

**CITY OF LAREDO
SPECIAL CITY COUNCIL MEETING
M2019-SC-07
CITY COUNCIL
CHAMBERS 1110
HOUSTON STREET
LAREDO, TEXAS 78040
August 26, 2019
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 moment of silence.

IV. ROLL CALL

In attendance:

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

Cm. Gonzalez joined at 7:52 p.m. on August 26, 2019.

MPT Balli joined at 5:30 p.m. on August 29, 2019.

Citizen comments

Gary Skoien, Horizon Group Properties President, reminded Council that it took a long time to get an outlet mall running in Laredo; during that time, the Downtown area has become less

vibrant than it once was. The Outlet Shoppes have been doing well though not as well as expected; owners have been thinking of ways to help the Downtown area and the mall. One idea is an observation wheel; Mr. Skoien asked for Council's assistance in developing a wheel at about 148 feet that will allow riders to see 15 miles in all directions. It will be air-conditioned and accessible off of Zaragoza Street and the Outlet Shoppes. It will greatly serve the area; Mr. Skoien reminded Council that many great cities have iconic Ferris Wheels, and the Laredo wheel will be a billboard for the city. He explained that Horizon Group will pay for most of the wheel and will operate it, taking the downside risk. However, the group is requesting that the City contribute \$375,000 per year for three years to help with this wheel. The total project costs \$5 million, including \$2 million for the wheel and another \$1.5 million to erect it. There is also some consideration for the land. He encouraged the City to consider the increase in revenues from tourism and sales as a result of the wheel.

After other discussion, the public comments portion was brought back before Council.

Armando Cisneros reported reviewing the May 6, 2019 City Council meeting video and minutes during which Cm. Torres instructed the Co-Interim City Managers to bring back two budgets, one of which would be built around a one-cent reduction of the tax rate. The other budget would be built around a three-cent reduction. Mr. Cisneros asked if those two budgets were presented as instructed. He asked staff to follow through with Cm. Torres's directions. Mr. Cisneros voiced his understanding that the current budget proposal before Council will add 20 new positions and leaving the tax rate as is with no reduction. Not reducing the tax rate is, in effect, raising taxes.

Alyssa Cigarroa of CultivArte noted that CultivArte is available to answer any questions that Council may have about their request to fund a public arts master plan. Other members of CultivArte introduced themselves: Selena Vallarta, Julio Mendes, Gayle Rodriguez, Shellee Laurent, and Regina Portillo.

TAX: STAFF SOURCE DORA MALDONADO, TAX ASSESSOR COLLECTOR

1. Approval of the 2019 Certified Appraisal Roll from the Webb County Appraisal District for the development of the City's tax roll and acceptance of the Effective and Rollback Tax Rate Calculations for Tax Year 2019; setting of the Public Hearing dates of September 6 and September 16 of 2019 for the proposed tax rate; and setting the date of September 23, 2019 to vote on the proposed rate.

Dora Maldonado, Tax Assessor Collector, explained that staff coordinated these dates with management to account for the budget workshops and requested Council's approval.

Motion to approve the 2019 Certified Appraisal Roll as presented and set the public hearing dates as September 6 and 16, 2019.

Moved: Dr. Marte Martinez

Second: Cm. Altgelt

For: 6

Against: 0

Abstain: 0

Cm. Gonzalez and MPT Balli were not present.

**CITY OF LAREDO
WORKSHOP
M2019-W-02
CITY COUNCIL CHAMBERS
1110 HOUSTON STREET
LAREDO, TEXAS 78040
August 26, 2019 @ 5:50 P.M.
August 27, 28, 29, 2019 @ 5:30 P.M.**

NOTE: Discussion items are listed in the order in which they were discussed during the budget workshop; therefore, items are not in chronological order.

I. STAFF REPORTS

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

1. **INTRODUCTION - Rosario C. Cabello, Co-Interim City Manager, Robert A. Eads, ICMA-CM, Co-Interim City Manager**

Robert A. Eads, Co-Interim City Manager, reported that staff will provide multiple options and recommendations to Council throughout the workshop in an effort to propel the City of Laredo forward. Staff will also provide some scenarios with tax implications for Council's consideration; if Council has any preferences for a tax scenario outside of staff's recommendations, then staff will modify its recommendation to help accommodate the request. He asked Council to keep in mind staff's presentations of the full scope of the City's finances in order to make the best possible decisions.

Rosario C. Cabello, Co-Interim City Manager, reminded Council that, prior to becoming the Co-Interim City Manager, she was the Finance Director for the City of Laredo for over 18 years. She noted that this has been the most active City Council to-date, and she has appreciated the interaction between Council and staff throughout this budget process. She thanked Council for their input and reminded them that management worked closely with staff through a give-and-take process to ensure a balanced budget. Mrs. Cabello noted that, unfortunately, there are multiple items in the budget that the City cannot afford, which staff will bring to Council's attention. There is very little wiggle room in this budget, and on Wednesday, staff must set the tax rate. This is why the Departments will give their presentations first; afterward, Council will consider its debt and debt capacity and can set the tax rate then.

2. **PRESENTATION OF CITY DEBT - Noe Hinojosa, Estrada Hinojosa Investment Bankers**

Noe Hinojosa of Estrada-Hinojosa, reported that the City of Laredo has about \$631 million of debt outstanding. Unlike many other cities across Texas, Laredo is one of the few cities whose City Council sees every credit that the city has. The four

credits belonging to the City are property taxes, utility revenue bonds, international bridge revenue bonds, and sales and sports venue tax debt. The sum of these four credits total \$631 million. The City decreased its debt from this time last year by \$21.494 million, from \$652.5 million in September 2018 to \$631 million to-date. The debt rating organizations Moody's and S&P view the City's debt as manageable, but the only fund that causes some concern is the Transit/EI Metro fund. This fund has a budget of \$15.5 million this year and expect to spend as much. There is no way to generate enough revenues.

Cm. Altgelt stated that if the City were to invest in EI Metro more and make ridership easier and more accessible, then the fund may perform better.

Mr. Hinojosa noted that the City sold some Airport land; the airport has had a good year and he remarked that he is not concerned with this fund. He noted that the City's debt is structured so that, if the City does nothing, its tax levy will drop to about \$18 million from \$20 million. If the City borrows, then the levy will remain at \$20 million. If Council approves the proposed tax-supported CO bonds, then the City will have about \$2 million more per year to support their projects. He reported that of the entire \$631 million in debt outstanding, water and sewer accounts for \$366 million. Property tax debt makes up about \$155 million.

Cm. Altgelt noted that the City of San Antonio went out for a large bond and elevated their transit system, street maintenance, and bicycle/pedestrian facilities with it. He asked what the City of Laredo would have to do to provide the same level of service to residents. Mr. Hinojosa explained that the two fundamental factors of debt is the City's will and ability to pay. When considering a bond referendum, the City must first have a Capital Improvement Plan (CIP). Many of the City's projects are small in nature and have a local match/share. He voiced his understanding that the only bond referendum that the City of Laredo pursued being for the [Same Auto] arena. The City would need to consider how a bond referendum, which would result in a 14.5 cents increase in levies, would make the City competitive with other cities. He informed Council that the City of Corpus Christi needed to make street improvements, and rather than borrowing \$52 million in bonds, the City increased its property tax revenues through incremental increases until the City could pay cash for those improvements.

Mr. Hinojosa continued that when the City borrows money, the municipality's assets must be considered. Currently, the City's assets are north of \$500 million. Any time that a tax rate is capped, the City's credits will deteriorate. He presented a list of FY2020 projects for funding plans as follows:

<u>Purpose</u>	<u>Instrument</u>	<u>Source</u>	<u>Amount</u>
Needs to Come	COs	Property Tax	\$20 million
Solid Waste Land Purchase	COs	Solid Waste Fund	\$12 million
Manadas Creek Plant	TWDB Loan	System Revenue	\$48.8 million
WW&SS Improvements	Revenue Bonds	System Revenue	\$40 million
Connectors, Overpasses	SIB Loan	Bridge Revenue	\$4 million
Env. Svcs. Project	COs	Drainage Fund	\$15 million
Local Match for Grant	TBD	TBD	TBD

Total

\$139.8 million

Mrs. Cabello informed Council that staff will present more information on the Local Match for Grant section in terms of what the City can and cannot afford along with equipment needs. She confirmed that if the City actually issues debt, staff will bring presentations, public hearings, and newspaper publications before Council. The process is more involved.

Mr. Hinojosa voiced his opinion that the Solid Waste fund is in good shape. He voiced some concerns over the El Metro fund and some reservations about the Environmental Services Department. He reported that the debt for the sports venue/sales tax is very small, only \$20.445 million, \$5.495 of which is callable. Of the top 25 comparable Texas cities, Laredo ranks as follows:

Population	10
Ratings	15
Taxable Assessed Valuation	16
TAV/Population Ratio	22
Total GO Debt	10
Net Debt	7
Debt as % of TAV	4
Debt Per Capita	6
Net Debt Per Capita	2
Total Direct & Overlapping Debt	12
TDOD as % of TAV	19

Mr. Hinojosa reported that the General Fund balance was at \$46 million with revenues of \$195 million in 2018; that is the highest amount that the City of Laredo has had in its savings account. However, despite that, the City only has about 24% ranking in terms of revenue. The Fire pension fund has a liability because its funding percentage is less than the recommended 82-84%.

Gilberto Sanchez, Budget Director, confirmed that the sports venue/sales tax fund balance is currently about \$22.8 million.

No action taken.

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

Gilberto Sanchez, Budget Director, reported that added funding for street maintenance and reconstruction, along with 5% for shaded pedestrian and bicycle facilities, was incorporated as a Council and community priority. He noted that staff prepared long-term sustainable staffing plans for all Departments along with compression relief opportunities, including a 2.5% cost of living adjustment (COLA) for employees. This is because for the past several years, the wage schedule has not changed; this measure is the first step towards addressing that issue.

Cm. Torres stated that every time wage schedules are brought up among the

different management teams, the issue is brought up that the wage schedule messes with employees' earnings and brings a morale problem to those who have been at the City for a long time who are now compensated closely with newer, less experienced employees. He voiced his opinion that the City should have a consultant evaluate the wage schedule and make it comparable to other similar cities. The City would then follow that scale and keep the consultant on retainer to adjust the scale and schedule as needed.

Rosario Cabello, Co-Interim City Manager, reported that the City did hire a consultant about three years ago. She clarified that now the City has a Human Resources Director with experience and knowledge in this activity who can perform this function in-house. The City has spent hundreds of thousands of dollars on this effort before without implementing anything.

Mayor Saenz recalled that Council wanted supervisors to evaluate employees. Cm. Torres noted that this action was a merit pay raise rather than a COLA. Mayor Saenz clarified that the process was distorted, and rumors rose that supervisors and directors were only rewarding their favorite employees. He asked how the City could avoid these issues moving forward.

Cm. Torres clarified that the "politics" involved in that scenario were not on the part of Council but rather management downstream. He asked staff to work on this function and implement the plan that was never adopted three years ago. Each budget cycle, compressions complicate the process.

Dr. Marte Martinez asked if the Human Resources Director felt that in-house evaluation would result in her developing a wage scale and a true classification of department positions or if instead she recommended obtaining an outside consultant.

Melina Bermudez, Human Resources Director, explained that three years ago, staff began formulating a plan. It was not completed; while she was not on staff three years ago, Mrs. Bermudez noted that from 1991-1995, a very comprehensive plan was completed regarding compensation and classification. Had the City followed that plan for a 5%, 6%, 7%, and 8% spread between pay grades, the City would not be in the position that it is in today. The current wage scale structure is only 1.7-3% between pay grades, which is why tenured employees are making more than supervisors and supervisors are making more than managers. Depending on budgets, righting this problem could take as long as two years. She informed Council that the cities of Brownsville and El Paso are currently going through this problem, as well. Management Advisory Group International, Inc. has worked with several other cities to correct this issue.

Mrs. Bermudez explained that having multiple wage scales would have a largely negative impact on General Fund departments. Those departments would be incapable of recruiting or retaining talent. She advised strongly against implementing multiple wage scales. There is not currently a pay-for-performance system in place, but it is attainable. She cautioned Council that doing so would take at least a year to develop the program, train staff on the program, and make

changes to Neogov and the City's other applications. Regarding wage scale and classification, she noted that it would be beneficial to have somebody on board as a consultant; she confirmed that she is more than capable to handle pay-for-performance, succession, and talent development in-house. Every year, the cost of living increases, but for eight years, there were no COLA increases at the City. This tells employees that they are not monetarily valuable. She reminded Council that there is much room to catch up. She reported staff's recommendation to approve a 3% spread between pay grades and a \$12.00 minimum wage.

Dr. Martinez countered that a \$12.00 minimum wage would worsen compression. Mrs. Bermudez emphasized that even with the increase in the minimum wage, staff's recommendations would help bridge the gap for compression.

Mr. Sanchez informed Council that staff will propose a wage scale adjustment that addresses Dr. Martinez's concerns about the financial impact of a 2.5% COLA and 3% spread between pay grades. Staff has a solution for the financial impact that they will recommend to Council.

Mrs. Bermudez explained that staff is recommending a consultant because she is not a compensation specialist. Staff does not have any compensation specialists at the City of Laredo. In her previous work experience at Disney, Ikea, and Hilton, external consultants were used to evaluate and explain fair market value, equity, promotions versus demotions, and the impact of all of these factors on classes. A consultant also further enhances the City's ability to recruit.

Kristina L. Hale, City Attorney, confirmed that there is no legal reason why the City cannot hire a consultant for this purpose. As long as performance-based payments are not retroactive, they are legal. Mrs. Bermudez explained that if the City follows the plan that was proposed in 1991-1995, then the organization can return to a non-compressed schedule and can positively impact all employees and increase morale. She noted that while maximum caps exist in the private sector, the City would be able to provide merit increases to employees making the most possible compensation in the highest pay grade through a one-time lump sum payment if they meet all of their goals.

Mrs. Cabello reminded Council that staff would like to pursue this endeavor in this upcoming fiscal year by setting performance goals in preparation for implementation next fiscal year. Mrs. Bermudez clarified that performance goals are contingent upon each Department's particular metrics.

Dr. Martinez noted his concern that if the City leaves performance goals open-ended, nothing will actually get done. Mrs. Cabello agreed that the performance goals must be specified. Dr. Martinez reiterated that the City must establish a specific timeline in order to implement this program. Mayor Saenz agreed, adding that the process must be objective to avoid any impropriety.

Mrs. Bermudez recommended that, if Council wishes to provide caps, they wait until staff completes the compensation and classification study. Her recommendations regarding COLA, minimum wage, and spread between grades is

to fix the existing problem.

Cm. Rodriguez reminded Mrs. Bermudez that a significant problem for a long time was the City not offering competitive wages; as a result, many talented employees left for better jobs elsewhere. The retail store Target offers a \$15.00-per-hour wage, which is better than what is offered at the City. Mrs. Bermudez countered that staff's recommendations will address the issue of talent retention. All Directors and employees will see that all human capital in the City is an important component of the City's operations. There is not a minimum, mid, or maximum scale for salary range negotiations. Salary is determined by relevant work experience and education; there is no plan as to how the City determines pay for new employees. Higher education or more experience is taken into consideration for pay, but it is not documented and varies by Department and the hiring manager. The City Manager's Office has final approval. She clarified that the consultant would not reaffirm her recommendation regarding COLA, minimum wage, and spread between pay grades; the consultant would further enhance the City's plans regarding compensation and classification. She reminded Council that what is done to one pay grade must be done across the board; otherwise, compression will be exacerbated.

Dr. Martinez suggested that the money first be allocated to the spread between pay grades before the minimum wage is raised. Mrs. Bermudez explained that the minimum wage also needs to be addressed right now; employees need a high minimum wage to retain talented employees. She reported that every week, an average of 20 employees leave the City for various reasons, and the most common reason is pay.

Cm. Altgelt asked if implementing performance metrics is the better solution than hiring an external consultant when determining what cash rewards should be offered by department. Mrs. Bermudez countered that the consultant has two functions: compensation and classification. Classification has not been addressed at all so far, which would be better handled by a consultant. Implementing a pay-for-performance program can be done in-house.

Mrs. Bermudez continued that four main components contribute to succession: leadership foundation, competency development, coaching and mentoring, and employee evaluation and merit systems. She confirmed that she developed the necessary roadmap for each component that a leader needs to successfully contribute to an organization. The components and attributes are from the Lominger's methods of enhancing productivity and efficiency for public and private entities. There are 67 competencies that Lominger's identified as necessary to a successful, competent leader. Of these 67 attributes, management may identify their priorities. She displayed visual representations of her own selections for each component of succession.

Cm. Altgelt stated his opinion that one-time cash rewards are effective elsewhere as incentives for employee performance throughout the year. He asked what it would look like for a municipality to implement that system. Mrs. Bermudez noted that if the City moves forward with a consultant, staff will work with them

throughout the next fiscal year to research and roll out a compensation and classification study. She has her own goals for meeting these deadlines for herself and supervisors/directors that report to her and would develop tasks for those supervisors' employees downstream. Integration of a new compensation philosophy and classification structure is the main goal and flows top-down. A pay-for-performance program would be based on the employee's performance throughout the year, commonly a percentage of their salary. The evaluation of the employee's performance is compared to their goals to see if they met, exceeded, or failed to meet those goals. Scores equate to a rating, and the percentage of merit increase is tiered by the rating. Cm. Altgelt voiced his support of a consultant for the purposes of a long-term solution to compensation and classification.

Mrs. Bermudez explained that there is currently a larger spread between higher pay grades because the higher value positions always have a larger spread. This is standard across the private and public sector. Cm. Altgelt initiated a motion to approve staff's recommendation.

Robert Eads, Co-Interim City Manager, confirmed that staff has a funding source to offset the cost of staff's wage recommendations. Mrs. Cabello reported that staff's wage recommendations will cost about \$990,000.00. The funding source is excess revenues from the Capital Improvement fund, which comes from the Bridge Department.

Dr. Martinez cautioned staff that going forward, Council wants a maximum cap established, especially among the higher-paid positions. Those positions will have to be evaluated from a performance perspective. Cm. Altgelt included this sentiment in an amendment to his motion.

Cm. Torres suggested increasing the allocation from \$990,000 to \$1.1 million to include the compensation and classification study from the consultant. Mr. Eads cautioned Council that staff's recommendations support a balanced budget. Anything over those recommendations throws the budget out of balance. If Council wishes to continue with the additional expense for the consultant's study, then staff will add it to the board for further funding consideration.

Mayor Saenz asked if any components of the 1991-1995 study could be salvaged, noting his disappointment if it is disregarded given the great expense spent on performing the study. Mrs. Cabello confirmed that staff would review that study to see what can be utilized.

Mrs. Bermudez noted that if staff is able to salvage something from that past study, they will do so. However, she has not seen what that study contained. Cm. Torres suggested that if the City uses the same consultant to update that study, the City might have to pay a smaller fee.

Cm. Vielma voiced her understanding that Mrs. Bermudez is not yet ready to invest in a consultant as she is still new at the City and is trying to familiarize herself with each department and their needs or priorities. Mrs. Bermudez reiterated that she is neither a compensation nor classification specialist, and this consultant can do

both. She agreed that she wants a little more time to assess the old plan and see what can be salvaged, if anything at all. The plan may have some solutions that staff can bring to the table right off the bat, and she will not know for sure without some times to review.

Cm. Rodriguez voiced his satisfaction that the City's employees are being prioritized. However, he asked what provisions are being made for the manual laborers, as it is difficult to spend the day outside in high heat doing laborious work. The turnover rate of manual labor is high. He asked for staff to breakdown the grades for these type of employees so that manual laborers are not forgotten or left out. Mrs. Cabello confirmed that staff is including those employees into staff's recommendation.

Mr. Eads added that the compensation and classification study will further right the ship regarding the disparity between blue color and white collar employees.

Cm. Altgelt voiced his opinion that the compression near the bottom of the pay grade scale should be more proportional to the rest of the scale. A 2.5% COLA adjustments means so much more near the bottom of the scale than it does at the top, though dollar-wise, it accounts for so much more at the top of the scale than the bottom.

Mrs. Bermudez explained that the impact of staff's recommendations would result in the final increases in pay for the following pay grades:

<u>Grade</u>	<u>% Increase in Pay</u>
R23	9.09%
R24	10.36%
R25	11.57%
R26	13.03%
R27	14.41%
R28	15.83%
R29	17.38%

She further explained that these pay grades include manual laborers like groundskeepers, heavy equipment operators, and other blue collar employees. Mrs. Bermudez added that these employees are her primary concern. Her duty as the Human Resources Director is to make sure that the City is protected and to be an advocate for every single employee. She noted her concern that the City has not consistently advocated for all employees for the past eight years, which is why the City is in the position that it is in today. Staff's recommendation is the first step to make sure that all employees, particularly those who toil in the hot sun, to get some relief. She reiterated that the skilled laborers in lower pay grades are receiving a larger percentage of wage increase than those higher up the grade scale.

Cm. Torres noted that historically, management has hired new employees at the midpoint range for the posted position. He suggested that the pay grades be further broken down into more steps with narrow salary ranges and, with longevity,

employees move up those steps. If management continues to hire new employees at the midpoint, then it will be a detriment to the corrective action that staff and Council are trying to make. Mrs. Cabello confirmed that staff is coming back to implement a different structure than min-mid-max.

Mrs. Bermudez noted that her recommendation across a pay grade gives a 90% maximum, meaning that 90% of the minimum wage is the new maximum wage. Most of the pay grades at the City are between 40% and 70%; 90% is common in the public and private sector. The purpose of a quartile system will allow staff to quantify and assess the employee to a numerical value.

Cm. Torres noted his concern with the quartile system because if an employee fails to qualify for a second quartile, they are stuck at the first quartile. He noted his preference for a scale in which the employee may receive a wage between the two quartiles more commiserate with their education or experience. Mrs. Bermudez clarified that to-date, the City gives considerations for completed credit hours when determining wages and salaries; that would not go away moving forward.

Cm. Altgelt amended his motion to add a direction to staff to go out for RFQs for a consultant to assist the City with compensation and classification and implementing the salary ranges and quartiles and directed staff that any salary of \$150,000 and higher be capped at 1.5% for purposes of the COLA adjustment but that the City provide those particular positions a cash reward incentive program based on performance.

Mr. Eads cautioned Council that the consultant may report that Cm. Altgelt's amendment suggestion may not coincide with staff's or the consultant's corrective measures. He asked that Council allow the consultant to provide their own data and recommendations. Cm. Altgelt withdrew his amendment.

Motion to approve staff's recommendation of a 2.5% Cost of Living Adjustment (COLA) raise, a minimum wage of \$12.00, and a 3%-8% spread across all pay grades for a total cost of \$990,000, as amended.

Moved: Cm. Altgelt

Second: Dr. Marte Martinez

For: 7

Against: 0

Abstain: 0

MPT Balli was not present.

Motion to direct staff to go out for RFQs for a consultant to perform a compensation, classification, reward incentives study not to exceed \$150,000.

Moved: Dr. Marte Martinez

Second: Cm. Mercurio Martinez

For: 7

Against: 0

Abstain: 0

MPT Balli was not present.

Mr. Sanchez reported the FY2020 total City budget at \$685.1 million, comprised as follows:

Enterprise Fund	\$277.7 million
Internal Services Fund	\$54.8 million
Special Revenue Fund	\$91.5 million
General Fund	\$204.5 million
Other Funds	\$56.4 million

He proposed 3,176.94 total Full Time Employees (FTEs), an increase of 24 positions from last year. The FY2020 proposed budget totals \$204.5 million, an increase of \$4.5 million (2.3%) from last year.

