

**CITY OF LAREDO
CITY COUNCIL MEETING
M2017-R-08
CITY COUNCIL CHAMBERS 1110
HOUSTON STREET
LAREDO, TEXAS 78040
May 15, 2017
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 a moment of silence.

IV. ROLL CALL

In attendance:

Pete Saenz	Mayor
Rudy Gonzalez, Jr.	District I
Vidal Rodriguez	District II
Alejandro "Alex" Perez, Jr.	Mayor Pro-Tempore, District III
Alberto Torres Jr.	District IV
Norma "Nelly" Vielma	District V
Charlie San Miguel	District VI
George J. Altgelt	District VII
Roberto Balli	District VIII
Heberto "Beto" Ramirez	Acting City Secretary
Jesus Olivares	City Manager
Cynthia Collazo	Deputy City Manager
Robert Eads	Assistant City Manager
Kristina L. Hale	Acting City Attorney

Cm. Torres joined at 5:31 pm.

Cm. San Miguel joined at 5:34 pm.

V. MINUTES

Approval of the minutes of May 1, 2017 and May 8, 2017.

Motion to approve the May 1, 2017, and May 8, 2017 minutes.

Moved: Cm. Balli

Second: Cm. Perez

For: 6

Against: 0

Abstain: 0

Cm. Torres and Cm. San Miguel were not present.

VI. COMMUNICATIONS AND RECOGNITIONS

Communiqués

1. Presentation by Gil Wilson TxDOT - Rail Division on the Laredo Mobility Study.

Gil Wilson reported that a kickoff meeting with local stakeholders, Kansas City Southern Railway Company, and Union Pacific Railroad was held in January 2017 to develop short-term, mid-term, and long-term projects to improve vehicular rail mobility in the City of Laredo. The next meeting will take place in August 2017 to discuss locations in need of attention, after which Mr. Wilson would like to report to Council the concepts discussed. An implementation planning meeting will occur in November 2017 to analyze engineering, financial, and institutional issues. Mr. Wilson stated that his point of contact through the City is Nathan Bratton, Planning Director, and he includes the Mayor's Office in his communications.

Mr. Wilson noted that this study is not solely a quiet study, but that noise will be considered in part during the overall study.

2. Presentation by Sylvia O. Praesel to announce the launch of the City of Laredo's House Bill 5 Summer Internship Program in collaboration with UISD, LISD and Consortium for Apprenticeship Partners in Economic Development, (CAPED).

Sylvia O. Praesel reported that this collaboration is in line with the Governor's Tri-Agency task force to link education and workforce strategies, bridge the skills gap, address the issue of retiring baby boomers, and remedy the inability of recent graduates to pay high student loan debt. There are 12 departments in the City that will be participating in this internship program with 104 interns.

Dr. Sylvia Rios, Laredo ISD Chief Academic Officer, voiced her gratitude for the extended partnership with the City for this effort.

3. Presentation by Gabriel Lopez on the Texas Veterans Leadership Program.

Gabriel Lopez reported that 28.2% of veterans in Laredo are Vietnam veterans and are passing away at a faster rate than veterans from other conflicts. On March 7, 2016, Governor Greg Abbott established the Tri-Agency Workforce with the Texas Workforce Commission, Texas Education Agency, and the Higher Education Coordinating Board. The Tri-Agency Workforce was established to assess local economic activities, examine workforce challenges and opportunities, and consider innovative approaches to meeting the state's workforce goals. Included in the Tri-Agency's charge was an evaluation of gaps in services to Texas veterans.

Mr. Lopez reported that between 22,000 to 28,000 transitioning service members return to Texas each year. Over 30% of transitioning service members exiting from military installations in Texas remain in Texas. Transitioning service members experience challenges in using their military skills in the civilian workforce, finding employment, completing two- to four-year college programs, or obtaining the

appropriate licensure or certifications to compete in the job market. The Texas Operation Welcome Home program is designed to pair the military installations with 11 corresponding Local Workforce Development Boards with specific services tracks of employment, education, career technical training, and entrepreneurship. The program also assists military spouses. Mr. Lopez stated that he personally delivered this program information to all veteran services organizations, and Workforce Solutions also has the information.

