

**CITY OF LAREDO CITY
COUNCIL MEETING
M2019-S-03
CITY COUNCIL CHAMBERS
1110 HOUSTON STREET
LAREDO, TEXAS 78040
February 19, 2019
5:30 P.M.**

SUPPLEMENTAL MINUTES

I. APPOINTMENTS TO COMMISSIONS, BOARDS AND COMMITTEES

1. Appointment by Mayor Pete Saenz of Oscar Juarez to the Technical Review Board Ad-Hoc Committee.

Motion to approve the nomination of Oscar Juarez to the Technical Review Board Ad-Hoc Committee.

Moved: Cm. Torres

Second: Dr. Marte Martinez

For: 7 Against: 0 Abstain: 0

Cm. Gonzalez was not present.

2. Appointment by Mayor Pete Saenz of Dr. Sylvia De Leon-Solis to the Laredo Commission for Women.

Motion to approve the nomination of Dr. Sylvia De Leon-Solis to the Laredo Commission for Women.

Moved: Cm. Torres

Second: Dr. Marte Martinez

For: 7 Against: 0 Abstain: 0

Cm. Gonzalez was not present.

II. MOTIONS

1. Authorizing the Co-Interim City Managers to execute an agreement to the contract dated January 14, 2019 between the Greater Laredo Development Foundation doing business as the Laredo Economic Development Corporation and the City of Laredo to provide fundraising and related services in support of planned legislative meetings and events in Austin, Texas and Washington D.C. They will be compensated at 6% of the collected amount.

Cm. Torres asked why this item was brought to Council only two weeks before the Washington, D.C., legislative trip, noting his understanding that LEDC has already begun raising funds.

Rosario Cabello, Interim Co-City Manager, reported that staff has been working with LEDC and recently learned that the contract had not been signed. The signing of the agreement was during the previous management, so she was unable to explain why

the agreement has not been signed to-date.

Olivia Varela, Laredo Economic Development Corporation President and CEO, explained that last year, LEDC had a verbal agreement with the City of Laredo. The actual contract was not signed until about six or seven months after the actual services were performed.

Cm. Torres noted his concern and stated that the City cannot conduct business in this way. Mayor Pro-Tempore Balli agreed. Cm. Torres continued that the City needs to be indemnified from anything have to do with the collection of funds. This item and last year's item does not "pass the smell test" in his opinion.

Kristina L. Hale, City Attorney, informed Council that the Ethics Code allows a specific exception for the City with regards to the legislative trips to Washington, D.C., or Austin, Texas, if the sponsorships are found to meet a public purpose. City staff asking for sponsorships had seemed questionable, which is why staff decided to work with a nonprofit.

Mrs. Cabello reported staff's recommendation that the agreement be brought to Council before the legislative trip. She also noted that negotiations should happen beforehand, and currently there are some differences of preference coming up in the negotiations.

Mrs. Varela stated that Mrs. Cabello and Mr. Eads inherited this issue from the previous administration. She voiced her opinion that they have moved expeditiously to move this contract forward as quickly as possible. Staff began discussions with LEDC on the current contract in November 2018, but the organization was not given any approval to move forward until the first week of January 2019. LEDC started asking for sponsorships in good faith that the two parties would come to an agreement. Mrs. Varela emphasized the organization's good relationship with the City. On this particular item, she had asked that it be tabled because there were still some miscommunications on the percentages late Friday evening.

Mrs. Cabello voiced her preference to allow for the 6% compensation, but she noted that Mrs. Varela has a differing preference.

Cm. Torres discouraged tabling this item as it will drag out the issue past the anticipated legislative trip. He suggested coming to an agreement at the meeting and asked Mrs. Varela to keep in mind that the Laredo Economic Development Corporation is perhaps the third party that receives the most City funding. He added that he would support management's recommendation.

Mrs. Varela requested 10% compensation. Dr. Marte Martinez commented on the cost of the legislative trips and noted that the City is behind on recuperating the costs of this year's trips. The City has only recovered 25% of the costs to-date. Mrs. Varela clarified that the City has recovered a little more than 25%; almost 45% would be more accurate.

