfill. Mr. Rodgers reported that a third party company has approached the Department with an offer to facilitate contracts with farmers who will take the sludge, but he noted that there are several steps that must be taken to take advantage of these offers.

Motion to direct staff to research a program for the use of sludge as a revenue stream.

Moved: Dr. Marte Martinez

Second: Cm. Mercurio Martinez

For: 6

Against: 0

Abstain: 0

Cm. Gonzalez and Cm. Altgelt were not present.

Mr. Rodgers reminded Council that energy efficiency projects will pay for themselves in a 10-year period from the energy savings that they will generate. He stated that the El Pico plant will have some replacement because it is needed; unfortunately, the designers of that plant did not give the City what was needed. The lawsuit damage model of \$40 million is not going to be recovered. Mayor Saenz agreed that the designers and contractors instituted an egregious wrong upon the City, likening it to a criminal act. As a result, utility users are paying double or more for their services.

Cm. Martinez noted that this plant is the result of poor planning by the designers as well as poor decisions on the Council at that time. In light of the current lawsuit, Dr. Martinez suggested that Council refrain from talking about the matter further.

Mr. Rodgers continued that the Department is pursuing water quality projects to improve flushing, disinfection, and pumping throughout the City.

Cm. Martinez initiated a motion to forego billing the Parks & Recreation Department for the use of water for FY20-21. He argued that while the Utilities Department is struggling like every other Department, they have an Enterprise Fund that is relatively healthy.

Robert Eads, City Manager, cautioned Council that the Enterprise Fund is nosediving quickly. He recommended that Council not go down the proposed route. Riazul Mia, Assistant City Manager, noted that part of the Master Plan is a rate study of all of the current and alternative rates across the board.

Dr. Martinez suggested that Council look at ways to ensure that parks are not over-metered; big changes to the budget as proposed by Cm. Martinez would be too drastic at this time, and he noted that he would not be able to support the motion as worded. In light of the discussion, Cm. Mercurio Martinez withdrew his motion.

Motion to forego billing the Parks & Recreation Department for the use of water for FY20-21.

Moved: Cm. Mercurio Martinez

Second: Cm. Rodriguez

Motion withdrawn.

Mr. Rodgers encouraged Council to visit the website soslaredotexas.com, an educational campaign to inform the public on the dangers to Laredo's water and sewer lines by flushing improper items or rinsing grease and fat down drains. Coloring books have also been made for children at the water museum to teach children about

the water system and clogs. He assured Council that the public can expect less boil water notices in the future, noting that there are no foreseeable issues that would lead to a boil water notice.

Motion to direct staff to start the water conservation campaign online.

Moved: Cm. Vielma

Second: Cm. Rodriguez

For: 6

Against: 0

Abstain: 0

Cm. Gonzalez and Cm. Altgelt were not present.

Mr. Rodgers informed Council that the Utilities Advisory Committee needs new members. He cited several ongoing CIP projects.

16. ECONOMIC DEVELOPMENT/LAREDO ECONOMIC DEVELOPMENT CORPORATION - Teclo Garcia, Economic Development Director Gene Lindgren, LEDC President & CEO

Teclo Garcia, Economic Development Director, reported that there are no changes to the budget from last year to this.

Cm. Altgelt initiated a motion to place the 4A/4B back on the City's legislative agenda for the next legislative session. Dr. Marte Martinez noted that the reason why Laredo was denied this conversion was because of the appearance of the City creating a slush fund. While a plan to address attracting businesses to Laredo in line with the Comprehensive plan should have begun as soon as Mr. Garcia joined the City, he acknowledged that such a plan is time-consuming and requires dedication. It is very hard to accomplish these objectives without funding. Having some funding through a 4A/4B taxation would be helpful to the City.

Mr. Garcia noted that the top priorities from the Comprehensive Plan in terms of industry recruitment were manufacturing and healthcare. Cm. Vielma urged Council to seriously commit to the defeasement of the sports venue tax so that 4A/4B taxation can be a reality for Laredo. She voiced her hope that Governor Greg Abbott will reconsider his veto of the conversion but noted her doubt that he would do so if Council does not unite on the sports venue tax pricetag.

Mayor Saenz agreed, noting that Council must be clear and concise on their plan for the tax structure to avoid the appearance of a slush fund. Mr. Garcia advised Council that they must commit their funds to workforce training as it is the most acceptable reason for the Governor to consider when granting the benefit of the doubt.