Cm. Vielma requested that Mr. Lopez also make this information available during job fairs on the City of Laredo Community Calendar.

Cm. Perez recognized veterans in attendance and thanked them for their service.

Recognitions

1. Recognizing the Harmony School of Innovation Robotics Predatechs and Swatbots for sweeping the FIRST Lego League competition with 1st and 2nd place after receiving the highest scores in robot game this weekend at the Alamo Region Playoffs. The Predatechs and Swatbots finished the season and came back home as 2 of the top South Texas First Lego League Robotics (FLL) Teams. Recognizing the Girl of Steel for competing in the FLL World Championships competition in Houston, TX and receiving the most spirited award and the 3rd Grade boys Basketball team for being awarded City Champs for 3 consecutive years.

Brandon Borrego, Harmony School of Innovation Predatechs Coach, noted that the team consists of seven students from 4th-5th grade. The Predatechs won the 3rd place Champions award at regionals and 1st place for the highest robot score and 1st place for the most mechanically designed robot.

Kayla Cruz, Harmony School of Innovation Swatbots and Junior Robotics Coach, stated that the junior team members are between 7 and 9 years old, and the Swatbots placed 2nd in the state of Texas.

Rene Costilla, volunteer coach, noted that the robotics teams won the City Championship for the third year in a row. He praised the hard work of the students as well as the support of their parents.

Mayor Saenz presented the robotics teams with certificates of recognition for their accomplishments.

2. Recognizing the 2016-2017 TAMIU Men's Basketball team for recently being awarded the Heartland Conference Championship trophy.

Brian Weakley, TAMIU Head Men's Basketball Coach, thanked Council for the recognition. Mayor Saenz presented the coaches and two team members with certificates of recognition for their accomplishments.

Citizen comments

None.

VII. APPOINTMENTS TO COMMISSIONS, BOARDS AND COMMITTEES

1. Appointment by Council Member George Altgelt of Paul Thomson to the Drug & Alcohol Commission.

No discussion or action taken.

2. Appointment by Council Member George Altgelt of Julia Rubio to the Facility Naming & Recognition Commission.

No discussion or action taken.

3. Appointment by Council Member George Altgelt of Gayle Aker Rodriguez to the Fine Arts & Culture Commission.

No discussion or action taken.

4. Appointment by Mayor Pete Saenz of Gilbert Garcia to the South Texas Development Council.

No discussion or action taken.

5. Appointment by Mayor Pete Saenz of Yolanda Gutierrez Garcia to the Fine Arts & Culture Commission.

No discussion or action taken.

6. Appointment by Mayor Pete Saenz of Lulu Newman to the Animal Care Facility Advisory Committee.

No discussion or action taken.

7. Appointment by Council Member Nelly Vielma of Alfredo Gutierrez to the Facility Naming & Recognition Commission.

No discussion or action taken.

8. Appointment by Mayor Pro-Tempore Alejandro "Alex" Perez of to the Facility Naming & Recognition Commission.

No discussion or action taken.

VIII. PUBLIC HEARINGS

1. Public Hearing and Introductory Ordinance authorizing the City Manager to accept and enter into a continuation contract with the Health and Human Services Commission (HHSC) and amending the FY 2016-2017 budget by appropriating additional revenues and expenditures in the amount of \$405,010.00 for a total of \$810,020.00 for the City of Laredo Health Department (CLHD) Healthy Texas Women project to provide primary care, women's preventive health care, prenatal care, family planning, chronic disease prevention, clinic services, diagnostic, and laboratory

services to an additional 350 women for the term period from September 1, 2017 through August 31, 2019.

No discussion or action taken.

2. Public Hearing and Introductory Ordinance amending Chapter 28 Streets, Sidewalks and Public Places; Article V Commercial Use of Streets, Sidewalks and Other Public Places; Section 28-106 (a) of the City of Laredo Code of Ordinances providing hours of operation for motorized mobile vehicle vendors (Vendors cannot operate, play music, or loud sounds between the following hours: Sunday through Thursday 10:00 p.m. to 7:00 a.m. and Friday through Saturday 11:00 p.m. to 7:00 a.m.) and providing for publication and an effective date.