Mr. Sanchez reported the City's revenues as follows:

Property Tax	\$69,346,872	34%
Sales Tax	\$35,024,882	17%
Other Taxes	\$3,519,671	2%
Bridge Admin.	\$35,332,655	17%
Bridge Transfer	\$13,000,000	6%
Service Charges	\$7,390,990	4%
Other Finance	\$13,160,818	6%
Licenses/Permits	\$9,361,779	5%
Franchise Fees	\$8,365,632	4%
Others	\$10,027,406	5%

The City's total operations expenditures were reported as follows:

Public Safety (Fire/Police)	\$128,017,515	63%
General Government	\$22,183,475	11%
Cultural/Recreational	\$20,350,740	10%
Other Fin. Uses	\$17,437,630	8%
Other Departments	\$16,541,345	8%
Public Works	\$7,495,742	
Traffic	\$5,268,470	
Health/Welfare	\$3,777,133	

Mr. Sanchez clarified that 63% of General Fund balances being allocated to Public Safety is standard among other municipalities. He reported the \$4.5 million increase from last year as follows:

<u>Revenue Source</u>	<u>% Change</u>	<u>Amount</u>
Property Tax	4.7%	\$3.1 million
Bridge Transfer	5.6%	\$1.8 million
Sales Tax	2.6%	\$0.9 million
Service & Fees	2.5%	\$0.2 million
Transfer CIF	-6.7%	\$-0.9 million
Franchise Fees	1.8%	\$0.1 million
Admin. Fees	5.8%	\$0.7 million

Other Revenues -6.74% \$-1.5 million

Mr. Sanchez noted that staff recommends a tax rate of \$0.634 for the 2019-2020 year. Due to protests, the City's revised valuations were initially proposed to be \$14,837,279,299 but are instead \$14,689,847,446; this constitutes a decrease in tax revenues of \$934,718. However, the revised valuation amount still constitutes an increase of 3.53% from last year. Mr. Sanchez stated that the City's Property Tax Relief program has \$1.37 million from over 11,100 senior, disabled exemptions and froze City tax payments. He reminded Council that citizens' tax dollars are distributed to the following entities in the following amounts:

School District	50%
<i>City of Laredo</i>	23%
Webb County	15%
Laredo College	12%

The FY2020 General Fund increased expenditures in the amount of \$4.5 million, as follows:

Police	\$1.59 million
Fire	\$1.18 million
Parks/Rec.	\$0.91 million
Gen. Govt.	\$0.76 million
Other Depts.	\$0.06 million

Mr. Sanchez itemized the General Fund Expenditures by category as follows:

Personnel	77%
Contractual Svcs.	12%
Materials/Supplies	4%
Other Charges	3%
Intergovt. Transfer	3%
Debt Service	0.53%
Capital Outlay	0.09%

Mr. Sanchez noted that \$119 of Personnel Activity goes toward public safety. Mr. Eads reminded Council that the City of Laredo is a service industry; its main asset is its human asset for which the City provides those services.

The average salaries for Laredo and the state were reported as follows:

<u>Laredo</u>		<u>Texas</u>	
Police	\$124,738	Police	\$116,652
Fire	\$128,019	Fire	\$107,548
Civilian	\$60,012	Civilian	\$67,122

Mr. Sanchez clarified that these figures include benefits, which accounts for 38%-45% of the salaries reported. He noted that staff has been asked by Council several times to "tighten their belts" and cut expenses to the General Fund. Over

the last 10 years, staff has cut programs such as tuition reimbursement programs for employees.

Cm. Altgelt noted his opposition to cutting expenses that support employees. Mrs. Bermudez agreed that this is not the place to cut monies. She clarified that from 2006-2010, the budget allocated about \$38,000 for development to all employees of the City at the time (about 2,200). Today, that allocation is \$5,000 for 2,600 employees.

Mr. Eads noted that the historical expenditure reductions and unfunded positions carrying over year after year has resulted in some departments not seeing any increases in their budget for about 15 years. He assured Council that there is no fat left to trim off of the budget. As staff is directed to reduce their budgets, they are forced to chip away at the services that they can provide to the citizens of Laredo.

Cm. Altgelt initiated a motion to direct staff to come back to Council within the budget workshops with a robust investment in staff report with regards to training, cross-training, certifications, licenses, and related services for Council's consideration.

Mr. Eads emphasized to Council that this matter correlates directly with the level of service that the City can provide. Mrs. Bermudez assured Council that learning and development is her forte. She has already begun developing the basic components of training, development, and succession among employees.

Cm. Vielma voiced her opinion that Mrs. Bermudez's philosophy and plan could be part and parcel of the City's improvement and compensation plan.

Motion to direct staff to come back to Council within the budget workshops with a robust investment in staff report with regards to training, cross-training, certifications, licenses, and related services for Council's consideration.

Moved: Cm. Altgelt

Second: Cm. Vielma

For: 6

Against: 0

Abstain: 0

Cm. Mercurio Martinez and MPT Balli were not present.

Mr. Sanchez reiterated that the General Fund's materials and supplies expenditures has not increased much in 10 years; Mrs. Cabello clarified that this does not mean that the need has not increased. Instead, staff has done without to meet the budget. Mr. Sanchez asked that Council approve motions for 20.5 additional FTEs that are not part of the budget to-date. The total cost is \$923,007 for these positions, which are among the following departments:

Municipal Court
Building
City Attorney's Office
Human Resources

Planning
Parks & Recreation
Public Works/Cemetery

Cm. Torres voiced his opposition to approving these positions now, suggesting instead that Council consider the staff positions department-by-department.

Mr. Sanchez displayed a tax rate comparison table as follows:

Home Value	Tax Rate			
	0.634	0.624	0.614	0.604
100K	\$634	\$624	\$614	\$604
150K	\$951	\$936	\$921	\$906
250K	\$1,585	\$1,560	\$1,535	\$1,510
300K	\$1,902	\$1,872	\$1,842	\$1,812
350K	\$2,219	\$2,184	\$2,149	\$2,114
420K	\$2,663	\$2,621	\$2,579	\$2,537

He explained that the \$0.01 tax rate reduction would result in an annual savings of \$15 per \$150K-valued home. The overall net loss for the City will result in - \$2,139,913; decreasing the tax rate by \$0.03 will result in a net loss for the City in the amount of \$4,983,255. Options to correct for these net losses would be removing the \$990,000 in employee wage matters, which Council already approved; cutting \$4 million in street paving; removing the recommended additional FTEs (\$923,007) cutting special projects (\$687,366); and removing the COLA adjustment (\$925,150).

Mrs. Cabello explained that special projects include events like the Washington's Birthday Celebration Association events (Abrazod ceremony, air show, grand parade, jalapeno festival, youth parade, and other miscellaneous events), Border Fest, Operation Crackdown, Farmers Market, Halloween events, Fourth of July events, the Kite Festival, Paisano events, PONY World Series, Sister Cities Festival, and other type of events and celebrations.

Mr. Eads clarified that when staff must make choices, management's recommendations come once they have laid everything on the table. There may or may not be some reduction in taxes, so these less-favorable cuts are considered. He reiterated that staff's recommendation is to not change the tax rate. However, if Council moves forward with a \$0.01 reduction, then staff would recommend making up that amount by reducing street paving, special projects, and the COLA. Mrs. Cabello reminded Council that staff is only doing this exercise because they were directed to do so by Council.

Dr. Martinez noted that he had led the charge to reduce the tax rate; after seeing the lack of investment in departments and personnel to-date as well as the reduction in property valuations, he voiced his opinion that the budget should hold. He initiated a motion to this effect. Mr. Eads reiterated that leaving the tax rate

unchanged is staff's recommendation.

Motion to keep the tax rate at \$0.634 for FY2019-2020.

Moved: Dr. Marte Martinez

Second: Cm. Altgelt

For: 7

Against: 0

Abstain: 0

MPT Balli was not present.

Mr. Sanchez reported that staff has excess funds in the Bridge System in the amount of \$6 million. This will cover the increased minimum wage to \$12.00 and pay scale compression (\$990,000), a one-time street paving payment (\$4 million), and the recommended additional FTEs (\$923,007) with an estimated remaining \$138,649.

Mr. Eads noted that the Bridge System can almost serve as a vehicle for a road improvement fund. While staff hopes to find a long-term, sustainable fund, that mechanism is not yet available.

Mrs. Cabello explained that staff had \$500,000 for building repairs and maintenance, but decided to cover that expense via bond monies. By cutting small expenses this way, staff was able to catch up to the budget deficit. The FAST lane, the weigh-in-motion, and the traffic study are covered through Bridge and are already budgeted.

Cm. Vielma voiced her wish to see the street paving project go to the streets that need repairs the most and not as the result of a political decision. Mr. Eads clarified that Public Work and Engineering will deliver a presentation to Council with a report on the study results and the roads most in need, along with staff recommendations.

Mayor Saenz reminded staff that light synchronization should be included; Mr. Eads agreed and stated that it is included in the budget and recommendations. The streets selected for paving were chosen by the study results as well as Public Works and Engineering.

Cm. Rodriguez asked if staff could report back to Council that districts that had the most streets paved in the past 10 years. He asked staff to take that into account when deciding these streets. Dr. Martinez countered that the streets were selected based on need, not upon district. Mayor Saenz agreed, adding that the streets were already selected.

Cm. Rodriguez recalled Council approving an LED lighting project last year that has not been started yet. He asked for a status update. Mr. Eads explained that the funding is still there. However, AEP cannot begin to change lights to LED because they do not have an established fee to charge the City at this time. Any LED lighting that AEP has done for the City to-date has been for "pilot projects." Staff is asking AEP for \$1.2 million worth of changes; for them to purchase these

lights and install them, they need to assign the City a fee that does not yet exist. The Public Utilities Commission establishes the tariffs and fees so that AEP can then charge the City as a customer. Those fees are set in September.

Motion to approve staff's allocation of Bridge (CIF) Excess funds for a total of \$5,913,007 to cover the \$12.00 minimum wage and compression (\$990,000), a one-time street paving payment (\$4 million), and the staff recommended additional FTEs (\$923,007) as presented.

Moved: Cm. Vielma

Second: Dr. Marte Martinez

For: 7

Against: 0

Abstain: 0

MPT Balli was not present.

3. PRESENTATION OF CAPITAL IMPROVEMENT PROGRAM (CIP) - Rosario C. Cabello, Co-Interim City Manager, Robert A. Eads, ICMA-CM, Co-Interim City Manager (Part 1 of 2)

Rosario Cabello, Co-Interim City Manager, reported that the departments requested for FY2020 \$268,711,412; not all of that amount is for bonds. She reported the CIP funding sources as follows:

Unfunded	\$92,537,213	35%
Grants	\$26,946,666	10%
Bonds	\$59,312,000	22%
System Revenues	\$19,392,366	7%
Interlocals	\$9,480,000	6%
Loans/SIB/TWDB	\$57,000,000	21%

Mrs. Cabello requested that staff come back to Council with proposed bond sales in the following amounts, more or less (these are paid out of property taxes):

C/O Bond: \$23,600

Utilities: \$39,770,000

Solid Waste: \$3,598,000 equipment + \$12 million for land

Environmental: \$6,000,000

Sports Venue: \$TBD-Sports Complex/Water Park

Robert Eads, Co-Interim City Manager, clarified that the land for Solid Waste is not a new landfill; it is an annual need of the Department. Mrs. Cabello added that the City does not yet have the money for the sports complex or water park, but it is something that staff is looking at.

Mrs. Cabello reported staff's request for a \$22,434,175 in the FY2002 bond proposal to fund equipment and street repairs for Fire, Police, Parks, Public Works, Traffic, IST, Transit, City Council, and Citywide projects. Mr. Eads confirmed that all of these projects are warranted by need based on data.

Cm. Altgelt noted that the Traffic Director, Planning Director, and he went to a pedestrian safety conference in Austin the week before, and the City of Laredo is one of only three Texas cities that passed a Vision Zero plan, which is consistent with TxDOT's Road to Zero plan to reduce the number of roadway deaths to zero by 2050. The Traffic Director asked what good it is to pass Vision Zero if the organization is not going to fund traffic control and speed mitigation measures. Vision Zero is going to be very difficult to obtain if there is only a very small increase to the Traffic Department's budget. Mrs. Cabello reminded Council that they can use their District Priority Funds for traffic projects such as light synchronization.

Cm. Rodriguez asked if the City is going to carryover uncompleted CIP projects from last year and complete them this year. He also asked why projects are only half-funded and then not given more attention down the road. Mr. Eads agreed that this is a conversation that staff and Council need to have.

Cm. Torres countered that management should not hear from a Council Member that a project is not finished; the Department Director should manage those projects and bring status updates to Council and management.

Cm. Vielma recalled that Mr. Magee of Traffic had previously reported that staff could do some synchronization projects in-house; she asked if that was incorporated into his Department's budget for the upcoming fiscal year. Mr. Eads explained that he will do as much as he can within his own department, but anything additional is not something that the City can bond out. If Council wishes to build more synchronization into Traffic's budget, then that same amount needs to be cut from somewhere else in the budget, but it is currently balanced.

Claudio Treviño, Police Chief, confirmed that he will present the Police Department's priorities during his departmental presentation. While staff needs funds to renovate the Downtown substation, he noted that the amount can be negotiated to achieve the department's goals.

Cm. Torres asked where the three new traffic light requests are located. Danny Magee, Traffic Director, noted that locations are not definite as he needs to upgrade multiple intersections. Mr. Eads reported that there are 15 new lights on the books in the proposed CIP. There are no plans for replacements at this time, as staff is trying to address intersections that do not have signals. Cm. Torres stated that there must be a plan for replacements as well. Mr. Magee agreed.

Mr. Eads clarified that Mr. Magee's agenda is a maintenance perspective, which is great, but staff's agenda is for CO bonds, which means brick-and-mortar additions.

Mrs. Cabello clarified that the total bond request with 2% added for public art is an estimated total of \$22,678,211; staff was told their capacity is around \$23,600,000.

Cm. Altgelt reminded staff that Laredo lost another cyclist over the weekend; the City owes its residents safe crosswalks and traffic lanes for cycling and walking. He suggested that staff could address pedestrian signaling needs.

Cm. Vielma asked staff to prioritize traffic signal projects in their budget. Mr. Magee reminded Council that when the City adopted Vision Zero, it cemented safety as the top priority for the Traffic Department, who changed their name to the Traffic Safety Department.

Mrs. Cabello reported that staff went back to old bonds and reprogrammed the savings with interest earned, money in reserves, and closed projects that are not related to any district. Staff found nearly \$1.7 million in savings. Given the public's vocal demands for winterizing the animal shelter, staff funded those efforts.

Cm. Vielma noted her preferences to service people, like making sure that assault victims at the police headquarters are not positioned closely near suspects, as opposed to winterizing the animal shelter.

Cm. Torres reminded Council that there is no such thing as prioritizing any department and more important than another. All departments have needs, and Council cannot say that because they see something firsthand, their experience is more important than another Council Member's. He added that Council is required by Health Code to facilitate the health of residents and animals in the city, not by choice.

Mrs. Cabello clarified to Council that the vehicle prices are estimates; if the sticker prices are less than projected, then the result will be a savings that can be reallocated elsewhere.

Cm. Rodriguez asked if departments truly need trucks; if not, he recommended that they utilize smaller, compact cars. Mrs. Cabello agreed, noting that staff will proceed with that in mind.

Mrs. Cabello reported on unfunded projects, as follows:

Ferris Wheel	\$1.2M
Police Annex	\$5.8M
Bibliotech (Del Mar Fire)	\$516,707
Transit Facility	\$5M
Detox Center	\$750,000
Springfield Extension	\$12M (Phase 2 & 3)
City Cemetery Land Acq.	\$1.5M
Boulevard of the Americas	\$2.5M

Dr. Marte Martinez voiced his understanding that the Detox Center was being researched for alternative funding sources so that it would not be an unfunded project, as it is an important endeavor to many Council Members. Mrs. Cabello noted that the listing of the Detox Center under Unfunded Projects is because Webb County will be funding the construction of the center; staff is looking for alternative funding sources for the operation of the center. The City is not responsible for funding the construction.

Cm. Altgelt asked if the Boulevard of the Americas could be xeriscaped to help reduce the \$2.5 million price tag. The entire plaza should increase walkability and be aesthetically pleasing while discouraging camping.

Cm. Rodriguez asked about the previous bonding for the Boulevard of the Americas, voicing this understanding that Council had already voted on this project. Mr. Eads agreed that there is already a Council commitment through funding specifically from District VII, a statue that is being commissioned, and an architecture firm that has been commissioned to start designing the boulevard project. He reiterated that staff is currently following Council directive.

Mrs. Cabello reiterated that these projects are not being funded at this time for the upcoming fiscal year, but staff wanted to let Council know that they have not forgotten the projects.

Mr. Eads confirmed that the City allocated District VIII Priority Funds and \$500,000 in bond monies for the Boulevard of the Americas.

Cm. Vielma asked for a report from the Police Department regarding crime and drug abuse in the Downtown area, noting that she works in the area and has taken multiple pictures to-date of individuals passed out, possibly from drug overdose, near her business. She has witnessed drug use and indecent exposure in the area.

Mayor Saenz suggested bringing back the panhandler ordinance that failed previously. Cm. Altgelt initiated a motion to that effect.

Motion to direct staff to bring back an ordinance regarding the panhandling issue in the City.

Moved: Cm. Altgelt
Second: Cm. Vielma
No vote taken.

5. FIRE - Steve Landin, Fire Chief

Steve Landin, Fire Chief, reminded Council that the mission of the Fire Department is always to reduce or prevent the loss of life or property in the community due to fire, medical emergencies, natural or man-made disasters and catastrophes. The Department seeks to continue efforts to upgrade and enhance fire and emergency medical service resources to deliver timely, efficient, and effective services to Laredo citizens. He reported that last year, staff initiated a cancer awareness and prevention plan for firefighters given the amount of chemicals and respiratory challenges that they face in their line of duty. The Fire Department also advanced its incident command and accountability structure with three vehicles; staff also updated all of its self-contained breathing apparatus replacement program. Two ambulances were replaced; the Fire Department invested \$1.5 million in last year's equipment and improvements. Chief Landin reported that the proposed budget for FY19-20 is \$55,850,773, 90% of which goes to personnel and the remaining 10% is divided between contractual services (3%) and material and supplies (7%). This

proposed budget is a slight increase from last year's budget of \$53,224,015. Staff does not have an academy plan for the upcoming budget, meaning that staff does not anticipate adding any uniformed personnel in the next year.

Chief Landin proposed one additional civilian position to the Fire Department for an emergency management coordinator (EMC), which is needed in a community the size of Laredo. This position will work closely with the school districts and the private sector for emergency preparedness planning. He requested Council's approval of this EMC position as there is funding available through a reimbursement in the CIF fund. This will fund the position for two years.

Motion to approve the additional civilian position for an Emergency Management Coordinator.

Moved: Dr. Marte Martinez

Second: Cm. Mercurio Martinez

For: 6

Against: 0

Abstain: 0

Cm. Torres and MPT Balli were not present.

Chief Landin stated his intention to start the EMC employee no later than April 2020; however, it is allocated for October 1, 2019. This will give staff time to recruit the individual and take them around the community to meet key contacts throughout the city for the purposes of their duties. He reported that the Emergency Management System (EMS) sees an increase of 500-700 emergency responses each year, estimating 27,644 in 2019-2020. Due to the SAFER grant and a forthcoming proposal to Council, he noted that staff is looking to open an ambulance center at the top of Bob Bullock Loop near I-35 given the coverage gap in the northernmost portion of Laredo. He estimated that the Department will see 11,500 fire responses in the upcoming year as well as 4,500 EMS-assisted Fire responses, 6,820 Fire inspections, 52 Fire investigations, and 1,411 plat/plan reviews.

Dr. Marte Martinez asked if there is a smaller engine that can be used for EMS-assisted Fire responses. Chief Landin noted that it has been a common occurrence to respond to an EMS call to find that the individual is very heavy and needs the engine in order to lift them. In 2006, staff created miniature response units that were utilized for incidents in which packages containing white powders were being mailed to different organizations. These small teams of response units were pulled from the active crews; this can be done again but it will take an investment of additional vehicles to complete. He explained that what staff has been doing is giving the EMS supervisors to determine if a call warrants an ambulance or engine and making that call. Typically, the ambulance is sent out, and the engine is only sent out if responders find that it is necessary. He noted that staff is not looking to activate a new program at this time. Dr. Martinez asked that this issue be brought back to Council for further study and consideration.

Chief Landin cautioned Council that the Fire Department's collective bargaining agreement stipulates that new units cannot be created by pulling from the pool of

active units. Currently, he has no positions budgeted for new units.

Mayor Saenz recalled complaints brought to him in which the Fire Marshall comes in after a plat/plan review has been approved with additional requirements that are needed. He suggested more coordination at the beginning of the process to avoid this confusion. Chief Landin agreed and explained that a plan review phase occurs in which two assigned inspectors are part of a plan review committee with the Building Department to work together. It is an effective tool because everyone knows from the beginning what is needed. The problem occurs when the contractors deviate from that plan, and the Fire Marshall realizes there is a deviation after the plan has already been approved.

James Kirby Snideman, Planning Director, agreed that staff is working on improved coordination to prevent this issue. Chief Landin added that the contractor typically deviates from the plan review without giving notice to staff and then will blame staff for interfering when they were the ones who caused the issue.

Chief Landin reported that the Fire Code is updated every three years, but staff is behind on bringing the new versions to Council for adoption because they must provide it to the Technical Review Board, voicing his opinion that there is a conflict of interest within the TRB that holds the Fire Department back from updating its Code. Codes are reactionary to losses of life.

Victor Linares, Acting Building Director, explained that there is a strong section for the Land Development Code regarding updating the Code. There is a smaller but important section regarding updating the Building Code. He noted that there is already a plan in place for addressing updates to the various Codes that govern staff. Mayor Saenz asked if Council could review the plan every two months to assess the progress.

Chief Landin cautioned Council against giving any directives to staff to deviate from the Fire Code, as all successful municipalities follow the Codes to the letter. Deviating from the Fire Code opens the City to liabilities and is an unsafe practice. He reported that the Fire Department currently needs \$7.05 million in fire suppression trucks and \$1.052 million in EMS equipment and vehicles. Chief Landin noted his pride in the Bike Patrol for their commitment to the community. The Department also needs \$631,165 in other capital outlay requests such as computer hardware (\$40,280), live fire training (\$300,000), and fleet vehicles (\$190,885). He noted that the Fire Department receives a little revenue from training other organizations and has helped TEEX eliminate their backlog of training. Chief Landin reported that some counties have dropped off patients with Laredo Fire Department and staff has had to bill the patient hoping to recover some costs. However, he reached out to counties and asked them to reconsider this activity and has seen a reduction in this occurring.

Dr. Martinez asked if the proposal for fire billing (with a conservative projected revenue of \$250,000 per year) could be reallocated for other purposes to help make the Fire Department self-sufficient. Chief Landin explained that he was going to propose that Council approve the fire billing via ordinance so that staff may start

replacing its fleet on a schedule. He clarified that Fire Billing will be directed to insurance companies only; if a patient is uninsured, they will not be billed. He noted that the question has been brought up as to whether insurance premiums will increase, but he has had preliminary conversations that imply that the City could see a 4-5% premium reduction. Dr. Martinez initiated a motion to direct staff to introduce the fire billing for insurance claims only ordinance.