Cm. Altgelt reminded Council to consider tech jobs for the community, to which Mr. Garcia agreed and added that every business, even every building, needs a trained tech position.

Dr. Martinez asked management to place an item for defeasing the sports venue tax to the next Council meeting under his discussion section.

Motion to place the 4A/4B issue back on the City's legislative agenda for the next legislative session.

Moved: Cm. Altgelt

Second: Dr. Marte Martinez

For: 7

Against: 0

Abstain: 0

Cm. Rodriguez was not present.

Gene Lindgren, Laredo Economic Development Corporation President, reported that the Laredo EDC has a total City-contracted budget of \$560,000 with five EDC and three MileOne/IBAC staff members; this budget is consistent with last year's budget as well with no cost increases. The Laredo EDC receives 434 website hits outside of the city per month and landed three projects for a total capital investment of \$26 million, 335 new jobs created, and 100 retained jobs. The EDC currently has five active projects with capital investments of \$7.5 million and 255 new jobs created.

MileOne has 62 members with 55 start-ups or expansions; the organization receives about 525 website hits per month and held 15 workshops and 11 webinars with over 5,000 participants among community members. Mr. Lindgren reported that the Sunset Produce Economic Impact Study was initiated by Laredo EDC and resulted in an investment of \$25 million and 322 construction jobs. The operations will utilize 240 jobs with 80% of them paying \$13.50 per hour. There is a \$35 million per year economic impact to the community from 2020-2025 and a \$920,000 per year tax impact in that time as well. This constitutes a \$420,000 property tax increase on average.

Cm. Vielma initiated a motion to approve the Laredo EDC's budget with an increase of \$10,000. Robert Eads, City Manager, clarified that the budget as presented was already approved by Council on Monday evening. Cm. Vielma amended her motion to approve the \$10,000 increase.

Cm. Mercurio Martinez asked if this increase could be reviewed in six months; Mr. Lindgren confirmed that the EDC will find a way to fund that remaining \$10,000.

Motion to revisit an increase of \$10,000 to the Laredo Economic Development Corporation within the next three to six months, as amended.

Moved: Cm. Vielma

Second: Cm. Mercurio Martinez

For: 7

Against: 0

Abstain: 0

MPT Torres was not present.

18. LAREDO REGIONAL MOBILITY AUTHORITY - Jed Brown, RMA Chairman

Jed Brown, RMA Chairman, clarified that the contribution that the RMA is going to request from Council for the Interlocal Agreement for the Vallecillo Road project is not needed until 2023 or 2024. He reminded Council that only one major arterial that moves commerce to and from World Trade Bridge is FM1472, which handles 60,000 average vehicles at peak hour compared to only 58,000 vehicles on IH-35 during that same time; 60% of the traffic on FM1472 is composed of tractor trailers, the highest of any other roadway in Texas. The region has 11 industrial parks and four residential subdivisions in the region with limited access from FM1472 to IH-35; the high traffic with limited mobility infrastructure is problematic in the community. Recently, the RMA partnered with the Laredo Metropolitan Planning Organization to commission HNTB Corporation to perform a 20-year Master Plan for transportation and mobility in the region (North Laredo Webb County Transportation Planning Study) in 2019; the study, completed in March 2020, concluded that more roadways are needed for mobility in the region.

Mr. Brown presented a transportation network that would provide solutions to the limited mobility in the FM1472 region, noting that more roadways and interconnectivity will result in more businesses and jobs, a higher tax base in the area, better circulation, and improved roadway safety and emergency response. The land south of Vallecillo Road is ripe for development. Developing in phases will help prevent putting too much traffic on the road all at once. The total cost of the project is \$41,471,000; the RMA has committed \$4 million while the Killam Company and the City of Laredo have committed \$5 million each, leaving a funding gap of \$17,471,000. He voiced his belief that TxDOT will see this project in a very favorable light, especially when considering the cost-sharing of a true public-private partnership.

Mr. Brown identified the next steps of the Vallecillo Road project, assuming TxDOT funding is secured:

1. Execute interlocal agreement with the City of Laredo August 2020
2. Complete geotechnical studies and commence traffic studies in 2020
3. Commitment of gap funding from TxDOT in 2020-2021
4. Environmental starts again in 2021 (early to mid-year)
5. Design starts in mid to late 2021
6. Environmental is clear in 2023-2024
7. City of Laredo funding needed late 2023-early 2024
8. TxDOT letting would occur in mid to late 2024
9. Construction complete by late 2025 to early 2026

Cm. Altgelt initiated a motion to execute the interlocal agreement with the RMA.