No discussion or action taken.

3. Public Hearing and Introductory Ordinance amending the Zoning Ordinance (Map) of the City of Laredo by authorizing a Conditional Use Permit for a Commercial Billboard on Lot 4-A, Block 8-A, Las Brisas Del Mar Subdivision, located at 8602 McPherson Rd. ZC-27-2017

Staff supports the application and the Planning and Zoning Commission recommends denial of the Conditional Use Permit. Therefore, the applicant has since then exercised the right to appeal this decision directly to City Council. District VI

No discussion or action taken.

4. Public Hearing and Introductory Ordinance amending the Zoning Ordinance (Map) of the City of Laredo by authorizing a Special Use Permit for a Tattoo Shop on Lots 5 and 6, Block 30, Vista Hermosa Subdivision, located at 5309 McPherson Road, Suite 5. ZC-29-2017

Staff does not support the application and the Planning and Zoning Commission recommends approval of the Special Use Permit. District V

No discussion or action taken.

5. Public Hearing and Introductory Ordinance amending the Zoning Ordinance (Map) of the City of Laredo by rezoning Lots 2 and South 2.7' of Lot 4, Blk 988, Western Division, located at 1320 Philadelphia St, from R-3 (Mixed Residential District) to R-1A (Single Family Reduced Area District). ZC-30-2017

Staff supports the application and the Planning and Zoning Commission recommends approval of the zone change. District VIII

No discussion or action taken.

IX. INTRODUCTORY ORDINANCES

6. An ordinance of the City of Laredo, Texas, amending Chapter 6, Animals and Fowl, Article III, Small Animals, of the Code of Ordinances, by amending section 6-42 to modify the number and setback requirements for the keeping of small animals and

fowl; amending Chapter 6, Article IV, Large Livestock and Wild Animals, of the Code of Ordinances, by amending section 6-66 to add a special permit for operators of community gardens or district gardens; providing that this ordinance shall be cumulative; providing a severability clause; providing a penalty clause; providing for publication; and declaring an effective date.

No discussion or action taken.

7. Amending Chapter 31 (Utilities), Article III, (WATER), Division 3 (RATES and CHARGES) by amending section 31-138.1 (Fees and Service Charges) by adding subsection title 31-138.1.1 (Fees) and creating subsection title 31-138.1.2 (Service Charges); clarifying the reconnect fees and amending the late fee by removing the \$5 and only keeping the 5% late fee on balances owed and also including an exemption for all veterans from late fees.

No discussion or action taken.

X. FINAL READING OF ORDINANCES

8. 2017-O-065 Amending the Zoning Ordinance (Map) of the City of Laredo by rezoning Lots 1 through 6, Blk 1000 and Lots 2 through 9, Block 1001, Western Division, as further described by metes and bounds in attached Exhibit "A", located north of Philadelphia St. and west of Lee Ave., from M-1 (Light Manufacturing District) to R-3 (Mixed Residential District). ZC-25-2017

No discussion or action taken.

9. 2017-O-066 Authorizing the City Manager to allow the City of Laredo Utilities Department to sell sanitary sewer LUEs (Living Unit Equivalent) in the amount of \$710.63/LUE to the development community; the development community is responsible to address the lack of capacity on the existing sanitary sewer system and to do the improvements in lieu of payment of the sanitary sewer LUEs and amending the Wastewater Construction Fund Annual Budget 2016-2017 by appropriating revenues and expenditures in the amount of \$250,000.00. This 16" force main will provide extra capacity to the McPherson Lift Station service area and will start from the McPherson Lift Station to the 18" Chacon Creek Interceptor. The purpose of selling sanitary sewer LUEs is to allow additional flows to the McPherson Lift Station from the development community and be able to discharge the flows to the South Laredo Wastewater Treatment Plant. The LUEs will be enforced to the development community during the recordation of the platting process that includes the interest from the bond. The bond was estimated to be paid in 20 years at 4% interest. Properties requesting an increase in sanitary sewer LUEs beyond those designated in the original plat will be subjected to the additional sanitary sewer LUEs. The estimated cost of the improvements including the interest will be \$2,242,441.32. The Utilities Department recommends increasing the cost per LUE every year by adding the percentage of the sewer rate increase on October 1st of every year. Fees collected will be set aside

to cover the cost of the McPherson Lift Station 16" Force Main. Providing for publication; and declaring an effective date.