Mrs. Cabello reported that as of Saturday or Sunday, the City has collected \$29,500 of \$34,500 pledged for both Austin and Washington, D.C. combined. She reiterated that the City has only collected about 25% of the costs.

Dr. Martinez suggested an incentive-based percentage based on collection thresholds.

Mrs. Hale asked if Council wishes for the list of sponsors to be made public; the agreement currently states that the list will be made public, but she recalled someone questioning that.

Cm. Rodriguez voiced his opinion that nobody should know who donated or how much they donated. A few years ago, citizens criticized Council of engaging in “quid pro quo” after the list of sponsorships was released.

Cm. Altgelt agreed with the idea of not publicly releasing the list of sponsors to incorporate a division between Council and the sponsors. However, he conceded to the public’s right to know who is paying for Council and staff’s legislative trips, especially since many donors and sponsor also attend the trips. Mrs. Varela assured Council that the Laredo EDC does not have a position on whether to make sponsor lists public, but she noted that most sponsors want to be publicly recognized, which is common across all organizations and sponsorship drives.

Cm. Torres noted his opinion that the Laredo EDC is the official sponsor of the City’s legislative trip; donations go to the Corporation, not the City. The LEDC can sponsor Laredo Day and publish its own special thanks or recognitions to the entities who assisted in donation monies. Cm. Rodriguez stated that sponsors should be donating for the improvement of the City rather than public acclaim. He noted that he would not support any action that lends the appearance of “quid pro quo” arrangements.

Motion to authorize the Interim Co-City Managers to execute an agreement dated January 14, 2019 with the Greater Laredo Development Foundation doing business as the Laredo Economic Development Corporation to provide fundraising and related services in support of the City’s planned legislative meetings and events and to provide compensation of 8% up to \$75,000 of collections and 10% on monetary amounts above that up to \$110,000.

Moved: Dr. Marte Martinez

Second: Cm. Vielma

For: 7

Against: 1

Abstain: 0

Cm. Gonzalez

Cm. Torres

Cm. Rodriguez

Cm. Mercurio Martinez

Cm. Vielma

Dr. Marte Martinez

Cm. Altgelt

Cm. Balli

Cm. Rodriguez made a motion to prevent the list of sponsors from being advertised at the legislative trips.

Mrs. Varela voiced her opposition to Cm. Rodriguez’s motion, saying that if the donations are going to be attributed to the LEDC, then donors who have already contributed to LEDC will take issue. She added that the money should not be attributed to the LEDC as it does not stay with the organization and is given over to the City. She has been told by some sponsors that if their money is directed to the LEDC, then that

is all of the money that the donor will give. This could result in the LEDC losing its own donation monies because it accepted money on behalf of the City. She agreed that this year, the organization will follow the Council's wishes and analyze the effect that those wishes have on the Corporation in the next year, then advise Council accordingly.

Mayor Pro-Tempore Balli reminded Council that there are very few organizations willing to provide this service to the City as the compensation is low considering the amount of work and attention the service requires.

Cm. Vielma suggested including language in the agreement that the Laredo EDC is collecting on behalf of the City to help with any donors that question where their sponsorship dollars are going.

Tony Arce, Laredo Economic Development Corporation Board Chairman, stated that one of the requirements in the contract working with the City is to advertise the list of sponsors and donors. Mrs. Varela added that when the organization sends out the sponsorship forms, the document includes the various tiers of sponsorship and their benefits. Sponsors who have already contributed were already told that they would be recognized for their donations.

Mrs. Cabello informed Council that Laredo Day events cost about \$45,000-\$50,000 per event. She confirmed that staff will research the opportunities of funding this event in-house to avoid this situation in the future.

Cm. Vielma suggested that the list of donors be made available for inspection at the City Secretary's Office to ensure transparency and distance from Council.

Motion to prevent the list of sponsors from being advertised as it relates to the legislative trips in Austin and Washington, D.C.