Cm. Altgelt noted that with the caravan issues taking place earlier this year, the City has had the humanitarian duty to provide shelter, food, clothing, and health screenings to individuals coming to the City's port. However, the City has also been left footing the bill for these services and asked at what point the federal government would reimburse the City for these expenses after saddling Laredo with their failed immigration and drug policies. Chief Landin noted that he is drafting the cover letter for the reimbursement request. The City's request is for Category 2, which is not first priority; first priority goes to the organizations that are housing the migrants: Catholic Charities and Holding Institute. Those non-governmental organizations have their food and clothing donated to them, so they are not eligible for reimbursement. Only outright purchases are reimbursable. He noted that the City will aggressively pursue reimbursement for Category 2 purchases, but he could not make any promises as to the success of those requests.

Motion to direct staff to introduce the necessary ordinance at the first meeting in October 2019 to initiate the implementation of Fire Billing for Insurance Claims Only.

Moved: Dr. Marte Martinez

Second: Cm. Altgelt

For: 7

Against: 0

Abstain: 0

MPT Balli was not present.

Motion to direct staff to explore the feasibility of sending a demand to the federal government for reimbursement to the City of Laredo for emergency services calls at the International Bridge.

Moved: Cm. Altgelt

Second: Cm. Mercurio Martinez

For: 7

Against: 0

Abstain: 0

MPT Balli was not present.

Chief Landin continued that the Fire Department has a current academy of 24 cadets that were projected to be sent to Fire Station #16 in Unitec. That fire station was never completed and was a FEMA/SAFER grant. He reached out to FEMA and informed them that the station was never constructed.

Motion to approve the Fire Chief's proposal to activate a new ladder truck for Fire Station #14 and a new ambulance for Fire Station #10 and to direct staff to

introduce the required ordinance at the first meeting in September 2019 to initiate the implementation of the ladder truck.

Moved: Cm. Rodriguez

Second: Cm. Mercurio Martinez

For: 7

Against: 0

Abstain: 0

MPT Balli was not present.

Chief Landin continued that FEMA informed him that the 24 cadets could not be added to the Fire Department's personnel; staff must activate two new units because that was given to staff through the SAFER grant. The ladder truck will be assigned to fire station #14 on Cielito Lindo; the ambulance will be housed at fire station #10 at McPherson Rd. and Loop 20. He noted that there is not personnel to continue with the Unitec station.

Dr. Martinez stated that staff has had multiple meetings about this issue, which is ongoing. It has been a difficult journey. Chief Landin added that when the City met with Unitec, Unitec offered the land while the City provides the personnel. However, Unitec backed out of that agreement, which is why the City is in the position it is in now. If the City defaults on the grant, the organization must return \$3.4 million to FEMA and will not receive another SAFER grant for many years to come.

Motion to approve the Fire Chief's recommendation to reclassify the positions of nine firefighters to three captains, three drivers, and three assistant drivers. **[GET THE SLIDE FROM IST/FIRE FOR THIS MOTION].**

Moved: Cm. Gonzalez

Second: Dr. Marte Martinez

For: 7

Against: 0

Abstain: 0

MPT Balli was not present.

Cm. Vielma asked if it would be possible to provide annual CPR or emergency training for billable purposes. Chief Landin stated that there is a fee schedule in place for external training, but the training itself is mostly geared to fire-related individuals. There is billing available, but the revenue obtained is minimal. For CPR and first aid, the Fire Department typically provides training in the community at no charge. The City used to have a mass CPR day where the Fire Department would go to a field or the civic center and have an open training for 200 people as a free service. It is in the Department's interest to provide free CPR and first aid training because that multiplies the Department's hands in the fields when citizens are prepared for CPR and first aid situations until emergency responders arrive. Current training staff at the Department are dedicated to the EMS program.

Mayor Saenz asked if the Fire Department has the authority to confiscate or seize anything within their duties. Chief Landin noted that the Fire Department has some law enforcement/peace officers within the Department called Arson Investigators

who are able to collect evidence. Since the Police Department and Webb County Sheriff's Office are the main law enforcement entities, there is not much chance that the Fire Department can generate much revenue through confiscated and forfeited monies. He confirmed that commercial washing machines have been added to the Department, and bids are being collected for Fire Station #4 to add female dorms and remodeling. Washing machines are being added to fire stations throughout the City to help reduce the risk of cancer among the firefighters. He confirmed that he could send a memorandum through the City Manager's Office regarding the status of washers throughout the City's fire stations.

Dr. Martinez asked if there is any training that the Fire Department provides regarding opioid overdose. Chief Landin confirmed that the Department has trained to individuals outside of the Department for this purpose. Fire has worked with conjunction with the Health Department for narcotic training and awareness.

Guillermo Heard, Deputy Fire Chief in charge of EMS, reported that staff has performed several opioid training to the Webb County Sheriff's Office. Training has involved administering an agent that counters opioid overdoses, which is available over-the-counter. Dr. Martinez reminded staff and Council that there are state and federal grant funds available for this training purpose, and he encouraged staff to be proactive in accessing those grants.

Chief Landin requested Council's approval of \$2.5 million to meet the immediate needs of the Fire Department, including the vehicles that he presented.

Motion to approve the \$2.5 million requested to meet the immediate needs of the Fire Department for the purchase of a new ladder truck, a new ambulance, a replacement fire truck, and other items as presented and recommended by the Fire Chief and City Managers.

Moved: Dr. Marte Martinez

Second: Cm. Mercurio Martinez

For: 7

Against: 0

Abstain: 0

MPT Balli was not present.

15. THIRD PARTY FUNDING - Arturo Garcia, Community Development Director

Arturo Garcia, Community Development Director, reported that every year brings much interest to the City's Third Party Funding and Hotel/Motel application process. This year, 40 entities applied for City funding. The funding considerations for General Fund include 501 (c) 3 non-profit status, performing a municipal purpose, and meeting one of the following three criteria:

- (1) Support Education
- (2) Promote Economic Development
- (3) Promote Health & Welfare

Under the Hotel-Motel Tax Occupancy funding considerations, recipients must

have a 501 (c) 3 non-profit status, every expenditure must *directly* enhance and promote tourism and the convention and hotel industry, and must meet one of the nine requirement by state law:

- (1) Improvement/maintenance of a convention center or visitor information center
- (2) Convention registration
- (3) Advertising and promotion
- (4) Promotion of the arts
- (5) Historical restoration or preservation
- (6) Sporting events (only certain municipalities)
- (7) Enhancement of sports facilities (only certain municipalities)
- (8) Tourist transportation system
- (9) Signage promoting sights and attractions

Mr. Garcia reported that of the 40 organizations that applied for Third Party Funding, staff recommends 27 organizations for General Fund funding for FY2019-2020 as follows:

1. Area Health Education Center	\$5,000
2. Bethany House of Laredo	\$25,000
3. Holding Institute, Inc.	\$3,000
4. Border Area Nutrition Council, Inc.	\$25,000
5. Border Region MGMR	\$10,962
6. Boys & Girls Clubs of Laredo	\$20,000
7. Catholic Charities	\$10,962
8. Casa De Misericordia	\$20,000
9. Children's Advocacy Center	\$27,000
10. Kidney Foundation of Laredo	\$18,000
11. Laredo Amateur Boxing Club	\$5,000
12. Laredo Cancer Society	\$10,966
13. Imaginarium of South Texas	\$7,000
14. Laredo Crime Stoppers, Inc.	\$4,000
15. Laredo Little Theatre	\$6,500
16. Laredo Regional Food Bank	\$3,000
17. Gateway Community Health Center	\$3,000
18. Literacy Volunteers of Laredo	\$6,000
19. Mercy Ministries	\$10,962
20. Ruthe B. Cowl Rehab. Center	\$100,000
21. Sacred Heart Children's Home	\$15,000
22. Serving Children & Adolescents in Need	\$13,500
23. South Texas Food Bank	\$35,000
24. Special Olympics Texas	\$0 (Did not apply)
25. Volunteers Serving the Need	\$10,962
26. PAL-Pet Alive Laredo	\$3,000
27. Habitat for Humanity of Laredo	\$3,000
28. Rio Grande International Study Center	\$3,000
Total Budget	\$404,814

Cm. Torres initiated a motion to increase Laredo Crime Stoppers, Inc. funding from

\$4,000 to \$25,000; Rosario Cabello, Co-Interim City Manager, asked if Council wishes to take from one organization to make up the difference. This is what Council has historically done before. Cm. Torres objected, noting that “taking from Paul to give to Peter” is not the solution. Mrs. Cabello clarified that staff will have to cut monies from someone else in the General Fund in order to keep the budget balanced.

Motion to increase the Third Party Funding amount awarded to Laredo Crime Stoppers, Inc., from \$4,000 to \$25,000.

Moved: Cm. Torres

Second: Cm. Vielma

For: 6

Against: 0

Abstain: 0

Cm. Gonzalez and MPT Balli were not present.

Cm. Torres informed Council that Special Olympics Texas typically receives \$10,000 but did not apply this year; he reported that they had a change in management and brought in a new director. He stated his understanding that they did not apply for this funding because of the change in management. Since Special Olympics Texas provides an important service to the community, he initiated a motion to fund them \$10,000 for the FY2019-2020 year.

Motion to approve \$10,000 for Special Olympics Texas for the upcoming fiscal year.

Moved: Cm. Torres

Second: Dr. Marte Martinez

For: 6

Against: 0

Abstain: 0

Cm. Gonzalez and MPT Balli were not present.

Cm. Altgelt voiced his understanding that the City is committed to the Ruthe B. Cowl Rehabilitation Center for \$100,000. Mr. Garcia confirmed that this is true due to a service contract.

Motion to approve all other Third Party Funding recommendations as presented by staff.

Moved: Cm. Torres

Second: Cm. Altgelt

For: 5

Against: 0

Abstain: 1

Cm. Rodriguez

Cm. Vielma

Cm. Mercurio Martinez

Cm. Torres

Dr. Marte Martinez

Cm. Altgelt

Cm. Gonzalez and MPT Balli were not present.

Cm. Vielma clarified that she abstained because she represents Casa De Misericordia.

Mr. Garcia displayed the staff recommendations for Hotel-Motel Tax Occupancy FY2019-2020 funding, of which 13 organizations were recommended as follows:

1. Border Olympics, Inc.	\$125,000
2. Laredo Area Youth Soccer Assn.	\$30,000
3. Laredo Center for the Arts	\$150,000
4. Laredo Chamber of Commerce	\$20,000
5. LULAC #7	\$0 (Did not apply)
6. Laredo Main Street/Farmers Mkt.	\$15,000
7. Laredo Main Street/Rio Music Fest	\$25,000
8. Laredo Philharmonic Orchestra	\$22,000
9. Mexican Cultural Institute of Ldo.	\$10,000
10. Princess Pocahontas Council	\$10,000
11. Society of Martha Washington	\$15,000
12. Washington's Birthday Celebration	\$60,000
13. Webb County Heritage Foundation	\$60,000
14. TAMIU Alumni Association	\$10,000
Total Budget	\$552,000

Cm. Torres initiated a motion to approve staff's recommendations for the Hotel-Motel Tax Occupancy funding. He asked why LULAC #7 did not apply for funding this year. Mr. Garcia explained that due to the Ethics Code, staff does not reach out to applicants. If they do not apply, then staff does not contact them to make inquiries or encourage them to apply. He could not recall what LULAC #7 typically uses these funds for.

Dr. Marte Martinez stated that his wishes to find out why LULAC #7 did not apply for funding this year. Cm. Torres amended his motion to include funding for LULAC this year.

Motion to approve the Hotel-Motel Tax Occupancy Third Party Funding recommendations as presented by staff and to approve funding for LULAC #7 in the amount of \$10,000, as amended.

Moved: Cm. Torres

Second: Cm. Rodriguez

For: 7

Against: 0

Abstain: 0

MPT Balli was not present.

Mr. Garcia thanked the Third Party Funding Advisory Committee for reviewing all of the committees as it is a long and arduous process.

Linda M. Payle, Laredo Crime Stoppers Chair, noted that she also works with the Webb County Head Start Program. Laredo Crime Stoppers works closely with law

enforcement, and she commended the Laredo Police Department for the great job that they are doing.

Colleen Rodriguez of Laredo Crime Stoppers reported that so far in 2019, the organization has received 594 tips. It is a successful organization in keeping Laredo safe; as the community continues to grow, residents have felt comfortable calling Laredo Crime Stoppers. She noted that when the organization was with the Webb County Sheriff's Office, they had rent-free space; since being displaced and joining the Police Department, they have incurred rental fees that takes from their overhead. She also noted that while Laredo Crime Stoppers could receive seized or forfeited properties, they have not come to an agreement with the Police Department on this matter.

Cm. Vielma asked management if the City could assist the Crime Stoppers with rent-free office space. Mrs. Cabello confirmed that staff is already working on this.

Priscilla Iglesias, Laredo Main Street Executive Director, thanked Council and management for the City's continued support to Laredo Main Street. Without third party funding, the organization would not be where it is today.

Cm. Mercurio Martinez noted that the Holding Institute is a new organization but has been taking a great burden and stress off of the City by taking care of and housing the immigrants that come through Laredo's port.

Motion to increase the funding to Holding Institute from \$3,000 to \$8,000.

Moved: Cm. Mercurio Martinez

Second: Cm. Torres

For: 6

Against: 0

Abstain: 0

Cm. Altgelt and MPT Balli were not present.

9. ANIMAL CARE SERVICES - Heberto L. Ramirez, Acting Animal Care Services Director

Heberto L. Ramirez, Acting Animal Care Services Director, reported that the Department currently has three positions from a temporary staffing service, two Clerk I and one Clerk II positions. He noted that the Department cannot count on these positions, as they are unreliable in providing needed services. Therefore, staff requested to move their contractual service monies that fund these positions to permanent positions through three FTE creations.

Rosario Cabello, Co-Interim City Manager, clarified that the funding won't be affected by the creation of three FTE's; the monies used to fund the temporary positions will cover the cost of these FTEs.

Mr. Ramirez noted that there are currently 15 Animal Control Operators in the Department with one additional position to be funded and filled in the next fiscal year. The Animal Care Services Department has extended hours to better

accommodate the community, including Saturday hours from 10:00 a.m. to 2:00 p.m.; there is rotating 24-hour on-call services as well. Previously, there was an administrative problem with overtime hour expenditures, so Mr. Ramirez transitioned the department to working via shifts through the extended service hours. While he did not have departmental data grouped by district, he confirmed that staff receives many calls throughout the city regarding loose animals and animal-related incidents. Mr. Ramirez stated that the revenue streams within the Department are poor-performing.

Mr. Ramirez continued that staff utilizes tablets for operations; however, following the ransomware attack, some of those tablets are still unavailable. The Department has moved to paperless operations, and there will be an unfunded request for software to replace what the Department currently uses.

Motion to approve the three FTE creations as recommended by staff.

Moved: Cm. Torres

Second: Cm. Gonzalez

For: 6

Against: 0

Abstain: 0

Cm. Altgelt and MPT Balli were not present.

Mr. Ramirez continued that with the approved FTE positions, the Animal Care Services Department has 40 proposed FTEs for FY19-20. The personnel expenditures account for 65% (\$2,006,448) of the total \$3,085,623, followed by materials and supplies (\$527,573 or 17%) and contractual services (\$551,602 or 18%). He estimated that the department will receive about 22,000 incident calls directly to the Department in 2019-2020 and 12,000 calls through 3-1-1. He estimated that the Department will take in about 9,000 animals in the next year. He explained that City ordinance requires the Animal Care Services Departments to wait 72 hours from the time an animal is brought into the shelter until any action is taken such as adoption or euthanization. The animal is scanned to determine if it has a microchip; if one is found, then the Department makes every attempt to contact the owner. Those contact attempts are documented, and if the Department does not hear back from the owner after those 72 hours have transpired, then the animal becomes the responsibility of the City. He could not confirm an estimate of the pet population in Laredo because of the undocumented breeding that occurs.

Cm. Rodriguez voiced his opinion that the City should have an incremental citation structure to fine individuals who do not take care of their pets. He initiated a motion to this effect.

Mayor Saenz stated his opinion that the license fees are too low and asked how staff is to manage all of the issues with pet ownership in Laredo. Mr. Ramirez clarified that the fees in the Animal Care Services Department are not low. When an animal is loose and is caught by the Department, the owner is cited an "animal at large" fee; the fee is set by the Municipal Court Judge.

Cm. Torres noted that the fee is at the discretion of the Municipal Court Judge, and

repeat offenders tend to receive higher fees each subsequent time that their animals get loose and need to be picked up. Mr. Ramirez informed Council that the Department does see many repeat offenders coming to pick up the same animals; instead, people tend to stop caring and don't look for their animals anymore. The majority of the owners called when their pets are found and microchipped don't claim ownership of the animal after it has been caught by the Department.

Mr. Ramirez explained that when an animal is taken into the Department and 72 hours have passed without the animal being claimed by an owner, the Department works with rescue organizations to remove the animals from the shelter and into permanent homes. Cats are very rarely returned to owners; it is more common for dogs to be returned. The Department makes every effort to return pets to their owners or to find homes for them through rescue organizations in order to avoid euthanasia. Of the animals brought into the shelter, the rate of animals leaving the shelter alive (through returns, fostering, or adoption) is about 58%.

Mr. Ramirez projected that staff will spay/neuter about 600 animals in the next year. Dr. Sandra Leyendecker, veterinarian for the Animal Care Services Department, reminded Council that the Department needs help in regards to money and personnel to spay and neuter more animals. She reported that she performs many spay/neuter services through her veterinary practice in addition to the shelter, but the Department only recently secured two vet techs, so the spay/neuter services has not yet seen an increase in the number of animals being serviced. When she has the personnel available, she can perform 20-40 sterilizations in two hours. However, the Department does not have the manpower, and she is using up the materials quickly despite trying to stretch the Department's resources. The Department is quickly running low on materials and will need more this year.

Mr. Ramirez cautioned Council that the Department can spay and neuter all of the animals that come into the shelter, but a significant amount of those animals are still being euthanized because of overcrowding and lack of adoption, fostering, rescuing, or returns to owners. Staff has had to euthanize some animals that were already spayed or neutered because they had been at the facility for a month or two without being fostered or adopted. Animals are continually coming in that need an opportunity to survive and receive veterinary care, and staff has to make difficult decisions because there is not room for all of the animals that come through the facility.

Mayor Saenz asked if staff should make sure that a pet is wanted before expending the resources to spay or neuter that animal. Cm. Altgelt agreed. Mr. Ramirez reminded Council that the Department had free adoptions every Wednesday all summer long and still faces the problem of having more animals than the demand for them. He added that the majority of dogs that come into the shelter are pit bulls or lab mixes, which are not easily adoptable. Dr. Leyendecker added that most people looking to adopt a dog want a small breed.

Mrs. Cabello emphasized that the City wants to promote responsible pet ownership, which is compromised when the shelter removes adoption fees.

Waiving adoption fees tends to result in owners bringing the animals back to the shelter or more cases of abuse and neglect arising. She stated that there must be some type of fee when residents try to adopt an animal. Mayor Saenz agreed, noting that when something costs money, people tend to value it more and take better of it.

Cm. Altgelt countered that the \$137 adoption fee tends to price families out of the market for a pet. Cm. Torres disagreed, noting that if a family cannot afford the one-time \$137 adoption fee, then they will not be able to afford the regular preventive services that a pet needs. He clarified that the Department is making its best effort to determine which animals are more adoptable and offering one day of the week for free adoptions which encourages families to adopt a free medium-to-large breed as opposed to a small breed. Many families also assume that they are adopting an animal to take straight home without the need for sterilization or vaccinations, so staff performs that in-house to increase the pet's adoptability.

Mayor Saenz noted that the pit bull owner must also take responsibility, and one of the best ways to ensure that is to fine the owner for pets on the loose. He suggested increasing the fine to \$500 and allowing for one initial warning. Mr. Ramirez assured the Mayor that if a \$500 is implementing, the shelter will end up keeping the animal as pet owners will not spend that much money.

Cm. Torres reminded Council that having an animal shelter is part of the City's health and safety code; unfortunately, the animal shelter is not a revenue-generating department.

Cm. Vielma recalled that in July 2017, she made a motion to have a non-profit organization for the animal shelter, but afterward there was a change in the Department's leadership. To her knowledge, that non-profit has not commenced, and she recommended staff revisit that directive. Regarding responsible pet ownership, she noticed that she has not seen an educational campaign for the public. She suggested starting at the elementary level and teach children about the responsible steps necessary to own a pet. After that campaign, the City would hopefully see a decrease in the number of pets that are abandoned or brought to the shelter. Mr. Ramirez explained that staff suspended the educational campaign over the summer because of the turnover with the program coordinator that had begun the campaign. The coordinator was visiting schools, but the program was suspended when schools released for the summer. Now that classes have resumed, staff will continue with the campaign.

Mayor Saenz requested a plan for this matter that will better suit the City of Laredo, including statistical data.

Dr. Marte Martinez asked what mechanisms staff is utilizing in this culture of pet owners' misinformation surrounding their pets, such as the common misconception that if pets breed, they are less likely to develop cancer. He also asked what other cities are doing to promote responsible pet ownership and how that can translate to Laredo.

Cm. Torres reminded Council that state law requires a pet to be spayed or neutered before being adopted. Mayor Saenz added that the City could pass an ordinance that all pets and their owners must be registered with the City. Dr. Leyendecker countered that this requirement is already in place. It is also mandatory for pet owners to microchip their pets, although she estimated that only 10% of owners do so. Even when the Department has provided free microchipping during rabies drives, the owners do not register their pets and often do not choose to spay or neuter their pets. She confirmed that she is personally working with Mr. Ramirez and the LACS Advisory Committee to create an educational campaign through local news media to educate the public, including adults. She agreed that it is important to educate children, but it will be at least 15 years before those elementary-age children will be old enough to make decisions or to enact those lessons.

Mr. Ramirez asked Council to approve the budget as presented, adding that he certainly needs more money for pharmaceuticals. His operation budget is static this year. He asked for more time to evaluate the Department to develop a budget that is going to make more sense for its operations. There are vehicles that are close to breaking down.

Cm. Torres recalled co-sponsoring Cm. Vielma's motion in July 2017 for a non-profit rescue organization; he noted that Council received backlash from the local rescue groups because they thought that the City's rescue organization would be in competition. Those groups are struggling themselves because they are all no-kill shelters; the City's mission is different in that they have to "think with their brains rather than their hearts." The City has a health obligation outside of addressing the pet population and pet issues. There are a lot of individuals who would rather surrender to Laredo Animal Protective Society (LAPS) rather than the City because they know that LAPS will not euthanize the animal.

Mr. Ramirez reported that the Animal Care Services Department collaborated with Public Works and repurposed an old shelter facility to help separate the euthanasia facility and surgery room in order to avoid cross contamination of animals. Public Works also constructed a 30-foot by 21-foot cat facility that will open in the next few weeks. Both facilities were constructed and equipped with kennels and cages for \$45,671 through District VI Priority Funds. He reported that he requested \$103,000 to replace cage trucks with enclosed, climate-controlled vehicles; of that total, \$51,500 was approved. He also requested \$184,386 for kennel winterization, all of which was approved.

Cm. Rodriguez commended the LACS staff and Dr. Leyendecker for their hard work with a limited budget.

Mr. Ramirez informed Council that the Department rejects animals from out of town, such as El Cenizo and Rio Bravo. Cm. Torres clarified, though, that people may often bring animals in from out of town and then dump them in city limits. If the Department receives a call about them, then staff goes and picks them up.