Motion to direct staff to execute an interlocal agreement with the Laredo Regional

Mobility Authority pertaining to the Vallecillo Road project.

Moved: Cm. Altgelt

Second: Dr. Marte Martinez

For: 8

Against: 0

Abstain: 0

Dr. Marte Martinez initiated a motion to direct staff to find a funding source for large, shovel-ready infrastructure projects.

Motion to direct staff to find a funding source for large, shovel-ready infrastructure projects.

Moved: Dr. Marte Martinez

Second: Cm. Gonzalez

For: 8

Against: 0

Abstain: 0

Cm. Altgelt noted that currently, an individual must be 21 years of age to have a Commercial Drivers License (CDL); he initiated a motion to direct management to add an item to the City's legislative agenda to change that age requirement to 18 years of age.

Motion to direct management to add an item to the City of Laredo's legislative agenda to change the age requirement for a Commercial Drivers License from 21 years of age to 18 years of age.

Moved: Cm. Altgelt

Second: Cm. Vielma

For: 8

Against: 0

Abstain: 0

12. **BUILDING DEVELOPMENT SERVICES - Arturo Garcia, Building Development Services Director**

Arturo Garcia, Building Development Services Director, reported that the Department has 44 FTEs in five divisions; there are current seven vacancies and eight unfunded positions. Current requests for funding are the eight FTEs (at a cost of \$411,303), replacement of six vehicles and two new vehicles (at a cost of \$188,000), and building improvements on the Department's warehouse (at a cost of \$500,000) for a total cost of \$1,099,303. Mr. Garcia reported the Building Department's proposed FY20-21 revenues as \$6,075,137 and total operation expenses as \$3,505,495. Permit counts and their associated revenues remain steady at this time. He cited several Neighborhood Empowerment Zone (NEZ) projects, noting that while Webb County has now removed itself from NEZ funds, there is still a significant benefit to the businesses who participate in the Zone, such as waived permit fees.

Cm. Altgelt initiated a motion to direct management to coordinate with the taxing entities and the Webb County Appraisal District so that the NEZ program is

meaningfully effective.

Motion to direct management to coordinate with the taxing entities and the Webb County Appraisal District so that the NEZ program is meaningfully effective.

Moved: Cm. Altgelt

Second: Cm. Mercurio Martinez

For: 5

Against: 0

Abstain: 0

Cm. Gonzalez, Cm. Vielma, and Dr. Marte Martinez were not present.

Mr. Garcia noted that the Building & Standards Commission has been very active this past year, identifying 130 buildings that are substandard, red-tagging 68 and ordering demolition of 16 of the buildings. Thirty-nine owners complied with the orders while the City demolished six building and have seven still pending.

MPT Torres encouraged Council to look for additional funding in order to complete these demolitions as they are greatly needed and get a 10% return on investment. Cm. Rodriguez asked how the City can provide assistance to individuals who own these properties but cannot afford to demolish them on their own.

Cm. Altgelt noted that other cities have an abandoned buildings ordinance that gives the City police power to issue citations for abandoned or blighted buildings. The ordinances allow the cities to either fine the owners or initiate proceedings to take possession of the properties. Mr. Garcia reminded Council that CDBG funds can be used for demolitions.

MPT Torres noted that the owner could qualify for rehabilitation in some cases, as well. Cm. Altgelt initiated a motion to direct staff to craft an abandoned building ordinance and bring it back for Council review.

Motion to direct staff to craft an abandoned building ordinance and bring it back for Council review.

Moved: Cm. Altgelt

Second: Cm. Rodriguez

For: 6

Against: 0

Abstain: 0

Cm. Gonzalez and Cm. Vielma were not present.

Mr. Garcia reported improvements to the Department's customer service, such as an updated website that is more interactive, new online inspection requests and online payment availabilities, improvements to the phone answering service, building bulletins, and an expedited NEZ waiver. Staff moved into a new building that is better able to accommodate the personnel and their operations. Also, staff has prioritized certifications and educations for inspectors as well as made strides to empower

division supervisors. Future goals include the modernization of the Department's services and processes, continued improvement to customer service, achieving 100% certification for all departmental staff, better contractor registration and enforcement, and more consistent enforcement and follow-up procedures.