Moved: Cm. Rodriguez

Second: Cm. Vielma

For: 2

Against: 5

Abstain: 0

Cm. Rodriguez

Cm. Vielma

Cm. Gonzalez

Cm. Mercurio Martinez

Dr. Marte Martinez

Cm. Altgelt

Cm. Balli

Cm. Torres was not present.

Motion fails.

Cm. Rodriguez requested the minutes from the Council meeting with Council's exact directive regarding sponsorships for Laredo Day events.

2. Consideration to rescind the selection of LNV, Inc. as a consultant for the Santa Maria Avenue Bicycle Lane Project, and authorize negotiations on a professional services contract. A total of three (3) firms responded to the request for qualifications and the third (3) firm made presentations before the Evaluation Committee on Thursday, July 26, 2018. The three (3) firms were Bendicion Engineering, LLC., Slay Engineering Company, Inc., and LNV, Inc. There is no financial impact at this time.

Ramon Chavez, Engineering Director, reported that on August 6, 2018, Council authorized the selection of this consultant after the evaluation committee ranked them favorably over the other consultants.

Mayor Pro-Tempore Balli recalled that LNV has already performed a considerable amount of work for this project and asked why this item was placed on the agenda.

Robert Eads, Interim Co-City Manager, explained that after LNV was selected and funded through Cm. Altgelt's district funds, negotiations and background work began. Six months later, the City and LNV still have not come to an agreement on the price and are at an impasse. The consultant's figures were far higher than the City's estimations and Council's authorization to staff.

Cm. Vielma asked if the consultant has been paid for their work to-date. Cm. Altgelt noted his understanding that no design work was done, only background work to develop a quote to the City for negotiations.

Enrique Valdez of LNV, Inc., presented a timeline and exhibits covering the scope of work developed by the consultant. The scope was never truly defined, which LNV attempted to negotiate with the City. He noted that LNV performed a significant amount of work without compensation.

Mayor Pro-Tempore Balli advised staff to have a better definition of the scope of work for its projects to prevent a similar situation from arising again with the City's contractors. Cm. Altgelt countered that this is a risk that contractors take when they bid on a project. Mr. Valdez noted his belief that LNV's numbers were on par with similar projects.

Abey Salinas of LNV, Inc., reported that at its conception, this project started from the Downtown area northward to the intersection of I-35 and Del Mar Boulevard, about five miles. Through coordination with Cm. Altgelt's office, the consultant narrowed the scope of the project down to a little more than two miles to provide a safe rideable solution. He voiced his opinion that the cost is reasonable and fits the vague scope of the project.

Cm. Altgelt informed Council that the Metropolitan Planning Organization has gone out for a bicycle lane master plan, which Council may utilize. Given that the project is funded through District VII funds, he asked Council to respect his wishes to rescind the selection of LNV.

Mr. Eads confirmed that staff scope this project to cover all of Santa Maria Avenue from Zaragoza Street to Del Mar Boulevard. Cm. Balli reiterated that the scope was not made clear, but it seems to have been better determined through this discussion.

Motion to rescind the selection of LNV, Inc. as a consultant for the Santa Maria Avenue Bicycle Lane Project and select the second-highest ranking firm, as amended.

Moved: Cm. Altgelt

Second: Cm. Mercurio Martinez

For: 6

Against: 0

Abstain: 0

Cm. Gonzalez and Cm. Torres were not present.

Arturo Garcia, Community Development Director, reminded Council that CDBG funds cannot be used for design as the final layout has not been cleared.

3. Consideration to award contract FY18-048 to LNV Inc, Laredo, TX in the amount of \$1,431,125.00 for the Master Plan of the City of Laredo International Bridge System. This master plan scope of services include but are not limited to: current and projected traffic trends, including capacity ratios and wait times, for the four (4) existing and future international bridges of the Laredo Bridge System in order to forecast and prepare the needed infrastructure to efficiently process pedestrian, non-commercial and commercial traffic traveling to and from Mexico and the United States. The master plan will also include a toll rate study to address future revenue projections, including toll rate adjustments based on traffic projections, operational expenses, debt service and required infrastructure improvements. Funding for this contract is available in the Bridge Construction Fund.