Mr. Ramirez asked Council to consider funding the remaining request for the

second Department vehicle if funds become available. Cm. Rodriguez withdrew his motion regarding the incremental fines for animal abuse and neglect.

Motion to implement incremental fines for animal abuse and neglect repeat offenders.

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

Mr. Ramirez clarified that the vehicle he requested capital outlay funds for that did not get funded is for animal capturing. He often has to double up his animal control officers because the vehicles on hand are always in disrepair.

Motion to approve the funding for an additional truck in the Animal Care Services Department's vehicle replacement program.

Moved: Cm. Rodriguez
Second: Cm. Mercurio Martinez
For: 7 Against: 0 Abstain: 0

MPT Balli was not present.

Motion to implement incremental fines for animal abuse and neglect repeat offenders.

Moved: Cm. Rodriguez
Second: Cm. Altgelt
For: 7 Against: 0 Abstain: 0

MPT Balli was not present.

Mr. Ramirez reported that last year, the Department spent \$30,000 on propane to supply space heaters during the winter in the kennels. Dr. Leyendecker reminded Council that the kennel winterization is needed because the animals are exposed in their kennels and, particularly with small breeds, lose body heat faster than they can regenerate it. Mr. Ramirez clarified that the kennel winterization was approved and does not require action at this time.

Motion to approve \$50,000 for the Spay & Neuter Assistance Program.

Moved: Cm. Torres
Second: Cm. Mercurio Martinez
For: 7 Against: 0 Abstain: 0

MPT Balli was not present.

Mr. Ramirez presented three projects that are currently unfunded. First, the Master Plan Revision project will update the current facility master plan for future

expansion at a cost of \$50,000. Ramon Chavez, City Engineer, confirmed that staff has some schematics for this plan. He noted that staff can likely perform this master plan in-house and provide a recommendation to management. Robert Eads, Co-Interim City Manager, clarified that management would want to have conversations with staff of the sites available to the Department.

Mr. Ramirez reported that the Department pays \$95,000 per year on rent to the Airport. The Airport fund performs maintenance on the perimeter of the property, but LACS has its own maintenance contract to perform within the facility. Dr. Martinez initiated a motion to direct management to find a piece of property to relocate the Animal Care Services or to negotiate the rent and maintenance of the Department's current location with the Airport Department.

Motion to direct staff to find property in order to relocate the Animal Care Services Department or to negotiate the rent and maintenance of the Department's current location with the Airport Department.

Moved: Dr. Marte Martinez

Second: Cm. Gonzalez

For: 7

Against: 0

Abstain: 0

MPT Balli was not present.

Michelle Deveze of Pets Alive Laredo reported a rumor she heard that the LACS budget would be cut, noting her hopes that this is not true because it currently is providing Laredo animals with improved services. She noted that the animals in the City shelter are some of the best shelter animals she has seen and are receiving spay/neuter services and vaccinations. They are healthy, and the Department's services have greatly improved. She asked Council not to cut the Department's budget but to instead support it so that the improved services can continue. She noted that these animals can be moved into homes much faster because they are healthy, which is the most important factor at play.

Maria Garcia read from a statement from a member of the community who could not be present expressing opposition to the rumor that the LACS budget will be cut this fiscal year. Mayor Saenz countered that the budget was not cut; in fact, Council added money to the budget. Ms. Garcia expressed her gratitude to staff and Dr. Leyendecker in getting animals ready for adoption. She asked Council to accommodate the Department's personnel, equipment, and materials that they need.

A shelter volunteer, who did not state her name, echoed the same sentiments of observing notable improvement at the shelter this past year. She asked Council to continue supporting LACS and their spay/neuter and education endeavors.

Melody Mendoza noted that the shelter has taken great strides forward. Britany Pilgrim, foster with Pets Alive Laredo, noted that the Department has been very helpful with communicating to foster families in conjunction with LAPS. She echoed the same sentiments as her fellow advocates.

Nancy Rodriguez stated that she has a Facebook page themed around educational purposes regarding animals. She reminded Cm. Rodriguez that the animal neglect/abuse registry is publically accessible. However, it hasn't been updated in a year; she asked that it be reinstated to help track repeat offenders.

Ana Rodriguez of the Municipal Court, reported that the registry has not been updated because there has not been anything to report.

Ms. N. Rodriguez added that when calling 3-1-1, many of the dispatchers are not familiar enough with the City's ordinance(s) and challenged Council to review the ordinances so that misinformation is not shared.

16. TRANSIT - Claudia San Miguel, Transit General Manager

Claudia San Miguel, Transit Director, reported that multiple studies by Transit professionals have proven that investing in mass transportation improves mobility and growth of a city. The El Metro/Transit has 175 employees. She confirmed that the Viva Comprehensive Plan, developed with extensive community input, demands increased mass transportation service frequency, bus stop improvements, and increased replacement of old vehicles. The Transit FY19-20 budget was reported as \$15,651,006 in maintenance and operations and \$624,264 in the Transit Center itself. The more that the City decentivizes car dependency, the more revenue that El Metro can garner with increased public transportation use.

Cm. Altgelt recalled a presentation to Council that stated the national average of transportation costs per household is 15% of income; Laredo's average is 30%, double the national average. This was the reason behind the Comprehensive Plan's push for transportation options through mass transit. Mrs. San Miguel agreed, adding that frequency and dependability are the main factors in mass transit utilization. The day that residents know that the bus runs every 15 minutes and will be at the bus stop on time will be the day that residents start to leave their cars at home and take public transportation. The money that families save on transportation costs will go back to the local economy.

Mrs. San Miguel continued that El Metro has a challenge in its operating funding sources. Other states in the country are more generous to their Transit systems; Texas is less generous when it comes to transit funding. Compared to other Texas cities, Laredo does not rank very high in terms of investing capital dollars into the Transit system. El Metro was very dependent on federal dollars that are no longer available. She projected that El Metro will perform 738 bus preventive maintenances jobs in FY19-20. While the Department has many buses that should have been replaced years ago, staff is doing a good job working with the fleet that they have efficiently and with care. Staff has seen a decrease in fixed route ridership; this has been seen statewide, though definite reasons explaining this reduction are not clear. However, Mrs. San Miguel reported that El Metro ridership remains steady.

Mrs. San Miguel noted that the Department is short on funds to build a new Maintenance and Operations facility; staff applied numerous times for grants and funding. Transit received an FTA grant for \$9.8 million to begin Phase I of the facility; the total cost will be \$50 million. She reported is reapplying this year for \$7 million and need \$1 million in local match. Staff will continue to apply for the MPO, who has requested a \$1 million match for bus stop improvements.

Rosario Cabello, Co-Interim City Manager, clarified that management did not have the matches listed on the CIP as being funded. She explained that management spoke with Noe Hinojosa of Estrada-Hinojosa who initially gave the City a top match of \$22.6 million. Upon review, he advised that the City could increase that to \$27 million total. She recommended that Council approve the local matches individually and then prioritize the projects when balancing the budget at the end of the workshop.

Dr. Marte Martinez asked if the City had any monies available to provide the matches required as presented. Mrs. Cabello confirmed that the City does not. Dr. Martinez initiated a motion to allocate the local match of \$1 million for Phase I of the Maintenance & Operations facility. Robert Eads, Co-Interim City Manager, confirmed that staff would add this match to the bond, not to the CIP.

Cm. Rodriguez reminded Council that it was not long ago that Council reneged on some funding for the Transit system. It takes investment to run a department like El Metro/Transit, and he encouraged Council to fund this facility in steps if needed. He urged Council to follow management's recommendation.

Motion to allocate the local match of \$1 million as presented by staff to complete Phase I of the Operations & Maintenance facility.

Moved: Dr. Marte Martinez

Second: Cm. Altgelt

For: 7

Against: 0

Abstain: 0

MPT Balli was not present.

Mrs. Cabello reminded Council that El Metro/Transit is an Enterprise Fund, which should be self-sustaining, but it is not. Regarding the amended budget for this year, the Department expects to be at a deficit of about \$150,000.

Cm. Altgelt reminded staff that the Comprehensive Plan recommends making more trips with smaller buses. Mrs. San Miguel reported that the circulator pilot program has not been performing as expected so far, but staff will double advertising efforts of the service to increase ridership. Dr. Martinez reminded staff that the circulator goes to TAMIU, which has been out of session. Now that classes have resumed, he voiced his optimism that the circulator route will see more college students soon.

Motion to approve \$1.355 million for two fixed-route buses and two El Lift (Paratransit) vans, as amended.

Moved: Cm. Altgelt
Second: Dr. Marte Martinez
For: 7 Against: 0 Abstain: 0

MPT Balli was not present.

Motion to add two service vehicles and two circulators to the Transit budget.

Moved: Cm. Gonzalez
Second: Cm. Altgelt
For: 6 Against: 1 Abstain: 0
 Cm. Gonzalez Cm. Rodriguez
 Cm. Mercurio Martinez
 Cm. Torres
 Cm. Vielma
 Dr. Marte Martinez
 Cm. Altgelt

MPT Balli was not present.

James Kirby Snideman, Planning Director, confirmed that MPO staff are meeting with El Metro to discuss amending the work plan for the \$250,000 for the Transit study regarding circulator routes and rapid transit. An update is forthcoming.

Cm. Gonzalez initiated a motion to approve two FTEs for the Transit system. Mrs. Cabello reminded Council that staff has a balanced budget, so additional FTEs will mean that the City has to cut funds from elsewhere. Mr. Eads added that the City cannot bond for employee positions, so the money would have to come from another Department.

Cm. Torres asked management if they are attempting to rebalance the budget every day after Council action, noting that Council should not have the full responsibility of doing so. Mrs. Cabello reminded Council that staff already provided a balanced budget to Council with the recommendation that it be approved as is. As Council has added items to their "wish list" of additional funding, management can attempt to find savings elsewhere if Council wishes.

Cm. Torres initiated a motion to direct staff to review the budget every day with recommendations as to the funding sources to cover Council's "wish list." Mayor Saenz countered that staff has already told Council that there is no money for certain projects and it is unfair to task them with finding money that does not exist.

Mr. Eads reminded Council that they have not heard from all Department yet; therefore, it would be premature for management to pull from some Departments who have not yet presented in order to supplement the budgets of Departments who have already presented.

Motion to direct management to revise the budget each day with recommendations

as to how to rebalance the budget after Council's amendments with recommendations as to the funding sources.

Moved: Cm. Torres

Motion withdrawn before a second was obtained as there is already a motion on the table.

Mrs. San Miguel clarified that the positions being requested are administrative and will assist staff in putting together a Transit Safety Plan that is required. Staff can do much of the work in-house, though it is labor-intensive.

Motion to approve two FTEs for El Metro/Transit.

Moved: Cm. Gonzalez

Second: Cm. Altgelt

For: 3

Against: 4

Abstain: 0

Cm. Gonzalez

Cm. Rodriguez

Cm. Vielma

Cm. Mercurio Martinez

Cm. Altgelt

Cm. Torres

Dr. Marte Martinez

MPT Balli was not present.

Motion fails.

Mrs. San Miguel reminded Council that the Safety Plan is a requirement, and not complying with it puts \$3.9 million of funding at risk. This is a compliance item and is not a choice.

Cm. Rodriguez suggested that Council remove the fare for mass transit, noting that it is not ideal. Cm. Altgelt noted that while the City might get to that point, he recommended waiting until after Transit and Planning staff meet with the MPO.

Mr. Snideman noted that MPO funds can only be used for planning, not for FTEs. However, he noted that there may be some way to utilize those funds after meeting with MPO tomorrow.

Juan Robles of El Metro noted that over the 20 years he has worked for the organization, improvements to El Metro's services has been noticeable and significant, especially in terms of beautification. He reminded Council that Department Directors want to make Laredo better; this takes money. He urged Council to come up with the money to help Departments make Laredo better. The conditions of the City's Departments is a reflection on Council and their support of staff.

Mrs. San Miguel emphasized to Council that she will personally not allow the Department to lose grant funding; she will ensure that the Department meets all of its requirements and work with what is available.

Mrs. Cabello informed Council that at this point in the budget workshop, Council

has added \$1.375 million of bond monies and \$250,000 in operations to the “wish list,” after hearing from four Departments.

6. POLICE - Claudio Trevino, Jr., Police Chief

Claudio Treviño, Police Chief, reported the Police Department’s proposed FY19-20 budget at a total of \$74,013,164, broken down as follows:

Personnel	\$67,012,455	91%
Materials & Supplies	\$1,811,657	2%
Contractual Obligations	\$4,747,098	6%
Debt Service	\$447,954	1%

He noted that LPD personnel requests are four Intelligence Analysts for the Real Time Crime Center (est. cost with benefits of \$203,467), one Fingerprint Technician (\$44,675), three Custodians (\$124,073), and the removal of one Intelligence Analysis through grant-funded Auto Theft division (for a savings of \$50,867). The five analyst/technician positions will free up five investigator positions at an approximate cost of \$645,900. The three temporary custodian positions will be funded FTEs, and a part-time custodian and seven Clerk positions will remain as temporary positions. He clarified that these positions are already in the budget and do not require any action at this time.

Motion to add \$101,733.50 for two additional Intelligence Analyst FTEs for the Real Time Crime Center (\$50,866.75 each).

Moved: Cm. Rodriguez

Second: Cm. Mercurio Martinez

For: 7

Against: 0

Abstain: 0

MPT Balli was not present.

Chief Treviño reported that the Real Time Crime Center (RTCC) became operational in June 2019 and is expanding; Police recently added the school districts, TAMIU, and Laredo College as participating agencies. The Department completed several projects this year, including:

Peer Support Program

Lexipol-LPD Policy Manual Update

Fuming Chambers for FIS

Texas Anti-Gang Center (TAG) – Currently seeking funding from Texas Legislature

Fingerprints Automated Biometric Identification System

Participation in LESO 1033 Military Surplus Program

Mayor Saenz reminded Chief Treviño that City Hall is a vulnerable building. Security does not carry any firearms to protect employees and citizens inside. Chief Treviño reminded Council that City Hall’s security guards are not City or Police Department employees; they are from a separate agency and not overseen by Police. However, at every Council Meeting, the Police Department provides a

Sergeant-At-Arms. Also, City Hall is a public building, so citizens are legally allowed to openly carry firearms. While Council is in session, firearms can be prohibited in Council Chambers, but that is a legal exception.

Chief Treviño reported the Police Department's proposed FY19-20 Capital Improvement projects, starting with the PD Annex Building. Funding has been identified in FY18-19 for the planning and design phase in the amount of \$350,000. Additional funding is needed to proceed with this fund, also in the amount of \$350,000. A building is needed to accommodate the overflow of personnel.

Cm. Rodriguez voiced his support of the annex building, reminded Council of Cm. Vielma's experience with a crime victim being sat in the same vicinity as her perpetrator.

Rosario Cabello, Co-Interim City Manager, confirmed that she has been in the building in question, and it is not very conducive to the Police Department's operations. Chief Treviño reported that PD moved into the building in 2001 as temporary housing for several sections to be moved into an annex building that was eventually stalled.

Cm. Altgelt asked if the City could buy the land outright from the Airport. Jeff Miller, Airport Director, cautioned Council that airports are financed very uniquely. When the City takes land from the federal government, there are certain grant restrictions that must be followed on that property. The Airport is a special revenue facility, meaning that it does not take any taxpayer dollars to operate. Breaking leases with the airport negatively affects the facility's ability to be self-sufficient. To-date, the Airport is self-sufficient, and opening ground leases and property sales may seem like a cash infusion in the moment. However, that is temporary. There are 39 grant assurances that the City is beholden to meet, one of which is that the City must protect the Airport's ability to operate self-sufficiently. If the Airport offers an option to the City, it must offer it to all of its lessees in order to comply with non-discrimination regulations.

Mrs. Cabello noted that the current lease for this property ends in 2039 and does not have a maintenance allowance. She asked if the FAA could alleviate any of the hardship if the City is paying a lease three or four times the value of the property. Mr. Miller noted that the Airport determines fair market value when setting lease rates. He noted that, in theory, tenants should not be paying so much more than the value of the land and confirmed that staff would review the situation. He explained that the Airport's runway projects are funded through the Airport Improvement Program via grants. Every year, the Airport receives \$1 million from the federal government for Airport projects. Over the last 20 years, the Airport has received \$250 million, of which \$230 million is discretionary. He noted that he would have never placed the DOT facility or Animal Care Services in this location. Not every Airport lease is boilerplate; they are all unique in some way. If there is not a clause in this lease to release something, then the City cannot do so.

Kristina L. Hale, City Attorney, clarified that such a clause is present in this lease. Mrs. Cabello also clarified that the termination of this lease is either with 60 days'

notice or in September 2020.

Mayor Saenz stated his understanding that there is nothing for the City to do. He asked what rights the City has in this matter, noting that the lessee cannot perform a lease holdings improvement. He questioned whether the City should invest money in an endeavor in which there is a large amount of uncertainty.

Cm. Mercurio Martinez explained that a new land lease could be negotiated at the end of this lease term; unless there are improvements to be made, the City would get credit for all of the improvements made. The City could estimate the amount of improvements to be made and extrapolate the amount for a monthly fee.

Robert Eads, Co-Interim City Manager, explained that the land is about \$75,000 per year and about 16,000 square feet.

Chief Treviño reported that the estimated cost of completing the new annex building is \$6.8 million, including furniture.

Dr. Marte Martinez voiced his understanding that the City needs to have its plans in place before performing a lease renegotiation; to do so means that the City has one year to complete these plans. Chief Treviño agreed that Dr. Martinez's understanding is correct.

Mr. Eads confirmed that management's recommendation agrees with Chief Treviño's to keep the new PD annex building where it is rather than finding a new location. However, the monetary commitment would be about \$700,000 to start. Dr. Martinez initiated a motion to approve \$350,000 for the design phase of the PD annex building.

Cm. Altgelt questioned the wisdom of architectural plans that are site-specific when the future of this land and the City's use of it is not clear. Cm. Rodriguez noted that the current building is quickly deteriorating, asking staff to evaluate the health and safety measures of the building.

Motion to approve \$350,000 for the design phase of the Police annex building.

Moved: Dr. Marte Martinez

Second: Cm. Mercurio Martinez

For: 7

Against: 0

Abstain: 0

MPT Balli was not present.

Chief Treviño reminded Council that the Police Department aggressively pursues grant funding to supplement its budget. Last year, staff brought in over \$5.5 million with a combined match. In FY19-20, he estimated that staff will pursue \$6.6 million. Operation Stone Garden has been growing over the last two years and has been grant-funded without local match requirements. The Department has 512 officers of 514 possible. There are 15 new probationary Patrol Officers/Cadets to be pinned at the end of August 2019, and 14 new cadets are starting in the PD

academy in fall 2019. He reported that in 2012, the classification of sexual offenses changed, which caused an increase in aggravated sexual offense statistics by 88%. Other explanations for an increase in these types of crimes include educational outreach which encourages victims to report to police as well as the “Me Too” movement across the nation. He noted that last year, Laredo was ranked the highest in auto theft crimes; this year, due to Police diligence, Laredo is ranked the safest city in Texas for auto thefts. Chief Treviño also listed the numerous activities that the Police Department engages for community outreach.

Chief Treviño reported the Department’s Capital Outlet requests for FY19-20: \$2.79 million for 45 fully equipped marked units (at about \$62,000 each; 52 units were originally requested) and \$84,000 for three unmarked police units (at about \$28,000 each; six units were originally requested) for a total of \$8.874 million. He noted that additional funding was originally requested for the planning and design phase for the new LPD annex building, which Council just approved \$350,000. Dr. Marte Martinez initiated a motion to approve the 45 fully-equipped units and three unmarked units.

Mrs. Cabello reminded Council that management already approved the 45 full units and the three unmarked units. Chief Treviño asked Council to seriously consider a motion to allocate yearly funding for the next three years to the Capital Improvements Program to fund the construction phase of the new LPD annex building.

Cm. Altgelt recalled complaints from constituents about all of the police units parked at the City Hall annex building. He asked why the need for new units when so many seem to be in disuse based on the public perception. Chief Treviño explained that units are not run constantly. Officers are assigned their units during their shifts; the lifespan of a unit is about five years.

Ronald Miller, Fleet Director, reported that the Police Department has 325 patrol units, of which 123 are out of warranty and 88 are worn out. This results in 65% of patrol units out of warranty. Costs of unit maintenance jumped 31% this year. Chief Treviño added that staff cannot continue to support the old technology in the older units, and maintenance/repair efforts have been maximized on them. The fleet needs to be replaced.

Motion to approve funding for 45 police units from the new bond and three unmarked units.

Moved: Dr. Marte Martinez

Second: Cm. Gonzales

For: 7

Against: 0

Abstain: 0

MPT Balli was not present.

Motion to add the long-term funding of the Police annex building to the Capital Improvement Plan subject to budget appropriations.

Moved: Dr. Marte Martinez
Second: Cm. Rodriguez
For: 7 Against: 0 Abstain: 0

MPT Balli was not present.

7. PUBLIC WORKS - John Orfila, Public Works Director

John Orfila, Public Works Director, reported the Department's capital outlay requests for FY19-20 to include a milling machine (\$750,000), a Cat Bailer (\$52,000), and three Tymco sweepers (\$260,000 each) for a total of \$1.582 million.

Motion to approve management's recommendation regarding the Capital Outlay.

Moved: Dr. Marte Martinez
Second: Cm. Mercurio Martinez
For: 7 Against: 0 Abstain: 0

MPT Balli was not present.

Mr. Orfila reported that salary adjustments led to the Department's annual budget increase by \$3 million (\$9,310,673 over 142 FTEs for FY19-20); the budget was itemized as follows:

Personnel	\$6,149,695	66%
Materials/Supplies	\$904,378	10%
Contractual Svcs.	\$1,943,344	21%
Capital Outlay	\$313,256	3%

Mr. Orfila requested Council's approval of eight additional FTEs for creek cleaning as the Department wants to discontinue hiring temporary employees. Robert Eads, Co-Interim City Manager, confirmed that management approved of the additional FTEs. Mr. Orfila confirmed that the funding for these FTEs would come from the Enterprise Fund, not the General Fund.

Motion to approve eight additional FTEs for the Public Works Department.

Moved: Cm. Altgelt
Second: Dr. Marte Martinez
For: 7 Against: 0 Abstain: 0

MPT Balli was not present.

Mr. Orfila reported that the Department completed 199 projects over the FY18-19 year, such as sidewalks, drainage improvements, curbs and gutters, valley gutters, and miscellaneous construction projects. He reminded Council that Laredo is one of the fastest-growing cities and largest inland port. Laredo has 12,512 blocks of city streets covering 782 miles. Approximately 178 new blocks are added every year. He noted staff's objective to initiate and fund a Street Maintenance Program

on a yearly basis in which funds would only be restricted for streets. The Department also intends to avoid issuing debt on streets for the next 30 years. With the proposed \$4 million in the upcoming fiscal year, he projected that the Department can pave 500 blocks of City streets. With the help of a consultant, the Department determined that 39.14% of the City's streets are in good condition; 18.72% are satisfactory, and 15.16% are considered fair. 17.80% of the City's streets are considered poor, and 7.99% are in serious condition. The average Pavement Condition Index (PCI) averages around 70% across all district with District I and II averaging 76-77%. Mr. Orfila noted that the consultant gave Laredo an Average PCI score of 76.23, which surpassed San Antonio, El Paso, Houston, and Bexar County from 2015-2018. He noted that the City will need to dedicate funds to repaving the industrial parks in the future.