No discussion or action taken.

XI. CONSENT AGENDA

No discussion or action taken.

XI (a) RESOLUTIONS

10. 2017-R-54 Authorizing the City Manager to submit a Continued Grant Application for the FY2017-2018 grant year in the amount of \$1,028,713.00 to the Texas Auto Burglary & Theft Prevention Authority to fund the Laredo Auto Theft Task Force for the period of September 1, 2017 through August 31, 2018. This grant pays for salaries and supplies for the LPD Auto Theft Division. The city's local match is approximately 35% which is available as a transfer in from General Fund.
11. 2017-R-55 Authorizing the City Manager to submit a Modified Grant Application for the FY2018-2019 grant year in the amount of \$531,837.00 to the Texas Auto Burglary & Theft Prevention Authority to fund the Laredo Auto Theft Task Force for the period of September 1, 2017 through August 31, 2018. This grant pays for salaries, supplies and equipment for the LPD Auto Theft Division. The city's local match is approximately 22% which is available as a transfer in from General Fund.
12. 2017-R-56 Authorizing the City of Laredo to enter into Inter-Local Cooperative Purchasing Agreement with the GoodBuy Purchasing Cooperative and authorizing the City Manager to execute the membership agreement. The purpose of this agreement is to facilitate compliance with the State of Texas bidding requirements, to identify qualified vendors of commodities, goods and services, and to realize potential cost savings for the City of Laredo.
13. 2017-R-57 Authorizing the City Manager to accept the contract with the Women's Health and Family Planning Association of Texas (WHFPT) in the amount of \$103,003.00 for the continuation of the City of Laredo Health Department Title X Family Planning Women's Preventive Health Program for the term period from April 1, 2017 through March 31, 2018.

XI (b) MOTIONS

14. Authorizing the City Manager to enter into a professional engineering and consulting services contract with W.D. Schock of Nashville TN. for phase 12 of the Airport Residential Sound Reduction Program in the amount of \$574,199.00. Said contract provides engineering design and construction oversight for noise mitigation measures that are part of the Airport Noise Compatibility Program. Funding is available under Federal Aviation Administration (FAA) Airport Improvement (AIP), Grant No. 80.

15. Authorizing the City Manager to award a contract to Whisler Aviation, sole source provider, in the amount of \$64,650.00 to repair, paint and mount the T-38 aircraft for display at the Laredo International Airport. NASA and GSA donated the aircraft to the City of Laredo. Funding is available in the Airport budget.
16. Authorizing the City Manager to grant a public firework display permit for the Laredo Country Club, Max Mandel, and Uni-Trade on July 4, 2017. The technicians for this display will be Illumination Fireworks.
17. Authorizing the City Manager to enter into a Memorandum of Understanding (MOU) between the City of Laredo Health Department (CLHD) and the counties of Webb and Zapata in the amount not to exceed \$25,000.00 to provide limited prevention vector control support for Zika prevention as per the Department of State Health Services (DSHS) Public Health Preparedness and Response Cooperative Agreement (PHPR) and the Epidemiology and Laboratory Capacity services for Infectious Disease program (Zika).
18. Authorizing the City Manager to approve the purchase of the laboratory equipment NucliSENS easyMAG System, from sole source BioMérieux in Hazelwood Missouri in the amount of \$66,202.18 for public health preparedness and response laboratory testing, specifically against the Zika virus. Funding is available in the Health Department budget.
19. Authorizing the City Manager to enter into an Agreement with the Laredo Pony Association to host/sponsor the 2017 Pony Team World Series Softball Tournament to be held on July 18-July 24, 2017 (allowing for one rain day). It is anticipated that over 100 teams will participate from throughout the United States and Mexico and between 25,000 to 30,000 team members and visitors will be in our city during this tournament. The Laredo hotels are expected to be at capacity and hotels in Cotulla and Zapata have been contracted to handle the overflow. This tournament will produce an economic benefit for our local restaurants, hotels, entertainment venues and retail businesses.
20. Consideration to award annual service contract FY17-034 to the low bidder Laredo Mechanical Industrial Services, Laredo, TX, in an amount up to \$100,000.00 for the purchase of original equipment manufacturer (OEM) truck parts and service for the City's automated side and rear loader trucks. The term of this contract shall be for a period of one (1) year beginning as of the date of its execution. This contract may be extended for four (4) additional one year period upon mutual agreement. All services will be secured on an as needed basis. The City shall provide the parts. Funding is available in the Fleet Maintenance budget.
21. Consideration to award supply contract number FY17-033 to the following bidders:
 1. Sections I, II, III, VII, and VIII to HD Supply Waterworks, Atlanta, Georgia in an amount up to \$102,715.84;
 2. Section V to Ferguson Waterworks, Mission, Texas in an amount up to \$189,154.55;
 3. Sections IV and VI to Aguaworks Pipe & Supply, Brownsville, Texas in an amount