Yvette Limon, Bridge Director, informed Council that this is a much-needed master plan and the first master plan in the Laredo Bridge System's history. It is an intense plan and will cover traffic trends, capacity ratios, revenue forecasts, toll rates, structures, and more.

Miguel Pescador, Purchasing Director, reported that the City requested qualifications for this master plan. There were two submittals received, and staff ranked LNV favorably.

Cm. Altgelt asked how this contract, which was originally bid out for \$275,000 ballooned to \$1.4 million. Mr. Pescador explained that RFQs are based on solicitation of qualifications. Staff does not put a price tag on RFQs; it is illegal to do so. He clarified that there was not a "not to exceed amount" placed on the qualifications as Cm. Altgelt alleged.

Robert Eads, Interim Co-City Manager, confirmed that tLNV was selected based on their qualifications; after the selection, price negotiations began, where \$1.4 million was determined to be the cost of this project. Previous management and employees negotiated the price; he was unsure where Cm. Altgelt was informed of a \$275,000 price tag.

Mr. Pescador stated that in November and December 2018, staff reviewed the first draft of LNV/s proposal, which was priced at about \$1.9 million. After a few meetings, staff negotiated a reduced amount and presented it to City Management in late December. Following that, the City Manager held meetings at which Mr. Pescador and Mrs. Limon were not in attendance.

Abey Salinas of LNV, Inc., stated that LNV was tasked with creating a plan to build the infrastructure for an efficient and livable port of entry as the lifeblood of the city of Laredo. The Bridge System facilitates the transportation of \$30 billion worth of trade crossing annually and generates \$70 million in toll revenues each year. The master plan will be for 25 years, which corresponds to about \$1.8 billion in bridge toll revenues. Given the complexity of the project and the plan's implications for the port in the next 25 years, Mr. Salinas noted that the \$1.4 million price tag is reasonable. Creating the plan will involve a full year of heavy stakeholder engagement.

Mayor Pro-Tempore Balli voiced his opinion that LNV was appropriately recommended by staff.

Cm. Mercurio Martinez stated his agreement that these studies must be conducted but noted his issue with the price tag. The Comprehensive Master Plan was only \$635,000 and did much of the research along with TxDOT. To have all of that data available and there still be such a large price tag gave him pause. He noted that he would like to see more bid comparisons for this project. Mayor Pro-Tempore Balli countered that the scope of this plan is much different than the Comprehensive Master Plan. It is very technical regarding wait times at the bridge and specific traffic patterns.

Cm. Vielma agreed that there are multiple layers of complexity involved in this project, requiring experts in multiple fields. Mr. Salinas added that the Bridge System's master plan is a more involved, real-world process and application.

Mrs. Limon stated that staff may have time to go out for bids again, but she did not expect to get any new bids as this project was already rebid due to no submittals in the first round. She recommended that Council move forward with this master plan given the growth of commercial traffic over the past three years although there is no serious time constraint at this time.

Rosario Cabello, Interim Co-City Manager, stated that there are other City projects dependent upon the Bridge System, and staff wishes to proceed with the direction from Council so that data can be collected. She asked for direction from Council to see if staff could renegotiate the contract price as there is time to do so. She recommended reducing the plan coverage period from 25 years to 2 to help reduce the contract price.

Cm. Altgelt voiced his opinion that the City is putting the cart before the horse on this issue. Dr. Marte Martinez noted that Council's reaction is simply "sticker shock" without being experts on the subject matter.

James Saussen, project manager, noted that he is perhaps the only individual who has performed a master plan for a port of entry in Texas; his prior work was for Hidalgo County, but it was not as comprehensive as Laredo's scope. He informed Council that TxDOT has an ongoing border study that includes several ports of entry with Laredo being the key port. He noted his hope to see Laredo's plan dovetail TxDOT's study. He anticipated many discussions with TxDOT to cross-reference their data and implied a more urgent time constraint than alleged.