Dr. Marte Martinez stated that two possible revenue sources for this moving forward would be Bridge Revenue or converting the Water Availability Fee to a Street Maintenance Fee. Riazul Mia, Utilities Director, stated that the Water Availability Fee generates about \$1 million per year in revenue. He reminded Council that the City adds about 1,000 houses every year and should be buying more water rights; the City has not bought water rights since 2016 because there have not been the funds to do so. He clarified that the new rate study would take at least two years.

Dr. Martinez asked why a resident who already owns their home have to acquire more water acquisition monthly, especially if that fee is going into a fund that has not been utilized for three years. He suggested that the City reallocate that money for one year to create a revenue street for street maintenance. He initiated a motion to begin the process of converting the Water Availability Fee to a Street Maintenance Fee.

Mr. Mia clarified that homes built before 1983 were not asked to pay a Water Availability Fee until two years ago; the City has not been "double-dipping" its residents. Dr. Martinez disagreed, countering that the City has been "triple-dipping."

Motion to direct staff to begin studying a conversion of the Water Availability Fee to a Street Maintenance Fee, as amended.

Moved: Dr. Marte Martinez

Second: Cm. Altgelt

For: 7

Against: 0

Abstain: 0

MPT Balli was not present.

Dr. Martinez initiated a motion to allocated \$4 million annually to the Street Maintenance Program and then amended the motion to add \$500,000 for sidewalks, as well.

Motion to approve \$4 million for a Street Maintenance Program and \$500,000 for sidewalks annually, as amended.

Moved: Dr. Marte Martinez

Second: Cm. Altgelt

For: 7

Against: 0

Abstain: 0

MPT Balli was not present.

Cm. Altgelt reminded Council that during a pedestrian safety conference, tree-shaded sidewalks are a necessity for hot areas like Laredo, not a luxury.

Cm. Rodriguez noted that the Department's reported "street paving" includes parking lots, which is misleading. Mayor Saenz agreed. Cm. Rodriguez reminded staff that older districts have potholes that never get fixed when newer, more affluent neighborhoods destroy their streets with overwatering and get their streets repaired. He stated that repaving has to be fairly distributed among the districts.

Dr. Martinez countered that the selection of streets for repaving are data-driven by the consultant's study. Cm. Torres noted that Council will respect the study.

Robert Eads, Co-Interim City Manager, reminded Council that the City is operating in a way that is fair; it may not be *equal* among the districts, but it will be *fair*. Mr. Orfila added that it is not simply irrigation that causes street disrepair, but the type of soil in the area.

Cm. Vielma agreed that street paving may not be equal among all districts but will be fair. She displayed a graph that showed the tax revenue across districts, noting that some of the neighborhoods in which households may pay \$12,000-\$15,000 in taxes still do not receive street repairs. Her constituents have asked her what they are paying taxes for if they do not see any City services from them. She noted that the street paving study is unbiased because it is considering the repairs that are needed rather than based on political decisions. She noted that the three districts that generate the most tax revenue may not see as much street paving because the revenues are distributed across the entire City for street repairs.

Cm. Rodriguez countered that South Laredo has more needs than North Laredo. Cm. Torres stated that Council must consider the matter objectively. The taxation across districts are collected fairly; this is why the City has an appraisal district. To say that one district collects more taxes than others which makes the district merit more improvements because of the valuation of those properties is not a fair argument. By that same argument, Council could say that District VIII has the bridge, which generates much of the City's revenue and therefore makes District VIII more deserving of street improvements. The Max Mandel Municipal Golf Course is in District VII, and the City must deal with the golf course's deficit. The baseball stadium and arena, both in District V, are City deficits as well.

Dr. Martinez reminded Council that the collective districts are one Laredo, which is the main point to keep in mind. While there are more affluent areas of the city who pay their fair share of taxes, there are reinvestment zones that have deteriorated and need help as well. These decisions must be done fairly, and what "fair" means

should be left to the experts, not policy. He voiced his opinion that just because an area pays more in taxes that they should get the benefit. The benefit should be shared in the manner that is fair. If there are special areas that need work quickly, those repairs should be made first. Part of the investments that Council make are to ensure increases in sales tax. He noted that the perceived division between North and South Laredo should not exist, adding that investments in South Laredo should be used to stimulate growth and commerce there, as well. The better that South Laredo performs, the better that the whole City performs. He encouraged Council and staff to collaborate with the data to make the best decisions for Laredo. Mayor Saenz agreed.

Cm. Altgelt agreed with Dr. Martinez, citing examples in which Council voted to stimulate growth, development, and accessibility in South Laredo. He asked Council Members to remember that Council has been acting to support one another and discouraged factions across the dais.

Motion to dedicate a portion of the \$500,000 sidewalk allocation for shading purposes.

Moved: Cm. Altgelt

Second: Dr. Marte Martinez

For: 7

Against: 0

Abstain: 0

MPT Balli were not present.

12. MUNICIPAL COURT - Jesus M. Dominguez, Municipal Court Judge Ana L. Rodriguez, Municipal Court Clerk

Ana Rodriguez, Municipal Court Clerk, informed Council that the Court is not requesting anything that has not already been approved by management. She reported that revenues are expected to increase to \$4,455,193 in FY19-20, a 3% increase from last year's estimated total. Expenditures are also expected to increase to \$2,163,858 from last year's \$1,946,275. She clarified that most of the increase in expenditures in the upcoming fiscal year will be for personnel. In FY19-20, she estimated that 57,000 new cases will be filed with the Municipal Court (an 8% increase from last year) and 95,582 cases to be closed. Of those 95,000 cases, 37,013 cases will be dismissed for want of prosecution (DWOP) covering a period from 1998-2000. For the first time, the Municipal Court estimates that it will close over 100% of the cases file in the next fiscal year by closing backlogged cases. Staff requests two Municipal Court Baliffs and 0.50 Associate Municipal Court Judges for a total of \$128,021. An additional FTE for a Deputy Municipal Court Clerk II (to work six months) is currently unfunded. Cm. Torres initiated a motion to approve the Associate Municipal Court Judges at 0.50.

Cm. Rodriguez asked if it would not be more economical to put the judges on salary. Jesus Dominguez, Municipal Court Judge, explained that currently one judge comes in the morning while the other comes in the afternoon. Cm. Torres added that the Associate Judges come when Judge Dominguez needs them.

Judge Dominguez agreed but noted that he needs them every day. He agreed that putting these judges on salary would save work, but he intended for them to stay at half-time like they currently are. He asked management if putting these positions on salary would be more convenient.

Rosario Cabello, Co-Interim City Manager, stated that this matter is more of an operational issue, and staff will follow the wishes of Council.

Judge Dominguez noted his understanding that the Associate Judges are satisfied with the half-time arrangement and do not want to be at the Court more than they are needed.

Robert Eads, Co-Interim City Manager, recommended that Council approve the positions as presented and allow staff to further evaluate this matter next year. Judge Dominguez clarified that only one or two days a week, all three judges are in the Court at the same time. He reiterated that the decision to put the Associate Judges on salary is a management decision.

Kristina L. Hale, City Attorney, noted that the Associate Judges are currently part-time, adding that she was uncertain if putting them on salary would trigger any benefits requirements from the City. Gilberto Sanchez, Budget Director, clarified that unless the Associate Judge is retiring, there would be a 7% increase in the City's expenditures to making them salaried.

Melina Bermudez, Human Resources Director, confirmed that the City would experience a large increase in expenditures when considering the City's match of retirement funds. Mayor Saenz noted that management has already recommended approval at hourly rates rather than salaried.

Motion to approve the Associate Municipal Court Judges at 0.50.

Moved: Cm. Torres

Second: Cm. Altgelt

For: 6

Against: 0

Abstain: 0

Dr. Marte Martinez and MPT Balli were not present.

Mrs. Rodriguez clarified that the Municipal Court requests only the FTE for the Deputy Municipal Court Clerk II but to leave it unfunded at this time.

Judge Dominguez reminded Council that staff intend to get three operational courtrooms, so the additional bailiffs are more needed than ever. Approving the bailiff positions will help staff unburden the Police Department by freeing up their officers.

Motion to approve the two Municipal Court Bailiff positions.

Moved: Cm. Altgelt

Second: Cm. Gonzalez

For: 7

Against: 0

Abstain: 0

MPT Balli was not present.

Cm. Torres asked what grade the bailiffs are. Mrs. Rodriguez confirmed that the Municipal Court Bailiffs are pay grade R32. Mrs. Bermudez confirmed that the current wage schedule, which is in effect today, a pay grade of R36 would have a minimum starting salary of \$39,769.60. Cm. Torres initiated a motion to classify the Municipal Court Bailiffs at pay grade R36.

Mrs. Cabello recommended leaving the bailiffs at the current pay grade with a salary so as not to compromise the forthcoming rate study. She clarified that the City can pay them the \$39,769.60 as per Cm. Torres's intentions because Council is providing direction to management.

Cm. Torres reminded staff that last year, these positions were classified as Warrant Officers, not Bailiffs. He asked that staff work on a job description for Bailiff under the pay grade R36 as per his motion.

Dr. Marte Martinez noted that he has no problem with paying employees what they are worth. However, Council just approved a wage classification study and should wait for the results of that. However, he noted that if the City matches the County on these bailiff positions until the results of the study are available. Mrs. Cabello confirmed that staff can correct the classification of the bailiff positions if they are not consistent with the study's recommendations.

Motion to classify Municipal Court Bailiffs at pay grade R36 based upon management's recommendation and commitment, as amended.

Moved: Cm. Torres

Second: Dr. Marte Martinez

For: 7

Against: 0

Abstain: 0

MPT Balli was not present.

Mrs. Rodriguez reported that employees attended development training and certifications and licenses throughout the year; an X-ray/scanner was purchased to improve the safety and security of courthouse employees and visitors. Municipal Court is also offering off-site court proceedings to help the community access their court requirements. Off-site court proceedings will take place as follows:

South Laredo	Sept. 27, 2019	South Laredo Library
East Laredo	October 2019	
North Laredo	October 2019	
West Laredo	November 2019	

Mrs. Rodriguez continued that a second Driver License Recovery Clinic has been scheduled for September 21, 2019 to provide the community with the necessary information to regain their driver license. She noted that the Municipal Court's own

revenues have made it possible to remodel the Courthouse for \$100,000.

Mayor Saenz asked how much revenue the Municipal Court yields to the General Fund. Mr. Sanchez confirmed that Municipal Court provides about \$1.2 million annually in revenues to the General Fund. Judge Dominguez emphasized that the Municipal Court does not cost the taxpayer a cent.

Mayor Saenz asked if the City could earmark any fines collected by Municipal Court and give to the animal shelter. Judge Dominguez noted that the detox center has been prioritized as a necessity in the community. Municipal Court has met with management about allocating at least \$20 from each case to fund the operational costs of the detox center. Staff will also start tracking community service hours to report on the estimated costs that are offset by these service hours.

Cm. Altgelt asked if Municipal Court could send offenders to the Animal Care Services kennels as part of their community service hours. Judge Dominguez confirmed that this is already being done. He further explained that off-site court proceedings have been found to bring in more revenue when staff becomes more mobile and more accessible to the community.

Motion to direct staff to redirect any fees associated with cases involving animal cruelty or abuse to the Laredo Animal Care Services Department excluding Municipal Court administrative fees.

Moved: Cm. Altgelt

Second: Cm. Torres

For: 7

Against: 0

Abstain: 0

MPT Balli was not present.

Mrs. Cabello reminded Council that Municipal Court fees collected go back into the General Fund. Cm. Torres clarified that these fees will build up a kitty to use for the animal shelter next year.

Judge Dominguez noted that between 600-800 animal cruelty or abuse cases are filed per year. Fees are about \$200 per case, meaning that animal cruelty/abuse cases would result in about \$120,000-\$160,000 per year. Mayor Saenz suggested that the City could raise the fines for these cases. Cm. Altgelt initiated a motion to direct the Municipal Court Judge to increase the fines proportionally as per what is fair and equitable.

Mayor Saenz suggested that Council give the Judge a maximum fine of \$500 as per the current ordinance and allow him to determine the fine with that maximum. Mrs. Cabello cautioned Council that many pet owners will not be able or willing to pay that amount, noting that the Municipal Court may not be able to collect those fines.

Judge Dominguez confirmed that the Court looks at the procedural fairness of the case, the defendant's ability to pay, and other factors when determining fines.

Mayor Saenz voiced his opinion that the Judge will be able to execute his discretion and encouraged Council to leave it up to him.

Dr. Marte Martinez asked for Judge Dominguez's and management's estimations of the detox center's operations. Judge Dominguez voiced his estimate that the costs will be between \$500,000 and \$550,000. Mr. Eads estimated that the costs will be closer to \$750,000-\$1 million.

Dr. Hector Gonzalez, Health Director, clarified that full operations will cost a minimum of \$1.5 million.

Motion to direct the Municipal Court Judge to increase fines proportionally as per what is fair and equitable.

Moved: Cm. Altgelt

Second: Cm. Torres

For: 6

Against: 0

Abstain: 0

Cm. Gonzalez and MPT Balli were not present.

Mrs. Cabello confirmed that staff will bring back an estimated amount of revenue appropriations to fund the detox center at the end of the workshop.

Dr. Martinez voiced his understanding that earmarking the fines by \$30 would provide the \$750,000 needed. He initiated a motion to this effect.

Mrs. Hale reminded Council that earmarking portions of the fines themselves is allowable, but the City cannot charge additional fines or increase fines to fund the detox center maintenance and operation.

Mrs. Cabello noted that not increasing the fines by \$30 means that there will be less revenues for the General Fund for the City to work with. Mayor Saenz countered that more money comes in every year from Municipal Court. Mrs. Cabello clarified that this is what is projected but not guaranteed.

Judge Dominguez explained that fines are set by state law, most of which are about \$200. There are also court costs which are set at around \$90; he observed that recommended fees appear on tickets in the amount of \$200 which includes the \$90 court costs. This causes a misunderstanding as the fees should be \$200 for the citation plus \$90 for court costs. He reminded Council that the court cost fee cannot be increased; fines can. However, the fine is already set, and procedural fairness means that the people have to be properly noticed. He noted that law enforcement's fee schedules on their tickets should also be updated because the offenders are seeing on their tickets that they will only have to pay \$200.

Cm. Torres asked if Council could amend all of its fee schedule ordinances to a maximum of \$500 and give the Judge the discretion to set fines in court. Mrs. Hale countered that \$500 is already the maximum by state law.

Judge Dominguez noted that he does not need a motion to determine additional fines (not fees); he already has that power. He recommended instead that the City simply track the monies from Municipal Court and commit a certain amount or percentage to the detox center. He also suggested that Council simply get the money from Municipal Court's excess.

Dr. Gonzalez estimated that the detox center can take shape in six months; Mrs. Hale voiced her disagreement with his estimation. Dr. Gonzalez clarified that the construction of the center can be completed in six month. Mrs. Hale added that now the City has to negotiate with Webb County and are meeting presently. She estimated that one year is a more realistic estimation.

Dr. Martinez asked what would happen if the monies are not available after that year has transpired for the detox center. Dr. Gonzalez noted that the resources would need to be in place before the center is built out.

Mayor Saenz asked about scoff law as a potential alternative funding source. Jude Dominguez explained that scoff law occurs when offenders do not return to court to pay their fines or fees; under the City's Code, the Municipal Court can send its delinquent offenders to the Tax Assessor. The City would pay the Tax Assessor \$50 for each fee/fine that the Assessor returns to the City by denying the offender the ability to renew their license until they pay their fines. He also suggested that this can be implemented in-house by denying permits until the offender has paid their fines. Anybody wanting to do business with the City must be in good standing throughout the City.

Cm. Altgelt reminded Council and the public that addiction is a significant problem in the community and it is an embarrassment of this community that its government has not set aside the funds to deal with addiction. Dr. Gonzalez confirmed that the Sheriff's Office had one casualty as a result of withdrawal or overdose while in custody; he noted that while nobody should die of a drug overdose, Laredo's overdose deaths are a significant disparity given the population.

Cm. Rodriguez voiced his concern that an increase of \$30 is too high. Judge Dominguez reminded Council that the people who are subjected to this increased fine have done something wrong; the City is not going after every taxpayer to fund the operational cost of the detox center. Council Members also added that the Judge already has discretion to assess fees for citations. Cm. Vielma reminded Cm. Rodriguez that if the offender cannot pay, then the Judge has the ability to assign that person community service hours.

Motion to increase and earmark \$30 of non-animal Municipal Court case fines to fund the maintenance and operations of the detox center and to direct staff to provide quarterly reviews on the progress, as amended.

Moved: Dr. Marte Martinez

Second: Cm. Vielma

For:

Against: 0

Abstain: 0

MPT Balli was not present.

Cm. Altgelt initiated a motion to direct staff to enter into negotiations for an MOU between the City of Laredo, the Municipal Court, and the Tax Assessor-Collector for purposes of harmonizing the scoff law and collecting municipal court fines.

Cm. Rodriguez cautioned Council that this action will result in a lot of Laredoans driving without valid drivers' licenses or insurance. Cm. Altgelt countered that the City already has a lot of uninsured drivers. Cm. Rodriguez agreed, reiterating that this action will result in even more instances of uninsured drivers.

Claudio Treviño, Police Chief, confirmed that an ordinance in place gives the Police Department the discretion to impound a vehicle if the driver has not insured the vehicle. This ordinance is already enforced. Mrs. Hale clarified that state law allows a municipality the ability to choose if they want to impound vehicles for not being insured. Chief Treviño added that a hold is placed on the vehicle in which it is not released from impoundment until the owner presents their insurance.

Mayor Saenz noted his opinion that there seems to remain some confusion on this issue, adding that it may need further evaluation. Cm. Altgelt clarified that his motion is simply to instruct staff to begin negotiations and bring those negotiations back to Council.

Judge Dominguez noted that only about 5% of cities in Texas follow scoff law. Most don't for the reasons brought up by Cm. Rodriguez. Cm. Altgelt agreed that without knowing the economic impact that this decision would have, he suggested instead giving the Municipal Court more time to evaluate the issue and provide a recommendation to Council at the next Council meeting. Judge Dominguez clarified that the Court could meet with management directly on this matter. He also clarified that under scoff law, the City can only block the registration of a vehicle. Cm. Altgelt withdrew his motion.

Motion to direct staff to enter into negotiations for an MOU between the City of Laredo and the Municipal Court and the Tax Assessor-Collector for purposes of harmonizing the scoff law and collecting municipal court fines.

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

Cm. Rodriguez asked if the City could place holds on impounded vehicles until offenders have paid their municipal court fines. Chief Treviño countered that this provision is only insurance-specific. Once the owner shows proof of insurance, the vehicle is released. Impound fees are paid to the wrecker service, not the City.

Chief Treviño added that some cities outsource a private entity to perform wrecker services.

Cm. Altgelt asked staff to add an agenda item in the future to contemplate private

services as presented by Chief Treviño. Cm. Vielma asked the City Attorney about withholding permits for failure to pay any municipal court fines. Mrs. Hale noted that the debarment ordinance already has that allowance, but the City would need to enforce it and share the information across departments. Cm. Vielma commended Judge Dominguez for bringing new ideas to the court, finding ways to increase revenues, and making smart use of the court.

Judge Dominguez recommended that Council research ways to recapture the 3% charges for paying with credit cards, as the Municipal Court loses a lot of money because they do not charge a convenience fee. Cm. Altgelt initiated a motion to that effect.

Mrs. Cabello clarified that the Airport does not accept cash; they accept credit card payments as a convenience to forego cash. Cm. Altgelt added that the only Department that cannot charge convenience fees is the Tax Departments.

Mr. Eads countered that the Utilities Department already charges a convenience fee for its customers.

After other discussion [transcribed below], Cm. Altgelt brought back and withdrew his motion regarding convenience fees.

Motion to implement a convenience fee for all City credit card charges and dedicate those collections to the detox center.

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

Judge Dominguez reminded Council that staff requested approval for an unfunded Deputy Court Clerk II, which Council did not do yet. Mrs. Cabello confirmed that staff can evaluate it, but there are a few issues with the detox center and the animal shelter, so staff needs to ensure that there are enough monies available and that the General Fund is protected and balanced. The City will not fill this position until that evaluation is completed. Cm. Rodriguez initiated a motion to approve this unfunded position.

Mrs. Rodriguez explained that the previous Deputy Court Clerk position was reclassified so that the Municipal Court could hire clerks. The Deputy position was already unfunded.

Dr. Martinez asked if there was a way to capture individuals going from the police station to the forthcoming detox center for magistration purposes. Judge Dominguez noted that the Penal Code does give the City magistrate powers through the Municipal Court. The Municipal Court is the magistrate court for all other cities in Texas. To Cm. Vielma's suggestion that the City of Laredo decriminalize marijuana to a Class C misdemeanor, Judge Dominguez countered that it is against the law for the municipality to decriminalize marijuana to a Class C. Many municipalities are simply choosing not to prosecute many marijuana

cases because of the high cost of testing. He noted that he does not need a motion at this time regarding the magistrate powers discussion; he can begin research now.

Riazul Mia, Utilities Director, clarified to Council that the City awarded the convenience fee charge to customers to Pimentus, so the City will no longer collect those fees. Once the contract is implemented, they will be able to collect fees from all Departments taking credit card payments.

Judge Dominguez reported that the Municipal Court, by not charging a credit card convenience fee, gives up \$55,000 per year. Mr. Mia corrected that the Municipal Court has their own credit card payment provider, so they are not subject to Pimentus's fee collection.

Motion to approve the unfunded Deputy Court Clerk II position as recommended by staff.

Moved: Cm. Rodriguez
Second: Cm. Torres
For: 7 Against: 0 Abstain: 0

MPT Balli was not present.

After the discussion transcribed above, Cm. Altgelt brought back and withdrew his motion regarding credit card convenience fees.

Motion to assess all eligible City Departments for a 3% credit card convenience fee and to earmark those monies for the detox center.

Moved: Dr. Marte Martinez
Second: Cm. Altgelt
For: 7 Against: 0 Abstain: 0

MPT Balli was not present.

8. PARKS & RECREATION - Juan J. Gomez, Acting Parks & Recreation Director

Juan J. Gomez, Acting Parks & Recreation Director, thanked Anita Stanley and Graciela Briones for their cooperating in putting together the Parks' proposed budget for the upcoming fiscal year. The Department currently has 238.94 FTEs. He reported the Department's overall proposed budget for FY19-20 as \$16,037,178, itemized as follows:

Personnel	\$10,164,845	64%
Materials/Supplies	\$1,487,327	9%
Contractual Svcs.	\$4,385,006	27%

Of this budget, 57% (\$9,201,325) goes to the Parks Division while the remaining 43% (\$6,835,903) goes to the Recreation Centers and Aquatics Divisions. This

breakdown includes all expenses (personnel, materials/supplies, and contractual services). The Uni-Trade Stadium's budget was reported as \$863,354 with 31 games scheduled and seven rental activities planned. Staff maintains approximately 750 acres of parkland and assists with projects, events, and festivals. Currently, the Parks maintenance ratio is 13.7 acres of parkland for every employee. The National Recreation and Park Association's standard is 8.0 acres for every employee. Yearly attendance to the City's recreation centers and Aquatics facilities continue to grow every year, and the Department completed \$4.6 million in projects in every district. Staff has also developed upcoming projects in every district as well and assisted with 61 special events this past year.