up to \$63,333.32.

for the purchase of rubber couplings, PVC pipe, and related materials for the Utilities Department. The term of this contract shall be for a period of one (1) year beginning as of the date of its execution. These materials shall be purchased on an as needed basis by the Utilities Department- Water Operations for construction and repair projects. The term of this contract shall be for a one year period. This contract may be extended for four additional one year periods each upon mutual agreement. Funding is available in the Utilities Department Fund.

22. Consideration to renew the existing annual contract FY13-036 to LSC Environmental Products, Appalachian, New York in an amount up to \$100,000.00 for the purchase of alternative daily cover material for the City Landfill. The materials are made of fiber and cement mortar used to replace the use of on-site soils for daily cover at the disposal area, as required by TCEQ. The term of this contract shall be for a period of one (1) year beginning as of the date of its execution. All material will be ordered on an as needed basis. This contract may be extended two additional periods-upon mutual agreement of parties. There will be no price increase during these extension periods. Funding is available in the Solid Waste Services Department Fund.
23. Consideration to renew annual supply contract number FY13-056 to the following vendors:
 1. Century Asphalt, Houston, Texas in an amount up to \$3,500,000.00 for the purchase of the following paving, and construction materials:
 - a. Black base F.O.B., jobsite - \$61.95/ton
 - b. Asphalt Type D hot mix, F.O.B jobsite - \$61.95/ton
 - c. Asphalt Type D hot mix, 1% lime w/RAP F.O.B. vendors plant - \$52.00/ton
 - d. Asphalt Type D hot mix, 1% lime, F.O.B jobsite - \$63.45/ton
 - e. Asphalt Type D hot mix, 1% lime, F.O.B. vendors plant - \$56.45/ton
 - f. Asphalt Type D hot mix, 1% lime, w/RAP F.O.B jobsite - \$59.00/ton;
 2. S.C.C. Pure Materials, Laredo, Texas in amount up to \$249,500.00 for the purchase of the following paving, and construction materials:
 - a. Flexible base Type D – Crushed Concrete, F.O.B. Public Works or Utilities Department Compound Job Site - \$20.63/cyd
 - b. Flexible base Type D – Crushed Concrete, F.O.B. Vendors Plant - \$15.50/cyd

This contract is for the purchase of materials required for all City paving and construction projects. There will be no price increase during this extension period. The term of this contract shall be for a period of one (1) year beginning as of the date of its execution. This is the fourth (4) of five (5) extension periods. There will be no price increase during this extension period. All materials are purchased on an as needed basis utilizing the Public Works Department, Utilities Department, and construction project budgets.