Cm. Altgelt clarified that the \$275,000 price tag had been on a slideshow presentation that Mr. Horacio De Leon, former City Manager, had presented to the private sector as the estimate of the project cost. Mrs. Limon confirmed that the final negotiation amount is \$1.4 million, including contingencies should the firm need to use more data resources. Cm. Altgelt discouraged Council from rushing into this decision.

Motion to approve subject to any renegotiations between staff and LNV, Inc. and to allow management to execute any relevant documentation, as amended.

Moved: Cm. Balli
Second: Cm. Vielma

Motion withdrawn.

Dr. Martinez voiced his opinion that staff is not ready to give recommendations, making it unfair to put them in a position for which they are not prepared. Mrs. Limon noted that the toll rate structure is needed now. Staff has been using historical data to this point, but the trade industry has mentioned a change in the flow of funds, which needs to be reviewed by an expert for advice.

Motion to rescind the contract, reopen the project up for bidding, bifurcate the forecasting and traffic trends into one bid and all of the other components of the original bid into a separate bid and to change the project to a 20-year timeline consistent with the Capital Improvement Plan.

Moved: Cm. Altgelt

Second: Dr. Marte Martinez

For: 4	Against: 4	Abstain: 0
Cm. Rodriguez	Cm. Gonzalez	
Cm. Mercurio Martinez	Cm. Torres	
Dr. Marte Martinez	Cm. Vielma	
Cm. Altgelt	Cm. Balli	

Motion fails.

Motion to authorize management to renegotiate the contract and bring it back to Council for approval.

Moved: Cm. Torres

Second: Dr. Marte Martinez

For: 8	Against: 0	Abstain: 0
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Cm. Torres asked staff to reach out to the transportation industry, as his phone was bombarded with text messages from members of the industry in opposition to the discussions.

III. GENERAL COUNCIL DISCUSSIONS AND PRESENTATIONS

A. Request by Council Member Vidal Rodriguez

1. Discussion with possible action to instruct City Manager and authorize staff to add sidewalks on the 1900 Block and 1800 S. Block of Milmo Ave. to connect on Kawas Elementary; and any other matters incident thereto. Funding available in District II Priority Funds. (Co-Sponsored by Council Member Rudy Gonzalez, Jr.)

Cm. Rodriguez noted that this sidewalk is aligned with the Safe Routes to School Program.

Cm. Torres recognized John Orfila, Public Works Director, for helping the City expedite these projects to make the sidewalks and roadways safer for pedestrians.

Cm. Altgelt asked that staff be instructed to shade the sidewalks with trees if permitted. Cm. Balli noted that trees add a lot of water to the curb and street. Cm. Altgelt countered that different species of trees do not need heavy irrigation. He

also asked staff to add an agenda item to the next Council meeting to have entities and individuals warned and cited for overwatering of trees and lawns.

Robert Eads, Interim Co-City Manager, reminded Council that bond money cannot be used to purchase trees.

Motion to approve.

Moved: Cm. Rodriguez

Second: Cm. Torres

For: 7

Against: 0

Abstain: 0

Cm. Gonzalez was not present.

B. Request by Council Member Nelly Vielma

1. Discussion with possible action to install turning lanes at Calton Road and Yucca Road; and any other matters incident thereto. Funding available in District V Priority Funds. (Co-Sponsored by Council Member Mercurio Martinez)

Motion to approve.

Moved: Cm. Vielma

Second: Cm. Torres

For: 7

Against: 0

Abstain: 0

Cm. Gonzalez was not present.

2. Discussion with possible action to resurface Chaparral Street; and any other matters incident thereto. Funding available in District V Priority Funds. (Co-Sponsored by Council Member Rudy Gonzalez, Jr.)

Motion to approve.

Moved: Cm. Vielma

Second: Cm. Torres

For: 7

Against: 0

Abstain: 0

Cm. Gonzalez was not present.

IV. ADJOURNMENT

Motion to adjourn.

Moved: Cm. Torres

Second: Cm. Altgelt

For: 7

Against: 0

Abstain: 0

Cm. Gonzalez was not present.