Mr. Garcia presenting upcoming 2019 outdoor events such as outdoor concerts, certification classes, plantings, festivals, holiday events, and sports events. He reminded Council of the Cemetery Division will move to the Public Works Department starting October 1, 2019. He reported the remaining City Cemetery space availability as follows:

<u>Classification</u>	<u>Remaining Spaces</u>	<u>Remaining Time</u>
Veterans	15	6 months
Columbariums	52 (Veteran only)	12 months
Adult Welfare	0*	0 months
Adult Public	39	12 months
Cremation	7 Opening Areas	6 months
Infants	54	18 months

*Staff will use any Adult Public spaces on any request for Public Welfare.

Robert Eads, Co-Interim City Manager, confirmed that the City accepts indigent burials at the City Cemetery; cemetery operation is a function of Webb County, but the City has been performing the operation for many years. Not many municipalities are in the cemetery business; it is largely managed by the private sector or religious organizations. Staff has engaged religious organizations for management of the City Cemetery.

Motion to direct staff to request RFPs for the management of the City's cemetery functions in the private or charitable sector, as amended.

Moved: Dr. Marte Martinez

Second: Cm. Altgelt

For: 7

Against: 0

Abstain: 0

MPT Balli was not present.

Cm. Mercurio Martinez asked what the City charges per plot. Mr. Gomez reported that the City charges about \$3,000. Cm. Martinez informed Council that the Catholic Cemetery across the street charges \$18,400 per plot.

Mr. Gomez reported that the Horticulture and Forestry Division has been in place for two years and is growing in educational classes, workshops, gardens, and

plantings. Tennis classes have increased, and soon the Department will partner with TAMIU to continue with the tennis complex. Mr. Eads confirmed that staff will have an item at the next Council meeting with a request to go out for proposals.

Mr. Gomez continued that the Department requests 21 FTEs for the Parks Division and 18 FTEs for the Recreation division for a total of \$1,227,869. He proposed splitting overtime and comp time to ensure that the Department does not exhaust its funds on overtime expenses before the end of the fiscal year.

Cm. Altgelt recalled reported that Parks staff have been forced to take time off due to budgetary strains given the amount of overtime that staff performs. After these employees come back from their forced time off, all of the tasks that they usually perform were snowballed because it was not done while they were out. Mr. Eads emphasized that staff needs to streamline the Parks Department's services because their presence all over the City throughout the year, even and especially during holidays, is necessary.

Dr. Marte Martinez suggested having crews that handle a particular park and pockets of smaller parks around it. Having dedicated crews may help the City streamline the services and events that occur at these parks. Mr. Gomez confirmed that logistical problems and travel between parks cut into the crews' productive time, resulting in only four to five hours of work in an eight-hour day. Staff plans to logistically place equipment and crews near the parks that they service.

Cm. Torres asked if the Parks Department should be focused on parks rather than construction. Mr. Gomez agreed. Cm. Torres voiced his opinion that it is a challenge and a burden to task the Parks Department with construction duties; he suggested transferring these duties from the Parks Department to Public Works. He initiated a motion to that effect.

Cm. Vielma noted that Council is considering two large changes to the Parks & Recreation Department: removal of the City Cemetery operation/maintenance and removal of construction duties. Both of these duties will go to the Public Works Department; she asked if the Department is properly staffed to take on these additional duties. Mr. Eads clarified that the FTEs will transfer Departments, as well.

Mr. Gomez reminded Council that staff will need to keep a Plumber position in Parks for the Aquatics Division and the fields. John Orfila, Public Works Director, reminded Council that maintenance and construction are two different things; Council Members voiced confusion as to which positions would stay with Parks and which would transfer to Public Works.

Cm. Gonzalez suggested that Council leave the situation as presented. Graciela Briones, Assistant Parks & Recreation Director, clarified that the positions classified as maintenance are specialized in trimming, mowing, pruning trees, maintaining fields, and related services. There are also plumbers, carpenters, AC technicians in construction that also perform some maintenance on facilities.

Mr. Gomez reiterated that Parks staff wants to keep the plumber position in their Department. He also asked that staff retain a carpenter and four handyman positions. Cm. Torres amended his motion to accommodate this request.

Motion to direct staff to transfer construction duties from the Parks & Recreation Department to the Public Works Department and to approve the requested 22 FTEs as presented and to direct staff to transfer 16 FTEs to the Public Works Department, leaving six FTEs in the Parks & Recreation Department to be reclassified for maintenance while keeping the plumber, carpenter, and four handyman positions in the Parks Department leaving two vacant FTEs, as amended.

Moved: Cm. Torres

Second: Cm. Altgelt

For: 7

Against: 0

Abstain: 0

MPT Balli was not present.

Mr. Gomez requested Council's approval of three motions:

1. Adding \$35,000 to Parks' Operational Expenses
2. Adding \$1,161,237 in Capital Outlay Requests
3. Adding the 39 requested FTEs, noting that management approved 7.

Mr. Eads clarified that management's recommendation for the Parks & Recreation Department would be seven (7) FTEs and \$337,526 for Capital Outlay. This is listed on management's proposed CIP.

Motion to approve management's recommendation of seven FTEs and \$337,526 for Capital Outlay for the Parks & Recreation Department.

Moved: Dr. Marte Martinez

Second: Cm. Gonzalez

For: 7

Against: 0

Abstain: 0

MPT Balli was not present.

Cm. Altgelt initiated a motion to instruct staff to implement an asset management program to track staff's operations and efficiency. Through the suggestion of Cm. Vielma, he amended it to include inventory tracking as well. Cm. Rodriguez asked what that would cost.

Mr. Eads clarified that staff would need to get a quote for the software to track these measures. Cm. Altgelt amended his motion to direct to bring this item back to Council with an estimated cost and funding recommendation.

Homero Vazquez, IST Director, confirmed that staff has already initiated meetings with Parks staff to research an asset management system and to integrate it into

the City's AS400 system. He did not have a cost estimate at this time

Motion to direct management to bring back a cost estimate and funding recommendation for an Asset and Inventory Management Program to track inventory, staff operations, and efficiency, as amended.

Moved: Cm. Altgelt

Second: Dr. Marte Martinez

For: 7

Against: 0

Abstain: 0

MPT Balli was not present.

Cm. Vielma asked if Melina Bermudez, Human Resources Director, could work with the Parks Department to develop a creative solution for flex/comp/overtime issues present in the Department. Mrs. Bermudez confirmed that staff will do so.

10. PLANNING & ZONING - James Kirby Snideman, Planning & Zoning Director

James Kirby Snideman, Planning Director, reported that the Department's proposed FY19-20 budget is \$2,142,262 for the Planning and MPO Divisions, adding that 50% of that budget is Consultant Fees. Staff is focused on current planning; none of the staff, excluding Mr. Snideman, has any professional experience in planning outside of their work for the City of Laredo. Consulting fees are expensive because Laredo is geographically separate from large metropolitan areas, so consultants have to travel for multiple days and charge more because of it. The bidding process is also less competitive, so consultants know that they can charge more for their services. He suggested that Council approve adding staff that can perform long-range planning to result in a cost savings for the City. Of the total budget, only 5% is non-personnel overhead; the rest is spent on various supplies, services, subscriptions, and other line items.

Mr. Snideman commended the knowledgeable Planning staff but countered that the Department's greatest challenge is that the staff is minimal, and the planning industry is highly niche. To better retain staff, he suggested investing in additional positions and adding measures to improve the planning the planning process in both current and long-range applications. He recommended breaking down the Planning Division into two: Current Planning and Long Range Planning. There is no cost to this differentiation. Mr. Snideman stated that staff brought a request to the MPO for four additional FTEs to the MPO: an MPO Manager, two Planner IIIs, and an Administrative Secretary I. The MPO agreed, and Mr. Snideman reminded Council that these positions are funded by the MPO rather than the City of Laredo. He asked Council to approve these four FTEs.

Motion to approve the additional of four FTEs to the MPO Division at an estimated cost of \$0 to the City.

Moved: Cm. Rodriguez

Second: Cm. Mercurio Martinez

For: 7

Against: 0

Abstain: 0

MPT Balli was not present.

Mr. Snideman reported that the Planning Division currently has seven filled positions and six funded but unfilled FTEs. He proposed a reconfiguration of the Planning Division staff to incorporate Current and Long Range Planning Subdivisions and adding two Planner IV positions with benefits at a cost of \$239,830. He requested that Council approve creating two divisions from the Planning Division (Current and Long Range) and add two FTE Planner IV positions for an estimated cost of \$239,830 to the City.

Rosario Cabello, Co-Interim City Manager, clarified that many of the consultant fees in the Department are paid for by bond money, so it is not funded by recurring money that the City has to put into the General Fund.

Cm .Altgelt reminded Council that the Viva Laredo Comprehensive Plan is the citizens' mandate to government regarding how they want to see their city. He noted that the City will never be able to bring that mandate to life without long-term planning. Adding staff members to the Department will help the City maneuver more quickly to implement the Comprehensive Plan.

Mr. Snideman reminded Council that the Planning Department has not requested additional personnel during the last 10 years. The Department has also not invested in any training for its current staff. None of the planners, except for himself, are certified. He voiced his understanding that the Department has not asked for the resources necessary to perform their duties, and as a result, staff has had to request a consultant for every single plan that they have developed. The Department has not completed any plans in-house. The solutions that he suggested will provide a cost savings to the City while also enabling staff to be more responsive.

Mrs. Cabello clarified that consultant fees are from Section 112 grants, so those fees are paid for either by bond monies or grants. There is no excess at this time.

Dr. Marte Martinez asked if Mr. Snideman could place himself in one the Manager positions proposed, either for Current or Long Range planning. He reiterated Mrs. Cabello's point that consultant fees come from bond monies, so there is not actually any cost savings to the City as a result of Mr. Snideman's proposed subdivisions. He voiced his opinion that one Manager would be better for the City at this time.

Mr. Snideman agreed that one Manager is better than none, but cautioned Council that there will be limitations. Dr. Martinez initiated a motion to this effect.

Cm. Torres noted that combining two Planner II positions for a Planner IV with a competitive salary might help the Department in employee retention. Wages may be the Department's biggest constraint.

Cm. Altgelt reminded staff that this is the first time the City has had a certified

Planner in 10 years. He noted that despite the great work that the Department has been doing despite its limitations, the City's planning weaknesses are obvious. He noted that the City has been performing planning and zoning by politics rather than smart growth, and the Planning Department did not even plan the Comprehensive Plan because they were so far removed from the process. So that the Comprehensive Plan means something, he voiced his opinion that Mr. Snideman's proposed solutions are a road map to improving the skeleton crew of a Department. He also noted his appreciation of management's fiscal responsibility.

Mrs. Cabello recommended adding at least one position to the Department and to allow Mr. Snideman the ability to reclassify any applicable positions within his budget.

Cm. Mercurio Martinez noted that he has dealt with the Planning Department in the private sector, and the staff is good and hard-working. However, they are all overworked and overwhelmed. Dealing with the Department in the private sector takes much longer than is reasonable, and the Department's customer service needs improvement.

Mrs. Cabello informed Council that the Building Development Services Department will take over several responsibilities from the Planning Department in the new fiscal year. She noted that this may help alleviate some of the problems in Planning. Cm. Martinez countered that there are also a lot of problems in the Building Department; a lot of complaints he receives from constituents are from the Building Department. Mrs. Cabello clarified that staff has recommendations for them as well.

Mr. Snideman explained that the duties to be taken over by the Building Department are the Board of Adjustments, Floodplain Management, and Addressing. Those are all done by one Planning staff member and take up about 20% of her time in the Department.

Robert Eads, Co-Interim City Manager, stated that the City has not yet heard from all Departments; he suggested that moving forward, Council add staffing requests to the "wish list" so that staff does not exhaust every opportunity before the remaining Departments even get to present to Council.

Cm. Vielma agreed with Cm. Altgelt that the City has been growing without much foresight; this has caused problems with traffic, utilities, and emergency response services. Adding a Manager to the Planning Department will help the Director orchestrate the long-term direction of the city. She voiced her understanding that adding this staff will still result in a cost savings to the City in the long term and will bring in more taxes and development.

Motion to approve the addition of a Long Range Planner position and direct management to work with staff to reclassify positions within the budget, as amended.

Moved: Dr. Marte Martinez

Second: Cm. Altgelt

For: 7

Against: 0

Abstain: 0

MPT Balli was not present.

Cm. Altgelt initiated a motion to approve additional budget requests for Professional Development, Computer Equipment & Software, Office Supplies, Food and Ice, and Printing Services. He asked management how the City expects staff to receive certifications in their field if there is no budget for Professional Development.

Mrs. Cabello reminded Council that management's balanced budget was presented to Council prior to Mr. Snideman making his Department's requests. After he came on board, he reviewed the budget and the Department and made his request for what he thought that he needed. Mr. Eads added that management meets with every Department, so management's budget was based on discussion with the Planning Department prior to Mr. Snideman joining the City. Mrs. Cabello added that Departments put together their own budgets and present them to management.

Gilberto Sanchez, Budget Director, added that prior to Mr. Snideman joining the City, management approved \$50,000 to \$60,000 worth of improvements to the Planning Department.

Cm. Altgelt's motion was approved, but due to confusion regarding whether this item was being added to the budget or the "wish list", Council voted to reconsider the motion and Cm. Altgelt amended it to reflect the budget.

Mr. Snideman explained that of the additional budget requests, his two main priorities are the Professional Development and the Computer Hardware/Software. Dr. Martinez asked if just those two priorities are funded, would Mr. Snideman be able to operate his Department. Mr. Snideman confirmed that he would be grateful for the funding of these two priorities.

Cm. Altgelt amended his motion to only include Professional Development and Computer Hardware & Software for a total of \$64,206.

Motion to approve to approve the Professional Development and Computer Hardware & Software for a total of \$64,206 and add these items to the budget, as amended.

Moved: Cm. Altgelt

Second: Cm. Mercurio Martinez

For: 6

Against: 1

Abstain: 0

Cm. Gonzalez

Cm. Torres

Cm. Rodriguez

Cm. Mercurio Martinez

Cm. Vielma

Dr. Marte Martinez

Cm. Altgelt

MPT Balli was not present.

Cm. Torres noted that to be fair to all Departments, this item should have been added to the “wish list” like all of the others.

11. BUILDING DEVELOPMENT - Victor Linares, Acting Building Services Director

Cm. Mercurio Martinez informed Victor Linares that most of the complaints that he had received for City Departments have been in regards to the Building Department. From his own experience in the private sector, he has found that Building Development employees are hard-working but are overwhelmed.

Victor Linares, Acting Building Director, reported that the Building Development Services Department is divided into five divisions: Building Inspections (which include plan reviews, building inspections, and clerks/administration), Development Review, Code Enforcement, Public Right-of-Way, and Geographic Information System (GIS). The Department has 39 FTEs, and Mr. Linares requested \$127,370 for operational requests (paperless software, uniforms and safety equipment, training/certificate renewals, and memberships, and public advertising and media expenses) as well as \$164,500 for Capital Outlay for a total of \$291,870. He reiterated that the Building Department will absorb some services from the Planning Department, specifically Floodplain, Lot Addressing, and Board of Adjustment duties.

Mr. Linares requested 12 FTEs for the Department, mainly administrative staff. He noted that these additional staff members will help improve the Department’s customer service. The two main challenges that the Department faces are recruitment and compensation. Because of the low pay grade, the Department could not recruit any applicants for an Electrical Inspector for over a year. The City is not competitive in this way. He presented the development process for new residences and businesses and reported that the Department’s permit count for all permits is expected to increase to 20,152 in FY19-20. He estimated that total permit fees will generate \$6,448,050 in revenues, a 4% growth from last year. The Department’s total operation expenses was reported as \$2,980,869 with revenues proposed at \$6,448,050 for FY19-20. Mr. Linares noted that the expenses are largely due to personnel costs (\$2,669,402 or 89%), but the Department plans to increase training in the next year.

Mr. Linares noted that in FY18-19, the Substandard Committee identified 44 properties which did not meet Building standards; 57 properties are currently in process with the Board, and 21 owners have complied while 27 properties have been ordered to be demolished. To-date, 27 new Neighborhood Empowerment Zones (NEZs) applications were filed with more estimated before the fiscal year end. The NEZ is meant to improve property values in areas of the City that need reinvestment. He recommended that, given the new Economic Development Director on staff, the NEZ regions be reevaluated to see if any of them are stable and self-sustainable.

Mr. Linares continued that amusement redemption machine establishments saw a decrease in establishments and permits for an estimated loss of \$1,004,961 in revenue. He added that the Department has made some investments in equipment and upgrades to increase customer service, staff involvement, and morale, with marked success. The Department has also embraced new software that has helped track inspectors, schedule meetings, and request inspections. He reported the Department's future goals to develop a paperless review process, research inspector time tracking for customers, develop stricture ordinances on vacant properties, and take part in the Land Development Code update (ReCode Laredo).

Robert Eads, Co-Interim City Manager, voiced management's approval of these recommendations.

Motion to approve the Building Development Services Department's proposed budget as presented.

Moved: Dr. Marte Martinez

Second: Cm. Mercurio Martinez

For: 5

Against: 0

Abstain: 0

Cm. Torres, Cm. Altgelt, and MPT Balli were not present.

13. **TRAFFIC SAFETY - Danny Magee, Traffic Director**

Danny Magee, Traffic Safety Director, reported that the Traffic Safety Department has 36 FTEs with \$1,972,166 allocated for personnel salaries. He requested Council approval of funding two existing (currently unfunded) positions and two new positions, as follows:

Unfunded

Engineering Associate I (R38)

Traffic Control-Signal Technician I (R29)

Proposed

Engineering Associate I (R38)

Engineering Associate II (R40)

Robert Eads, Co-Interim City Manager, confirmed management's recommendation to fund the two unfunded positions.

Motion to approve the funding of the two currently-unfunded positions (Engineering Associate I R38 and Traffic Control-Signal Technician I R29) as per management's recommendation.

Moved: Dr. Marte Martinez

Second: Cm. Altgelt

For: 7

Against: 0

Abstain: 0

MPT Balli was not present.

Mr. Magee explained that an Engineering Associate I is an entry-level positions, similar to a recent college graduate. The Engineering Associate II is more

experienced and trained. An Engineering Associate I position would cost about \$4,200 a month.

Mr. Eads reminded Council that the drastic revenue drops in the Parking Division require help; revenues are decreasing in part to the City giving up a lot of revenue-generated space to the Outlet Shoppes; the City also makes its parking meters free at night. He asked Council to assess the Department's request for new positions with the needs of the other Departments when reviewing the "wish list."

Melina Bermudez, Human Resources Director, clarified that the salary range for a R38 pay grade is \$46,004-\$78,080. That salary plus 35% would be the total cost to the City.

Mr. Magee continued that the Traffic Engineering Division performs traffic signal intersection services, traffic studies, and designs traffic maps. He noted that TxDOT completed a traffic synchronization project covering 80 signals in seven locations.

Ramon Chavez, City Engineer, presented a schematic of the proposed secondary access at Concord Hills. Currently, staff is working on a design for the extension of Los Presidentes to Concord Hills. After that, there is a small private development of 1,800 linear feet. He referenced a portion of EG Ranch about 5,480 linear feet long. He noted that he reported preliminary estimates to management. As per the design, the extension of Los Presidentes is estimated to cost approximately \$3,700,000. The 1,800-foot extension will cost about \$1.1 million; an alternate design utilizing only sidewalks will cost approximately \$100,000. The third phase would cost about \$5.8 million. He added that the private developer of the 1,800 span asked for \$90,000 in participation from the City.

Cm. Rodriguez stated that he can commit his District II Priority Funds for that \$90,000 request in this area. Rosario Cabello, Co-Interim City Manager, confirmed that the City has about \$2.7 million in extra bond money available at this time to commit somewhere.

Cm. Vielma asked if any MPO funding is available to supplement this project. James Kirby Snideman, Planning Director, confirmed that MPO funding is not available. Mr. Magee reminded Council that this project should have been looked at a long time ago; this subdivision continues to grow, and if not for Crane Engineering taking the initiative, the City would not have even had the current road.

Mr. Chavez noted that he could bring a cost estimate back to Council for the project. Dr. Martinez asked that the cost estimate be considered for CO bonding and initiated a motion to that effect.

Motion to approve the extension up to Las Misiones and direct staff to bring back a cost estimate at the Thursday, August 29, 2019 budget workshop for CO bonding.

Moved: Dr. Marte Martinez

Second: Cm. Rodriguez

For: 6

Against: 0

Abstain: 0

Cm. Gonzalez and MPT Balli were not present.

Mr. Magee continued with the Department's request for additional traffic synchronization in the amount of \$570,000. Mr. Eads reminded Council that the last traffic synchronization project synchronized 80 signals for \$600,000. Mr. Magee reported staff's additional signals operations request for \$123,264 to upgrade 12 traffic signals per year and \$157,840 to replace 12 intersection traffic poles/mast arms in the Downtown area per year for a grand total of \$281,104 in additional budget requests.

Motion to approve \$500,000 for three traffic signal synchronizations.

Moved: Cm. Altgelt

Second: Cm. Mercurio Martinez

For: 5

Against: 0

Abstain: 0

Cm. Rodriguez, Dr. Marte Martinez, and Cm. Balli were not present.

Mr. Magee reported that the Department maintains over 30,000 traffic signs in the City; approximately 140-200 signs are installed and/or maintained per month. Staff upgraded 101 stop signs including street names with CDBG funds in District IV. The Department also assists with special events like the Washington's Birthday Celebration Event, PONY League tournaments, the Fourth of July event, the Christmas parade, and Council Member events. He requested \$101,653 additional funds to replace 1,751 street signs at \$85 per sign at a rate of approximately 144 signs per month. Mr. Eads suggested that Council add this request to the "wish list" if they wish to fund it.

Cm. Vielma initiated a motion to approve the \$101,653 request for street sign replacements.

Motion to approve \$101,653 for street sign replacements.

Moved: Cm. Vielma

Second: Cm. Mercurio Martinez

For: 5

Against: 0

Abstain: 0

Cm. Rodriguez, Dr. Marte Martinez, and MPT Balli were not present.

Mr. Magee reported that Traffic Safety maintains over 1.5 million feet of street markings. To-date, 47 speed humps have been installed this fiscal year at a cost of \$104,500. It costs about \$600 to re-stripe each speed hump, which extends to about \$300,000 per cycle.

Mr. Eads recommended funding some machines to assist with striping; management has also accounted for \$500,000 for traffic signals. He reminded

Council that District Priority Funds pay for speed humps when they are first installed; however, when the humps need future re-striping, that cost tends to fall on the Department. He clarified that maintenance and installation of the speed humps is managed by the Public Works Department.

Mr. Magee recommended the replacement of an atomized waterborne paint truck unit at \$320,000 for the Department's Capital Outlay request.

Motion to approve the atomized waterborne paint truck unit for \$320,000.

Moved: Dr. Marte Martinez

Second: Cm. Altgelt

For: 7

Against: 0

Abstain: 0

MPT Balli was not present.

Mr. Magee also requested \$85,000 to replace a Trailer Mounted Thermoplastic Detail Unit as part of the Department's Capital Outlay requests.

Motion to approve \$85,000 for a trailer-mounted thermoplastic detail unit.

Moved: Cm. Altgelt

Second: Dr. Marte Martinez

For: 7

Against: 0

Abstain: 0

MPT Balli was not present.

Mr. Magee requested \$23,300 for a Walk Behind Thermoplastic Paint Striper and \$6,000 for a Graco Line Driver Rider. He also requested \$95,000 for a Signal Bucket Truck to replace the Department's F550 with over 108,005 miles.