Cm. Mercurio Martinez asked about improvements to the approved vendors list, noting that some vendors registered with the City might have judgements against them for not completing a project by a homeowner or citizen that remain on the list. Mr. Garcia stated that the challenge to-date has been reviewing the various processes and keeping the workflow moving. The contractor registry and enforcement is intended to help address the problem as noted by Cm. Martinez.

14. SOLID WASTE - Oscar Hinojosa, Solid Waste Administrator

Oscar Hinojosa, Solid Waste Administrator, reported the Department's budgeted revenues as \$25,460,055, of which 98.9% (\$25,167,555) are charges for services with the remaining 1.1% (\$292,500) being interest and other revenues sources. Budgeted expenditures this year are higher than previous years at \$32,718,601, itemized as follows:

Personnel	\$9,180,291	28%
Materials & Supplies	\$2,022,047	6%
Contractual Services	\$7,649,574	24%
Other Charges	\$1,579,800	5%
Capital Outlay	\$1,196,000	4%
Debt Service	\$11,090,889	33%

Mr. Hinojosa noted the Capital Outlay needs for FY20-21 as a side loader refuse truck and a rear loader refuse truck. The Department recommends changes to the Bulky Item Schedule for FY20-21 by allowing for two bulky item pick-ups per year and picking up bulky items in four districts in March, April, September, and October 2021; service days will be on Wednesdays for each pick-up. He estimated that the bulky item overtime costs will total \$50,707.71 The Department created a tire round-up route in July 2019; staff is currently considering a possible expansion at the landfill as well as additional garbage/recycling routes and additional grapple trucks to better service the community.

Robert Eads, City Manager, informed Council that staff will bring an item before Council for consideration regarding partnering with the City of Corpus Christi to provide recycling services as Corpus is not satisfied with their private recycling partner. This partnership will help the City of Laredo with its mixed paper issues and allow the City to unload all of its recycling waste and earn revenues in the process while also helping another city in Texas.

15. CONVENTION AND VISITOR'S BUREAU - Aileen Ramos, Convention and Visitor's Bureau Director

Aileen Ramos, Convention & Visitors Bureau Director, reported that some CVB staff members have been reassigned to assist the Health Department perform COVID-19 contact tracing in light of the pandemic. While the Department was able to hold some of their events at the beginning of the year, many were canceled or postponed due to the virus, creating an estimated impact to local hotels of more than 3,000 potential room nights. Unfortunately, staff has been forced to cancel its main showcase, the Sister Cities Festival; however, staff is working on converting it to a virtual event for participants. She reported that the Department's new destination re-branding campaign in the United States will launch August 20, marking a new era in promoting Laredo as a destination. Phase 1 has a COVID-19 "Stay Safe" message while Phase 2 will roll out once the pandemic situation stabilizes.

The CVB proposed FY20-21 budget was reported as \$2,922,298, a reduction of \$610,890 from last year, itemized as follows:

Contractual Services	\$738,078
Personnel	\$707,078
Mexico Advertising	\$340,143
U.S. Advertising	\$432,000
Festivals & Events	\$243,500
Legislative Efforts	\$226,600
Monterrey Office	\$155,000
Materials & Supplies	\$79,899

The Department's new office at El Portal has more space for visitor information and retail; visitors and locals alike will find souvenirs and local handmade products in the gift shop.

Dr. Marte Martinez noted that the City, particular Downtown, still needs signage for its amenities like shopping centers, convention centers, and others. He urged staff to find a source to provide this overdue signage. Mrs. Ramos confirmed that staff has dedicated a portion of their budget to such signage.

Cm. Rodriguez added that there is no signage along the City's major highways or entrances with a "Welcome to Laredo" message on a monument or structure where visitors could take pictures if they wanted. He asked Council and staff to consider funding sources for this endeavor as well.

Robert Eads, City Manager, informed Council that signage along highways is doable through TxDOT, who has an entry landmark process through which the City can acquire such signage. Dr. Martinez initiated a motion to direct staff to begin this process and allocate any unutilized funds to signage.

Motion to direct staff to begin the TxDOT process for entry landmark signage and to allocate any unutilized funding for such signage.

Moved: Dr. Marte Martinez

Second: MPT Torres

For: 8

Against: 0

Abstain: 0

19. **FUNDING AND OPERATIONS OF THE DEPARTMENTS (INCLUDING DIVISIONS)** of the Mayor and Council, City Manager, Airport, Animal Care Services, Budget, City Attorney, City Secretary, Community Development, Engineering, Environmental Services, Financial Services, Fleet Management, Human Resources, Library, Sames Auto Arena, Tax, Traffic, Information Services & Telecommunication, Planning and Zoning; and any other matters related thereto.