Cm. Altgelt recalled Transit reporting that they have buses running non-stop with over 1 million miles on them. He asked how they are able to do so while Traffic Safety need to replace a truck with 108,000 miles on it. Mr. Magee reminded Council that bucket trucks may not have a lot of miles on them, but the wear and tear happens to them because they are in operation and lifting and lowering many times over a small amount of blocks. These types of trucks are committed for eight hours at a time. Mr. Eads agreed that the cab itself is not usually affected by the articulation machine.

Cm. Altgelt asked why the Department does not replace the bucket/cherry picker instead of the entire vehicle. Ronald Miller, Fleet Director, explained that buses have a steering wheel and a motor; these types of vehicles have many mechanisms and are not comparable to a bus. The bucket mechanism goes through a yearly inspection, and every year it costs about \$10,000 to get these mechanisms back to specs. The engines are often idling for long periods of time, which is the worst thing for a diesel engine. He estimated that 108,000 miles on this type of vehicle is more like 200,000 on a regular automobile. Cm. Altgelt countered with his opinion that El Metro's culture of extending the life of its fleet is

why their buses have lasted so long. Mr. Miller reminded Council that El Metro drivers has to drive very carefully because people's lives are at stake beside their own. He added that Traffic Safety and Police vehicles idle for long periods of time, which leads to their expiration. He assured Council that despite staff's requests to replace these vehicles, they have all passed their inspections.

Mr. Magee reported that the Parking Enforcement Division maintains 1,011 parking meters, four parking metered lots, and five parking lots. Guadalupe Reyes, Traffic Administration Manager, reported that the Department needs 400 coin canisters for operations; the canisters and freight charges total \$126,000. The current canisters are filling up very quickly, requiring collections three times a week. With the larger canisters, staff will only have to collect twice a week. She noted that she spoke with the vendor for these canisters, and the Department stands to receive a credit. By not replacing the current canisters with these larger ones, the Department risks missing out on more revenue. This is a recent problem, so management has not yet seen this request.

Mr. Eads recommended adding this item to the "wish list," adding that a problem he foresees with this matter is that each unit collects a small dollar value. Staff may have to find some creative ways to fund this. Rosario Cabello, Co-Interim City Manager, informed Council that this is the first time she is hearing this request, so she is unable to render an opinion at this point.

Mrs. Reyes informed Council that the current canisters are 18-20 years old, so they are long-lasting. Gilberto Sanchez, Budget Director, reported that the Traffic Safety Department has a separate fund with an estimated balance of \$900,000, but it is on a downward trend. Mrs. Cabello noted that if the Traffic Department were to get some funds out of their operations a little at a time, that would be a good start.

Cm. Torres noted his understanding that there must be some specific areas where staff is seeing coin canisters maximized and jammed. He asked if the vendor would still honor a trade-in credit if Council were to approve 100-200 canisters this year instead of the full 400. Mrs. Reyes stated that the value would stay the same.

Mrs. Cabello reiterated that the funds for these coin canisters would have to come from the Department's operational reserve. She recommended that Council draw down from this reserve.

Motion to draw down \$50,000 from the Traffic Safety Department's fund balance for operations in order to purchase 200 sealed coin canisters.

Moved: Dr. Marte Martinez

Second: Cm. Altgelt

For: 7

Against: 0

Abstain: 0

MPT Balli was not present.

Mr. Magee reported that when the City turned over parking lot management to the

Outlet Shoppes, the Department saw a steep reduction in parking lot revenues, further reduced when the City began offering free parking in lots at night.

Mr. Eads reminded Council that revenues generated from parking meters and lots are how the City is able to pay for new parking lots, which are needed in many parts of the City. As the City continues to allow free night parking, there will be less monies available to add parking to needed areas.

Mr. Magee added that in the Downtown area, there are still loading and unloading zones in front of storefront that have not been in operation for over 10 years. Staff is researching processes followed by the City of San Antonio and other municipalities where visitors can pay for their parking via an app and also use the app to locate parking spots.

Cm. Vielma confirmed that the Parking Enforcement Division has a court to settle parking citations; she asked if it would save money to transfer those duties to the Municipal Court. Mrs. Reyes clarified that when this duty was previously in the Municipal Court, the Traffic Department lost money because the Municipal Court Judge would often dismiss most parking tickets. As the judge for the Parking Enforcement Division, she confirmed that parking tickets will be dismissed if there is a valid reason. Mr. Magee agreed that Parking staff are fair in weighing valid reasons for dismissal and holding drivers accountable while generating revenue for the City.

18. INFORMATION SERVICES TECHNOLOGY - Homero Vasquez-Garcia, Information Services & Telecommunications Director

Homero Vazquez-Garcia, Information Services & Telecommunications Director, reminded Council that IST works with every City Department in some form or fashion. The Department has 47.5 FTEs across 11 Divisions. He noted that the Department will start FY19-20 with a deficit of \$1.2 million due to Senate Bill No. 1152 which eliminates a significant amount of the compensation received by the City of Laredo from companies using the right-of-way by allowing a provider of both cable and telecommunications services to pay only one of the state statutory fees despite there being multiple uses of the public asset by one provider. Mr. Vazquez reported IST's budget at \$6 million for personnel (\$2,315,733 or 39.17%), General Expenses (\$2,279,040 or 38.55%), and Fixed Expenses (\$1,316,795 or 22.27%). General Expenses include support services, professional development, communications, computer hardware/software, legal expenses, and others. With the Department's support services, a large portion of the expense is the City's contract with Motorola Solutions for the 800 MHz truncated radio system.

Mr. Vazquez continued that IST maintains services for over 1,750 email accounts and 160 network servers; he projected over 11,000 Help Desk requests in the next fiscal year. Over 1,200 telephone extensions are supported at over 58 locations. Over 2,350 radios are supported by IST as well as more than 130,000 3-1-1 service calls annually.

Departmental Goals were reported as follows:

- Increase security protocols
- Upgrade connectivity between the core network
- Upgrade the Disaster Recovery System
- Continuing education and certifications
- 5-year equipment replacement plan
- IT education for City Employees (HB 3834)
- Improve customer service
- Next Gen 911
- Upgrade studio equipment at Public Access
- Community education on PAC facility and equipment
- Upgraded 311 App for Android and iOS

Mr. Vazquez requested \$274,798 for new FTEs positions, of which management approved \$207,406. Approved were three positions for an IT Security Analyst, a Database Analyst, and a Network Specialist II. He noted that the Department had various Capital Outlay requests, including three firewalls, 40 of 200 switches, a back-up appliance, server/storage capacity, PTZ video cameras, and set design and installation for PAC. Of these requests, management approved all but the cameras and set design/installation for a total of \$922,000. Mr. Vazquez asked Council to approve the management-approved FTEs and Capital Outlay requests for a total of \$1,129,406.

Motion to approve two FTEs and the Capital Outlay requests as presented and approved by management.

Moved: Dr. Marte Martinez

Second: Cm. Torres

For: 7

Against: 0

Abstain: 0

MPT Balli was not present.

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

Yvette Limon, Bridge Director, reported that the Bridge System's toll revenues are expected to total \$70,665,309 in FY19-20, a 2.0% increase above the estimated total for FY18-19. FY18-19 toll revenues (estimated at \$69,279,714) are collected from commercial traffic (\$48,229,326 or 69.6%), non-commercial traffic (\$17,669,653 or 25.5%), and pedestrians \$3,380,735 or 4.9%). The proposed FY19-20 toll revenues follow the same trend. Bridge expenditures are estimated to be \$71,470,318, a 2.4% increase from FY18-19's projections. FY19-20 proposed expenditures were reported as follows:

Administrative Fees (General Fund)	\$38,746,600	54.2%
Contractual Services	\$3,148,719	4.4%
Materials & Supplies	\$675,945	0.9%
Personnel Services	\$9,370,191	13.1%
Intergovernmental Transfers	\$11,955,774	16.7%

Capital Improvement Fund	\$6,990,089	9.8%
Capital Outlay	\$43,000	0.1%
Other Charges	\$540,000	0.8%

Mrs. Limon reported the Department's Intergovernmental Transfer to the Capital Improvement Fund of FY19-20 at \$6,990,089; \$5,838,083 were transferred last year. The Bridge System has 188 FTEs for FY19-20, though there are approximately 32-35 vacancies. Most of the vacancies are with Collector and Traffic Guard positions.

Cm. Rodriguez asked about employees that work during midnight shifts. Mrs. Limon explained that Bridge Officers' schedules are rotated every 12 weeks so that no one employee is always working night shifts or day shifts. MPT Balli voiced his opinion that rotating shifts may be more difficult because rotating schedules don't always fit with an employee's family. He suggested instead that some positions only work day shifts while some only work night shifts. Alternatively, the night shifts may pay differently to ensure that employees dedicate to night-only shifts.

Mrs. Limon countered that the Department allows shift changes if, for whatever reason, the shift scheduled does not work for the employee. They are allowed to switch with another employee easily. She noted, though, that staff will look into the suggestions made. MPT Balli initiated a motion to direct management to bring a plan or recommendation back to Council regarding pay for Bridge night shift workers, whether it be through overtime, incentive pay, or differential pay.

Melina Bermudez, Human Resources Director, informed Council that staff is already working with the Bridge Department shift and pay differentials.

Motion to direct management to bring a plan back to Council regarding pay for Bridge night shift workers, whether it be through overtime, incentive pay, or differential pay.

Moved: Cm. Balli

Second: Cm. Rodriguez

For: 6

Against: 0

Abstain: 0

Cm. Torres and Cm. Vielma were not present.

Mrs. Limon reminded Council that the Bridge System's revenues have exceeded its budget every month this fiscal year except for April 2019; that can be attributed to the shift in CBP personnel being transferred out of Laredo's port. She noted that the wait times can be a cause for concern on the weekends, which has led to a reduction in the number of vehicles coming northbound to be processed. CBP has been working on different initiatives, such as a sentry at Bridge I and new expedited lanes for daily commuters. To Dr. Marte Martinez's question if there is any action Council can take to help facilitate faster processing or reduced wait times at the bridge, Mayor Saenz reminded Council that the City are in close communication with CBP in any event of obstructions or congestion on the bridge.

Mrs. Limon proposed a 2.0% increase in yearly commercial traffic southbound at an estimated 2,372,406 commercial vehicles. She reminded Council that Laredo remains the most popular port of choice for southbound commercial traffic among other Texas border cities. She estimated a slight increase in non-commercial vehicles traveling southbound in FY19-20 (5,052,487 vehicles or +0.4%). Laredo continues to be the preferred choice of port among Texas border cities for southbound non-commercial traffic. In FY19-20, Mrs. Limon projected a 2.0% increase of annual pedestrian traffic southbound with 3,392,715 estimated individuals crossing the bridge on foot; again, Laredo is the preferred port for pedestrian traffic among Texas border cities.

Mrs. Limon informed Council that the World Trade Bridge FAST Lane relocation project is progressing; the 90% design documents will soon be submitted to all parties for review and comment. The Advance Funding Agreement with TxDOT has been directed by Council and is in place. The temporary roadway to serve as a FAST LANE for now allowed for the installation of a Z Portal machine and has been successful. She also noted that the Weigh-in-Motion project is progressing, and staff are working on a problematic curve to help facilitate the throughput.

Cm. Altgelt recalled a problem in which drivers will double up in a truck and then one will get out and walk across then wait to be picked up. Mrs. Limon clarified that several months ago, CBP prohibited that activity, though they do allow a relief driver to go into the port so that they no longer have to get out, clear immigration, and wait to be picked up at immigration. She noted that this has been very helpful in alleviating safety concerns about people entering and exiting trucks at the exit.

Mayor Saenz noted that this problem was further complicated because migrants were often crossing the border as the "double-" or "triple-driver." Mrs. Limon assured Council that with the FAST Lane relocating, commuters have been processed more quickly and safety issues have been alleviated.

Dr. Marte Martinez noted that a major issue in District VI and VII have been tractor trailers parking on the side of the road all over the area because there is no loading zone for them to load or unload. He suggested incorporating some mechanism for loading or unloading to help facilitate the flow of traffic. Robert Eads, Co-Interim City Manager, explained that management was researching parking areas for this purpose because staff has observed that many trucks will often queue outside the yard overnight. Staff has encouraged yard business owners to provide their clients with enough queuing space so that the drivers do not utilize the roadways. He noted that the problem is a space issue, and the space needs to be outside of public right-of-ways. Dr. Martinez initiated a motion to direct staff to study this issue and bring back a solution regarding parking areas for truck traffic waiting to queue.

Cm. Altgelt noted that directly east of Mines Road and directly north of Loop 20 is the old City of Laredo Airport; the property is currently owned by Killam Development Properties; it is a couple hundred acres and houses empty trailers. He envisioned a facility with controlled parking but wherein the City could incentivize the installation of air conditioning hoses to prevent idling truck traffic emissions. He requested an amendment to Dr. Martinez's motion to direct

management to explore all options available for controlled parking of tractor trailers.

Motion to direct staff to bring back a solution regarding all options available for parking areas for truck traffic waiting to queue at the World Trade Bridge, as amended.

Moved: Dr. Marte Martinez

Second: Cm. Altgelt

For: 5

Against: 0

Abstain: 0

Cm. Gonzalez, Cm. Torres, and Cm. Vielma were not present.

Mrs. Limon reported that the Bridge Department will also work on its Master Plan this year to determine traffic trends, capacity ratios and wait times as well the required improvements to infrastructure. The Master Plan will include projections for the next 20 years and must be completed within 12 months from the notice to proceed. She noted that the RFQ response deadline was Tuesday, August 27, 2019, at 5:00 p.m.; staff received three submittals and will begin the review and evaluation process presently. The consultant will study all traffic trends and make a recommendation as to the City's capacity and whether an additional loop is necessary. The total cost for all Capital Improvement Projects is \$16 million, which is already funded in the Bridge Department's budget.

Cm. Mercurio Martinez asked that wherever the Bridge Department goes to promote Laredo, the Laredo Economic Development Corporation be invited and participate. Mrs. Limon confirmed that the Laredo EDC already joins Bridge staff via a representative.

17. UTILITIES - Riazul Mia, Utilities Director

Riazul Mia, Utilities Director, informed Council that the Department implemented its Asset Management Plan six months ago for water distribution and sewer collection, and data is starting to come in. He requested Council approval to add \$2 million to the Department's operational expenses to pay for the Water and Sewer Master Plan as well as a motion to add an additional \$1,137,686 to debt service reserves for a proposed sewer bond sale of \$20 million. Cm. Altgelt initiated a motion to approve this request.

Gilberto Sanchez, Budget Director, added that staff also needs a motion to appropriate additional expenditures of \$50,000 from the Water Operations fund balance and to increase one FTE to the City Attorney's Office in the General Fund. Cm. Altgelt amended his motion to include these requests, as well.

Motion to approve adding \$2 million to the Utilities Department's operational expenses to pay for the Water and Sewer Master Plan, add an additional \$1,137,686 to the Utilities Department's debt service reserves, and approve staff's recommendation of appropriating additional expenditures of \$50,000 from the Water Operations fund balance and to increase one FTE to the City Attorney's

Office in the General Fund, as amended.

Moved: Cm. Altgelt

Second: Dr. Marte Martinez

For: 7

Against: 0

Abstain: 0

Cm. Torres was not present.

Kristina L. Hale, City Attorney, reminded Council that fees on utility bills must be kept low, or else it could be considered an illegal tax. In this case, there is a flat rate of \$1.00, which is not an issue, but commercial accounts get a fee of \$50 which may be considered too high. Mr. Mia explained that the water demand fee is based on the size of the water meter. The smallest available meter has the \$1.00 charge, but commercial meters, which are very large, have a \$50 charge.

Robert Eads, Co-Interim City Manager, clarified that a solution to this problem may be to charge all accounts the minimum rate of \$1.00. Mr. Mia estimated that charging all meters at \$1.00 would equate to about \$900,000 in a year. However, that presents an equity issue because the City is charging homeowners the same amount of money as a business the size of Walmart. He confirmed that staff can bring this matter back to Council.

Mayor Saenz reported complaints of a lag of time in which meters were not turned on for new buildings. He asked if that issue has been resolved. Mr. Mia explained that staff works with the Building Department as a one-stop-shop for new buildings; while there are some issues in which new building customers go straight to the City Hall Annex to start their utility accounts, but this is not the proper procedure.

Mr. Eads clarified that staff can dedicate efforts to inform and redirect the public of the correct process. However, he assured Council that the Department has a sound system that is working well.

Jesus Ruiz voiced his opinion that all Departments seem to need more personnel; the observation was made that Departments are too top-heavy, and the unfunded pension liabilities is a cause for major concern, especially during times when interest rates are decreasing. He reminded Council that overhead can kill the City. Comments by staff to perform more work in-house in order to provide cost savings to the City will come at a cost. When the economy experiences a recession or depression, Cities can decide not to hire consultants. However, when an employee joins staff, that employee is very difficult to remove from payroll in times of economic recession or depression. Mr. Ruiz noted that the Bridge System is considered Laredo's "golden goose," but the future of international trade is unpredictable with President Trump in office; there is potential for unforeseen circumstances blindsiding the City and its revenues. He asked that Council utilize a third party residential inspection pilot program. This will reduce costs to the City as well as residential construction costs.

Cm. Altgelt asked management to add agenda items in regards to Mr. Ruiz's comments.

20. AIRPORT - Jeffrey Miller, Airport Director

Jeffrey Miller, Airport Director, reminded Council that airports are very unique in how they operate and how they are funded. He projected revenues for FY19-20 at \$9.72 million, an increase from \$8.97 million last year. Operating expenditures were reported at \$9.5 million for FY19-20; Mr. Miller clarified that operating expenditures fluctuate from year to year depending on Airport projects that are completed. The operating expenditures were itemized as follows:

Operations-Building-Ground-Airfield Maintenance	\$4,415,589	46%
Personnel-Administration and Maintenance	\$2,126,691	22%
Police Operations	\$1,702,308	18%
Fire	\$1,305,896	13%
Local Match for Airport Grant	\$50,000	1%

The Airport has the only Fire Station outside of the Fire Department; it is fully funded 90% by the FAA and 10% by Airport revenue. The Noise Abatement lease program expenditures are expected to rise to about \$2 million in FY19-20; FAA Noise Grants have provided more than \$2 million to the community. Mr. Miller presented several Airport projects coming up in the next fiscal year: a fee schedule assessment, an economic impact study, fuel farm improvements, passenger boarding bridges improvements, passenger terminal restroom improvements, EMAS maintenance and repairs, and Airport perimeter road repairs. The Airport often holds public workshops for people who are interested in developing on Airport grounds; staff wants to help provide a roadmap for that process. He presented an upcoming public workshop regarding the Land Use Development Plan on Thursday, September 26, 2019, at 6:00 p.m. at the City of Laredo Public Works Department 5512 Thomas Street.

Mr. Miller projected a 5% increase in passenger activity in FY19-20 (192,762 passengers); Laredo ranks 239th out of 1,310 airports across the country and 16th out of 63 Texas airports. Air cargo activity is also expected to increase 5% with 755,320,950 pounds in gross landed weight in FY19-20. The Laredo International Airport moved from the 42nd largest airport in the country to the 41st last year in terms of cargo. He also estimated a 5% increase in Federal Inspection Services activities.

Mr. Miller stated that the Airport invested \$12.4 million into the rehabilitation of Cargo Apron Phases 11 and 12 this year. He proposed projects consistent with the Airport's five-year plan and their estimated costs, reminded Council that these projects are funded 90% by FAA and 10% out of Airport revenue, not taxpayer dollars:

Rehab Cargo Apron Phase 13 (FY20)	\$10.1 million
Rehab Cargo Apron Phase 14 (FY21)	\$8.5 million
Rehab Cargo Apron Phase 15 (FY22)	\$12.1 million
Construct Taxiways T1 and T2 (FY23)	\$6.2 million
Construct Taxiways T4, H1, H2, T3, and T5 (FY24)	\$11.7 million

FAR Part 150 Noise Abatement (FY20-24)
TOTAL

\$10 million
\$58.6 million

Mr. Miller noted that the Department of Homeland Security has proposed a facility for the Airport at an estimated cost of \$45 million; it would help stimulate the economy and provide upwards advancement of the Airport. He stated that the Airport has seven temporary employee positions that the Department would like to make permanent for a cost of \$180,357, to be funded by Airport revenues. Cm. Altgelt initiated a motion to approve the requested FTEs.

Cm. Altgelt asked if Airport funds can be used for revenue guarantees. Mr. Miller confirmed that Airport funds cannot be used that way, but they can be used for marketing and incentives. The Airport has an incentive package for incentivizing airlines to reduce their fees or similar activities. He noted that airlines are often very protective of their routes and new business intentions, so the fastest way to kill a deal with an airline is to discuss their plans during a public meeting.

Motion to approve the requested seven FTEs as presented by staff.

Moved: Cm. Altgelt

Second: Cm. Mercurio Martinez

For: 6

Against: 0

Abstain: 0

Cm. Gonzalez and Cm. Rodriguez were not present.

Dr. Marte Martinez asked about private hangars. Mr. Miller explained that currently, the Laredo has some community hangars and private pilots that keep their aircraft within that hangar. He reported that staff has also worked with the local colleges on programs for pilot training and aircraft mechanics.

Motion to direct management to engage in negotiations with the local colleges to enter into a training and curriculum facility for aviation purposes.

Moved: Cm. Altgelt

Second: Dr. Marte Martinez

For: 8

Against: 0

Abstain: 0

21. LAREDO ECONOMIC DEVELOPMENT CORPORATION - Olivia Varela, Executive Director

Olivia Varela, Laredo Economic Development Corporation Executive Director, stated that the Laredo EDC has a performance contract with the City of Laredo; the City gives the Corporation metrics by which to gauge the Corporation's activities and performance. The Corporation has followed the Viva Laredo Comprehensive Plan very closely and has its own strategic plan in lie with the City's plan. She reported that the organization has attended a conference in every month of 2019. Ms. Varela reported that the Corporation assisted in 10 site selection visits to-date, secured \$54.45 million in direct capital investment, and experience 3,840 website hits from outside Laredo so far this fiscal year, resulting in 91 new jobs and 700

retained jobs. She displayed several landed projects and active prospects. She emphasized the amount of data that is utilized for the Corporation to assist businesses as economic indicators for local investment.

Ms. Varela reminded Council that the Laredo EDC has not done much active recruitment in the past because they lacked the funding. In the last year or two, they have been better able to do so and performed recruitment missions. She noted that the Laredo EDC and the City's new Economic Development Department will work very closely together, adding that she has already have four or more face-to-face meetings with Teclo Garcia, the Economic Development Director.

Dr. Marte Martinez noted that the City has seen the need to look in a new direction and to secure an economic development professional in-house. While he agreed that the Laredo EDC has been working very hard, the City's funding of them does not make much economic sense. When City officials spent taxpayer dollars, they need to see the fruits to that labor. MPT Balli agreed. Ms. Varela noted that it does not make sense to duplicate the Corporation's efforts. She countered that the Corporation focuses on industrial development, which in her opinion the City does not need its Director to focus upon. However, the City needs its Director to support the Corporation's actions. There is so much to be done, she noted that the two entities can support each other without overlapping activities.

Ms. Varela presented the funding of other Economic Development Corporations in comparison with Laredo, noting that other cities like McAllen, Mission, Pharr, and Buda have smaller populations and typically fewer employees yet receive over \$1 million (up to \$7.2 million). Laredo's EDC is only funded \$560,000 by its municipality. She noted that most of these cities have a 4A/4B type of taxation. She encouraged Council that if they want more services from the Laredo EDC, they need to increase their investment. She reminded them that the Corporation's funding of \$560,000, which is less than a Council Member's discretionary fund, operates two programs.