MPT Torres recalled the Insurance Committee discussing measures that will reduce insurance claims and considering a full-time Nurse Practitioner at the Employee Health & Wellness Division. He initiated a motion to this effect.

Gilberto Sanchez, Budget Director, clarified that the Department does not actually need an FTE for this purpose since there is an unfilled position that was going to be unfunded as a cost savings measure. Melina Bermudez, Human Resources Director, noted that this position is in the Risk fund, so it will not have a financial impact on the Department's budget.

MPT Torres countered with his belief that awarding the FTE to the Division will be worthwhile as it will pay for itself. Mrs. Bermudez clarified that the Risk fund has the money for this position, which can be reclassified as a Nurse Practitioner now. MPT Torres amended his motion to fund the position as suggested by Mrs. Bermudez and to revisit the issue in six months.

Dr. Marte Martinez agreed that a Nurse Practitioner will be very helpful in the division but asked about the wellness programs' funding as employee wellness is the best way to reduce claims and medical costs. Across corporate America, employees warm up and stretch before starting their workday together; this decreases injuries and increases health and overall wellness.

Mrs. Bermudez reported that staff is looking into night and weekend clinic hours so that employees do not have to go out of network or to stand-alone emergency rooms for their medical needs after business hours. While these hours would not necessarily be at the City's clinic, staff can partner with community healthcare providers so that employees can use their resources at no charge.

Motion to reclassify an FTE in Human Resources for a Nurse Practitioner in the Employee Health & Wellness Division, funded through the Risk Fund, and to direct staff to bring the matter back to Council in six months and implement department stretching before working, as amended.

Moved: MPT Torres

Second: Cm. Vielma

For: 8

Against: 0

Abstain: 0

Mrs. Bermudez requested Council's approval of the proposed FY20-21 holiday schedule, which is the same as last year. MPT Torres initiated a motion to accept the holiday schedule and add Columbus Day to coincide with Webb County's holiday schedule.

Mr. Sanchez explained that the additional holiday will cost whatever overtime Departments must pay for their employees that have to work on that day, such as Solid Waste, Bridge, Police, Fire, and other relevant Departments.

Motion to approve the proposed FY20-21 holiday schedule and add Columbus Day under a different name, as amended.

Moved: MPT Torres

Second: Cm. Gonzalez

For: 8

Against: 0

Abstain: 0

Mrs. Bermudez presented a CDL cost analysis for drivers who would drive with the license. Cm. Rodriguez initiated a motion to approve the estimated CDL pay increases as presented for the next six months and to reconsider the matter at that time. His motion also included the consideration of a Cost of Living Adjustment for the remaining City employees.

Motion to approve the estimated CDL pay increase as presented for the next six months and to direct staff to bring the matter back to Council after six months and to consider a Cost of Living Adjustment for the remaining City employees at that point.

Moved: Cm. Rodriguez

Second: Cm. Altgelt

For: 8

Against: 0

Abstain: 0

Mayor Saenz reported that about two years ago, he was allocated some amount for major shovel-ready infrastructure projects; yesterday, the City Manager presented him with the news that TxDOT submitted the City with a bill for over \$4 million for their share of the Loop 20 overpass project. Apparently, this is an old bill that has now come into maturity. He committed those funds to the project since it is major infrastructure.

Robert Eads, City Manager, confirmed that if the City can find the mechanism to pay TxDOT's bill of \$1.3 million due April 1, 2021 (as the bill is split into four payments, making the total bill over \$5 million), they would defer certain projects of their own.

Cm. Altgelt voiced his extreme doubt that the City can send any money to TxDOT in light of the economic constraints under which the municipality is being forced to

operate. Mr. Eads noted management's inability to recommend sending money for any shovel-ready project.

Mayor Saenz noted that as a good steward of those monies entrusted to him, he would feel comfortable giving those monies to TxDOT for the Loop 20 project; Cm. Altgelt countered that the Loop 20 project is already TxDOT's obligation, to which Mayor Saenz argued that the City has a cost-sharing portion of responsibility. Mr. Eads agreed that the City agreed to the obligation of this project.

VI. EXECUTIVE SESSION

None

VII. ADJOURNMENT

Motion to adjourn.

Moved: Cm. Altgelt

Second: Dr. Marte Martinez

For: 8

Against: 0

Abstain: 0