Cm. Altgelt reminded Council that Medline's expansion would have never come to the City if not for the Laredo EDC. Each year, Council asks Departments to do more because Council is expected to do more. The City expects to take its economic development endeavors to the next level and invested in a new Director; he reminded Ms. Varela that the question to be answered is how the Laredo EDC fits into this new model.

Ms. Varela noted that the Laredo EDC's symposium for international trade is just one what that they remain an asset to the City. The Corporation and its sister program, MileOne, brings innovation to students at the high school and collegiate level. She asked Council to consider funding some of the budding entrepreneurs and companies that cannot afford the \$50 monthly co-working fees. She reported that since January, Laredo EDC has attended conferences for airspace and MRO programs consistent with the five-year plan as presented by the Airport Department.

Rosario Cabello, Co-Interim City Manager, clarified that a deal with FedEx was not

continued because the deal was not beneficial to the City, not because FedEx was disappointed in Laredo's economic incentives.

Cm. Vielma confirmed that Laredo EDC has surpassed all three performance criteria goals set for them by the City. Cesar Hernandez, MileOne Program Director, that the 91 new and 700 retained jobs do not include those new business owners and entrepreneurs through MileOne. Cm. Vielma stated her opinion that, based on the information provided by the EDC, one person in the City's Economic Development Department could not do what this team has done. The City's small investment of \$560,000 is paid back multiple times over given the Corporation's results. She initiated a motion to approve the budget.

Cm. Rodriguez noted that the City's Economic Development Department needs more personnel than the one Director. He commended the great work being done by the EDC but reiterated that the City needs to invest in the mom-and-pop businesses as well as the industrial. The EDC is focused on industrial development, not small local businesses. The City is been stagnant in its commitment to economic development and is trying to correct that.

Ms. Varela reminded Council that the EDC fully supports Mr. Garcia and is committed to working together moving forward. Cm. Rodriguez countered that while he understands the EDC needs extra resources, the City needs those resources as well for their economic development efforts. He noted that some portions of Ms. Varela's presentation are repetitive and have been reported to Council multiple times. Ms. Varela countered that those businesses and projects continue to grow, and the needs continue to grow.

Mrs. Cabello informed Council that Economic Development Director Teclo Garcia is in Austin with the Texas Workforce Commission. She emphasized his impressive ideas and willingness to collaborate with the EDC and to spearhead activities in the City. She noted that choosing one or the other is a difficult decision to make at this time.

Cm. Rodriguez asked if staff would recommend cutting some of the Laredo EDC's budget and allocate it to the Economic Development Department. Cm. Mercurio Martinez noted that he works with the EDC as a City representative, and he informed Council that many businesses are not disclosed in Ms. Varela's presentation because those companies do not want to be disclosed. When the City becomes involved, that information becomes public, and some businesses fear repercussions if their preliminary plans to relocate become public. He voiced his opinion that smaller cities dedicating more funding to their EDCs sends a strong message about how much they welcome business. He voiced his request to add to the wish list \$440,000 that would give the Laredo EDC a total of \$1 million and expand their services to South Laredo and the inner city. Cm. Vielma amended her motion to include Cm. Martinez's amendment.

Cm. Torres clarified that the extra \$440,000 would be restricted to South Laredo and the inner city.

followed by individuals in over 120 cities and seven countries, reminding the community on issues regarding disease self-management, wellness, community health events, women’s health, advisories, and special events. He emphasized the Health Department’s commitment to conquering public health challenges like degenerative and behavioral diseases, substance use, injury prevention, and emerging or novel communicable diseases.

Dr. Marte Martinez noted that the detox center is a priority for Council and wanted to ensure that the City and Health Department allocate some resources to it. Kristina L. Hale, City Attorney, reminded Council that the building belongs to Webb County; therefore, the City cannot use bond money towards the detox center and would need to find funding elsewhere.

Dr. Gonzalez stated that staff will meet with the County tomorrow; Mrs. Hale advised that Council wait on a decision until the County’s commitment is clearly defined, which will be in the next week or two. Dr. Gonzalez reported that the City must have \$1 million for certain for brick and mortar and \$700,000 for maintenance and operation. He added that HB 13 passed which affects behavioral health; the Health Department intends to partner with Border Region next to link primary care with behavioral health in an effort to increase sustainability.

Dr. Gonzalez reported Capital Improvement projects, including a parking lot and center courtyard resurface, a WIC Santo Niño and Baby Café location, and an upcoming Santa Rita clinic. He noted that unapproved CIP projects include the Vital Statistics Vault (\$640,000), a new building (\$1 million), and the detox center (\$500,000); he clarified that staff will bring the detox center back to Council. Two replacement mid-size vehicles were approved by management, but the Department is still in need of a four-wheel drive utility vehicle (\$39,000) and two new mid-size vehicles (\$48,300). Dr. Gonzalez requested five new positions for a total of \$262,147, clarifying that all but one positions will be off-set by projected grant awards.

Rosario Cabello, Co-Interim City Manager, reported that management agrees with the personnel requests as long as the fees associated with the positions are approved. Dr. Gonzalez explained that staff proposes realignments of fees or new fees, as follows:

Laboratory

Metabolic Panel ~\$2.60 per test
 Water Testing +\$3-10 per test

Environmental

Beauty/Nail/Barber Shop New Fees \$75
 Report Copy \$10
 Follow Up Inspections \$75-100

CLHD Clinic

Visits +\$2.00 per visit

Immunizations

Adult Safety Net +\$10
 Flu Vaccine +\$5

Transcription	unreported
<u>TB</u>	
Record Copy	+\$3.00
Immigration Cert.	+\$25
Clinical Visit	+\$40

Motion to approve the Health Department's FTEs and fee structure proposal as presented.

Moved: Cm. Torres

Second: Dr. Marte Martinez

For: 8

Against: 0

Abstain: 0

Dr. Gonzalez reiterated that the fee schedule just approved are logical fees and will generate an estimated revenue of \$211,804.

Cm. Altgelt asked the City Attorney's Office to research opportunities to make the detox center a non-profit or charitable organization to make it eligible for donations from the District Attorney's Office. Cm. Torres noted his understanding that the governmental entity would qualify it already. Cm. Altgelt agreed, noting that the Attorney's research would help confirm that.

3

PRESENTATION OF CAPITAL IMPROVEMENT PROGRAM (CIP) - Rosario C. Cabello, Co-Interim City Manager, Robert A. Eads, ICMA-CM, Co-Interim City Manager (Part 2 of 2)

MPT Balli noted that while he was out, the monetary amount available for bonding was fully allocated except for \$363,789. He initiated a motion to allocate that remaining balance be allocated toward Downtown real estate purchases. He noted that it may be a small amount, but there are other funding sources for some of the properties available for purchase.

Motion to allocate \$363,789 bonding monies toward Downtown real estate purchases.

Moved: Cm. Balli

Second: Cm. Torres

For: 8

Against: 0

Abstain: 0

Rosario Cabello, Co-Interim City Manager, presented the changes to the Department's CIP requests during the budget workshop, as follows:

<u>Department</u>	<u>Original Amount</u>	<u>Amendments</u>	<u>Revised</u>
Fire	\$3,506,000	N/A	\$3,506,000
Police	\$2,790,000	\$350,000	\$3,140,000
Parks & Rec.	\$83,000	N/A	\$83,000
Public Works	\$1,010,000	N/A	\$1,010,000
Traffic	\$820,000	N/A	\$820,000
IST	\$725,000	N/A	\$725,000

Transit	\$1,355,211	\$1,323,000	\$2,678,211
District PF	\$500,000	N/A	\$4,000,000
City Projects	\$8,550,000	\$2,113,789	\$11,113,780

Members of Council asked why Council Chambers Renovation is on the CIP. Dr. Marte Martinez noted that he has seen these Council Chambers in the same state for a long period of time; as a previous audience member, he noted that the seats are uncomfortable and the walls have not been painted in some time. He voiced his opinion that the City should respect the people who come to Chambers to attend a Council meeting. Cm. Altgelt disagreed, noting that he finds the Chambers to be a nice facility. Cm. Torres agreed, noting that he utilizes the chambers at Webb County, and the comfort level is equal between two facilities. He failed to see any problem with the Council Chambers as they are currently.

Robert Eads, Co-Interim City Manager, clarified that the Purchasing Agent determined a more precise cost estimate for Chamber renovations; the estimated cost for seating and carpeting is closer to \$100,000 rather than the presented \$250,000. Miguel Pescador, Purchasing Agent, confirmed that some chair repairs have been made in the Council Chambers over the years; bolts are replaced as chairs become wobbly.

Mrs. Cabello explained that when Noe Hinojosa initially presented, he said that the City has bonding capacity for \$20-23 million, but later said that the City could safely bond \$26.5-27 million. Dr. Martinez initiated a motion to allocate \$100,000 for Council Chambers renovations.

Cm. Rodriguez asked why City Hall has two entrances but only one with handicap accessibility. He asked if the City could use some funding to create a ramp or handicap-accessible entrance at the southern entrance. Mr. Eads confirmed that staff could do that in-house.

Cm. Torres asked that Dr. Martinez's motion include an amendment allocating the remaining \$150,000 to shaded sidewalks. Dr. Martinez accepted the amendment.

Motion to allocate \$100,000 for Council Chambers renovations and to allocate \$150,000 to shaded sidewalks, as amended.

Moved: Dr. Marte Martinez

Second: Cm. Gonzalez

For: 8

Against: 0

Abstain: 0

Dr. Martinez initiated a motion to approve capital requests as presented since the budget is now balanced. Mrs. Cabello countered that staff has some recommendations that may affect that. Dr. Martinez withdrew his motion.

Cm. Torres noted his understanding that Arturo Garcia reached out to Special Olympics, who declined the Third Party Funding this year as they do not have the activities to justify the funding.

Mrs. Cabello noted that, based on Council's requests and action, there are about \$1,359,248 of additional, unfunded requests. She noted management's recommendations, adding that these were difficult decisions: Municipal Court's two Bailiffs (\$128,000) can be funded out of Municipal Court's additional revenues. The Planning Department's \$38,206 in Professional Development can be covered by salary savings if the Department does not fill any positions the first quarter of the year. Mrs. Cabello clarified that the Planning Director will take about the first quarter to recruit anyway. The Department's requested \$26,000 for computer hardware/software currently has savings in this fiscal year's budget, and she recommended that they use this year's funds to cover this expense now.

Mayor Saenz commended management's suggested solutions. Mrs. Cabello continued that the Planning Department requested a Planner IV for \$119,915; the City has a budgeted fellows program that can be unfunded in order to fund the Planner IV. The fellows program can be brought back next year.

Mrs. Cabello continued that Chief Treviño requested two additional Police FTEs for the Real Time Crime Center for \$102,842; she informed Council that they must decide whether to fund the RTCC officers or 2.5 custodians for the same amount. Claudio Treviño, Police Chief, confirmed that the Intelligence Officers is the bigger priority for the Department. Mrs. Cabello reminded Chief Treviño that he will have to replace his temporary custodians every nine months, to which he agreed.

Mrs. Cabello continued that the Traffic Safety Department's street sign replacement program (\$101,653) can be covered by the remaining balance in the CIF (\$138,649). Council agreed. Mrs. Cabello added that Traffic asked for one FTE (Engineer Associate I, \$116,611); she recommended that staff reclassify two unfilled funded positions into one position for this purpose. Danny Magee, Traffic Safety Director, confirmed that staff will work with this solution. Mrs. Cabello informed Council that there are savings in the current fiscal year for the Traffic Department's compensation pay plan consultant (\$150,000) and suggested that this year's funds be spent for that. Staff can look for a consultant now and pay for him/her out of this year's budget.

Mrs. Cabello continued that Laredo Crime Stoppers asked for \$21,000; she recommended using savings from the CIF to pay for this. She reiterated that the Special Olympics declined their Third Party Funding and recommended that the extra \$5,000 to Holding Institute be paid out of CIF savings, as well. This would exhaust the CIF savings.

Mrs. Cabello clarified that the revenue allocation to the Spay & Neuter Assistance Program from Municipal Court fees is part of the revenues for the General Fund now; it is not in addition to current revenues. Staff will be short in the General Fund by \$50,000 if Council continues with its directive. Cm. Torres recommended decreasing the amount to \$40,000 in the form of a motion.

Mrs. Cabello reported that Council approved an additional \$40,000 to the Laredo Economic Development Corporation and another \$60,000 for the Economic Development Department for economic incentives. She noted that the current

COLA is 2.5%; if Council lowers it to 2.0%, that will result in a \$185,000 savings. Alternatively, Council can reduce street paving by \$315,000 or decrease \$50,000 from each district's Priority Funds for street paving for a total of \$400,000. The bonds for street paving is for 20 years.

Mr. Eads reminded Council that staff needs \$500,000, so more than one item needs to be cut to make up this amount. Cm. Torres added that Council could reduce the funding of Laredo EDC, as well. Dr. Martinez noted that the Laredo EDC funding and Economic Development Department funding should stay as is.

Cm. Altgelt noted his understanding that the City pays \$1,200 per month to the Airport for the Laredo EDC to be housed at the base. He asked about moving them with the Economic Development Department or with MileOne. He added that having physical proximity to the City would facilitate faster idea-sharing and collaboration. Mrs. Cabello asked staff if the construction for CVB offices at El Portal would have enough space for Laredo EDC. Aileen Ramos, Convention & Visitors Bureau Director, confirmed that the Department will have one office (supervisor) available and two spaces for staff (cubicles); if necessary, the Department can convert another space.

Cm. Altgelt voiced his objection to the El Portal location, reiterating that the Economic Development Department will be separated from Laredo EDC, which is a moot point. Cm. Torres recommended the former Planning Department. Mrs. Cabello noted that this location is in District VIII; MPT Balli noted his intention that the former Planning Department building can be used for adult education or a similar purpose after the District lost its main library. As important as economic development is, he noted that a library space is his priority for the proposed location.

Jeffrey Miller, Airport Director, explained that most of the Airport's private entities do not have an exit clause; if the City were to offer the Laredo EDC an exit clause, then they would have to offer it to all other lessees to avoid discrimination potential. He noted that the Airport could offer the building and see if a new tenant would be willing to take over the lease. This would not be immediate.

MPT Balli reminded Council that the Laredo EDC is its own separate entity with its own Board; they may not want to relocate. He cautioned Council from making assumptions about the organization. Mr. Eads agreed, noting that the EDC is accountable to stakeholders. Cm. Altgelt reiterated that the City needs to get its economic developments parts under one roof.

Mrs. Cabello agreed with Cm. Altgelt's sentiments but noted that management wants Mr. Teclo Garcia, the Economic Development Director, in City Hall; staff has already invested some money in his office space and communicate with him on a daily basis while he works with other entities. Mr. Eads added that the immediacy of Mr. Garcia is invaluable. Mrs. Cabello recommended using \$60,000 in savings from the street sign replacement program and redirect it to the Downtown Economic Development

Motion to approve the Spay & Neuter Assistance Program request to \$40,000.

Moved: Cm. Altgelt

Second: Dr. Marte Martinez

For: 8

Against: 0

Abstain: 0

Mr. Eads reported that in the past, Council Members have invested in their own districts for street sign replacement programs. He noted that there is nothing limiting Council from doing so to ensure that street sign replacement is funded. Cm. Torres and Mayor Saenz voiced their agreement to have Council Members fund their own sign replacements.

Mr. Eads noted that staff allocated \$100,000 for street sign replacements; if staff takes \$60,000 from that program and rededicate it to the Downtown investment project, then \$40,000 remains for sign replacements. He reiterated staff's suggestion to use \$60,000 of the street sign replacement program to go to the Economic Development Department and to leave the Laredo EDC as is.

Motion to remove the additional \$440,000 from the Laredo Economic Development Corporation line item and to reduce the street sign replacement program from \$100,000 to \$40,000 and redirect the remaining \$60,000 to the Downtown investment project in the Economic Development Department, as amended.

Moved: Dr. Marte Martinez

Second: Cm. Altgelt

For: 8

Against: 0

Abstain: 0

Cm. Torres initiated a motion to bond out \$12 million for the construction of a municipal water park project based on the sports venue tax. Cm. Altgelt suggested going out for bids on the cost first. Mrs. Cabello noted that the municipal water park is acceptable under the sports venue tax. The City currently has a \$24 million fund balance, and contingent upon the water park cost, the City can bond that amount.

Mayor Saenz reminded Council that the City held a referendum on the sports venue, which is the priority. He agreed to wait for the estimated cost of the water park first. Cm. Torres reminded Council that three management administrations already went out for RFQs on a water park design, but no vendors want to respond to the bids without the City's commitment of funding.

Mrs. Cabello noted that once staff knows the water park's design, they can determine the cost. Cm. Vielma stated her desire to also hear from the bond counsel on this matter as well.

Cm. Gonzalez asked if an additional \$900,000 for fully turf both fields at Independence Hills Park. Cm. Torres amended his motion to include this request for discussion.

Cm. Altgelt reminded Council that they do not know how much the water park and the sports complex is going to cost. Once they know that, Council can decide how

much to bond for and how much to leave for debt service. With all of the moving parts involved in this matter, he cautioned Council from acting too quickly.

Mrs. Cabello noted that her only recommendation for the additional \$900,000 is to take it from the street paving program. Council voiced their disagreement; Mrs. Cabello countered that Council will then need to go back to its CIF list and remove something because the City's capacity is only \$26.5 million.

Cm. Gonzalez stated that the artificial turf at Independence Hills Park has been on the list for over three years and has always been removed. Mrs. Cabello confirmed that this expense does not qualify for funding by the sports venue tax.

Ramon Chavez, City Engineer, confirmed that the City has gone out for RFQs in the past; the last one had one response who was interviewed but with no funding committed from the City, the respondent was hesitant to commit as well. He noted that staff needs a schematic in place.

Mr. Eads explained that he visited the Round Rock municipal water park, and they went through their Convention & Visitors Bureau for most of the funding. The city's whole economy is driven by a sports tourism market, into which they heavily invest. The City of Round Rock's CVB Department runs the water park, which is very successful. He noted that it took the city five years to complete the water park which brings more than \$1 million into their General Fund every year after paying for all of the lifeguards in the city. Mr. Eads reminded Council that Round Rock's water park is on about 100 acres with baseball fields nearby, so the City has a captured audience.

Kristina L. Hale, City Attorney, confirmed that the sports venue tax cannot be used to pay for the design of the water park; it can be used for construction and related infrastructure. Mrs. Cabello asked Council to approve what is currently balanced and to leave this matter for another time. Cm. Torres withdrew his motion.

Motion to direct staff to bond out \$12 million for the construction of a municipal water park project and to add \$900,000 for artificial turfing of both fields at Independence Hills Park, as amended.

Moved: Cm. Torres
Second: Dr. Marte Martinez
Motion withdrawn.

Motion to approve the current Capital Improvement Program and Operation budget.

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

Motion to direct staff to place an item on the September 3, 2019 Council agenda for a presentation from bond counsel on the municipal water park.

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

22. **FUNDING AND OPERATIONS OF THE DEPARTMENTS (INCLUDING DIVISIONS)** of the Mayor and Council, City Manager, Budget, City Attorney, City Secretary, Community Development, Convention & Visitor's Bureau, Economic Development, Engineering, Environmental Services, Financial Services, Fleet, Library, Sames Auto Arena, Solid Waste, and Tax; and any matters related thereto.

Gilberto Sanchez, Budget Director, requested that Council implement the Cost of Living Adjustment of 2.5%, the Living Wage of \$12.00 per hour, and a wage schedule adjustment for all City funds.

Motion to approve the Cost of Living Adjustment of 2.5%, Living Wage of \$12.00/hour, and wage schedule adjustment for all City funds.

Moved: Cm. Torres
Second: Cm. Gonzalez
For: 8 Against: 0 Abstain: 0

Motion to approve an increase to Revenues (CIF) in General Fund by \$782,000 as presented by staff.

Moved: Cm. Torres
Second: Cm. Gonzalez
For: 8 Against: 0 Abstain: 0

Motion to approve an increase to Revenues in General Fund by \$250,000 for Fire Billing.

Moved: Cm. Balli
Second: Cm. Gonzalez
For: 8 Against: 0 Abstain: 0

Motion to increase Revenues and Expenditures in General Fund for \$550,000 from Municipal Court fines.

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

Mr. Sanchez reported the proposed FY19-20 holiday schedule as follows

Veteran's Day	Monday, November 11, 2019
Thanksgiving Day	Thursday, November 28, 2019
Friday after Thanksgiving Day	Friday, November 29, 2019

Christmas Eve	Tuesday, December 24, 2019
Christmas Day	Wednesday, December 25, 2019
New Year's Day	Wednesday, January 1, 2020
Martin Luther King, Jr., Day	Monday, January 20, 2020
President's Day	Monday, February 17, 2020
Friday before Easter Sunday	Friday, April 10, 2020
Memorial Day/Sept. 11 Remembrance	Monday, May 25, 2020
Independence Day	Friday July 3, 2020
Labor Day	Monday, September 7, 2020
Personal Holiday*	
Personal Holiday*	
Wellness Day**	
Wellness Day**	

*Date subject to Department Director's approval and after being employed with the City for one (1) year

** Must have been employed with the City of Laredo for at least one (1) year and be covered under the City's Medical plan

Cm. Torres initiated a motion to approve the holiday schedule and add December 31, 2019 (New Year's Eve) and Easter Monday (Monday, April 13, 2020). Mr. Sanchez noted that there may be a financial impact to the addition of two holidays given the overtime that some Departments have to work during those new holidays, like Solid Waste, Police, Fire, and the Bridge Department. Cm. Torres noted that Payroll Savings can be used to offset this cost.

Motion to approve the FY19-20 holiday schedule and add December 31, 2019 (New Year's Eve) and Monday, April 13, 2020 (Easter Monday) to the holiday schedule.

Moved: Cm. Torres

Second: Cm. Altgelt

For: 8

Against: 0

Abstain: 0

Motion to direct staff to research funding sources for \$990,000 in artificially turfing the fields at Independence Hills Park.

Moved: Cm. Gonzalez

Second: Cm. Altgelt

For: 8

Against: 0

Abstain: 0

Cm. Vielma asked if the City has allocated any money to assist with the 2020 Census count, as the data is vital to funding for Laredo's Health Department, schools, and community outreach. Rosario Cabello, Co-Interim City Manager, confirmed that as it currently stands, the City will be using its own resources, mostly Community Development, the Laredo Public Library, and the forthcoming Grants Administrator position.

Motion to add two FTEs for Heavy Equipment Operators II (grapple operators) for

branch division in Solid Waste Department for an additional expenditures appropriation of \$90,870.

Moved: Cm. Mercurio Martinez

Second: Cm. Altgelt

For: 8

Against: 0

Abstain: 0

Motion to add one FTE for Environmental Services at no financial impact to the City.

Moved: Cm. Mercurio Martinez

Second: Cm. Altgelt

For: 8

Against: 0

Abstain: 0

Cm. Rodriguez commended the Co-Interim City Managers for their hard work in balancing the upcoming budget. The Co-Interim City Managers received a standing ovation. Cm. Gonzalez thanked all City staff and Departments for their commitment to this budget workshop.

II. EXECUTIVE SESSION

No action.

III. ADJOURNMENT

Motion to adjourn.

Moved: Cm. Torres

Second: Cm. Gonzalez

For: 8

Against: 0

Abstain: 0