24. Consideration to award contract FY17-039 to lowest bidder Southern Tire Mart,

Columbia, MS in an amount up to \$150,000.00 per year, for providing tire replacement and tire repair services for the Fire Department. This contract establishes regular and after hour service call rates for tire repair and replacement services along with the purchase of new tires. The term of this contract shall be for a period of two (2) years beginning as of the date of its execution. This contract may be extended for two (2) additional one (1) year renewals upon mutual agreement. Funding is available in the General Fund - Fire Department's Budget.

25. Refund of property tax in the amount of \$615.46 payable to Orange Coast Title of Texas due to an overpayment, Tax account # 922-50021-070.
26. Authorizing the City Manager to execute Amendment #2 in the amount of \$363,620.00 with LNV, Inc. of Laredo, Texas, to design upgrade to Unitec Wastewater Treatment Plant to bring the existing plant to 0.36 MGD capacity. The total contract sum including this amendment is at \$672,630.00. Funding is available in the 2010 & 2011 Sewer Revenue Bonds.
27. Appointment by the City Manager of the Clerk of the Municipal Court in accordance with §5.03 of the Laredo City Charter, with possible action.

Motion to instruct Interim City Manager to re-interview the candidates and bring a recommendation to Council at the May 22, 2017, Council Meeting.

Moved: Cm. Torres
Second: Cm. Altgelt

For: 8 Against: 0 Abstain: 0

28. Appointment by the City Manager of the City Attorney in accordance with §4.02 of the Laredo City Charter, with possible action.

Cm. Balli voiced his opinion that there is no need to post this position in the State Bar Journal. Attorneys with the expertise of a City Attorney will only look in Texas Municipal League (TML).

Monica C. Flores, Human Resources Director, reported that the City received seven applications, but only two met the minimum qualifications.

Horacio de Leon, Interim City Manager, confirmed that there is no problem with posting the position in both the Texas State Bar Journal and TML.

Motion to advertise prominently in the Texas State Bar Journal for 30 days as well as the Texas Municipal League mailing list for the City Attorney position, including the average requirements that TML has posted for City Attorneys, as amended.

Moved: Cm. Altgelt
Second: Cm. Vielma

For: 3 Against: 5 Abstain: 0

Cm. Torres	Cm. Gonzalez
Cm. Vielma	Cm. Rodriguez
Cm. Altgelt	Cm. Perez
	Cm. San Miguel

Cm. Balli

Motion fails.

Motion to consider this item at the May 22, 2017, Council Meeting.

Moved: Cm. Balli

Second: Cm. Rodriguez

For: 6 Against: 2 Abstain: 0

Cm. Gonzalez Cm. Torres
Cm. Rodriguez Cm. Vielma
Cm. Perez
Cm. San Miguel
Cm. Altgelt
Cm. Balli

29. Appointment by the City Manager of the City of Laredo Police Chief in accordance with §143.013 of the Texas Local Government Code, with possible action.

Motion to instruct Interim City Manager to re-interview the candidates and bring a recommendation to Council at the May 22, 2017, Council Meeting.

Moved: Cm. Torres

Second: Cm. Altgelt

For: 8 Against: 0 Abstain: 0

END OF CONSENT AGENDA

XII. STAFF REPORTS

30. Discussion with possible action on the potential impact of rescinding Dannenbaum Engineering from consideration of the Traffic Signal Synchronization Study contract award in light of TxDOT's procurement process for professional services required for local governments seeking federal reimbursement pursuant to 23 CFR 172, and restarting the procurement process, and any matter related thereto.

No discussion or action taken.

31. Discussion with possible action on the selection of outside legal counsel to review the City's operating and contracting policies and if necessary, to make recommendations on changes to the City's rules, procedures and ordinances to avoid any ethical and/or legal pitfalls, and any matter related thereto.

Kristina L. Hale, Acting City Attorney, stated that Council was provided with the names of three firms who contacted the City willing to provide services. In addition, staff has provided an RFQ if Council wishes to solicit firms through the procurement process. She recommended the firm Andrews Kurth Kenyon out of Houston, Texas, as they have performed similar work for other municipalities. She confirmed that Council can secure legal counsel without going out for RFQs as legal services and specialized consulting are an exception to the procurement process. She could not confirm a cost estimate for legal counsel and recommended requesting qualifications

if there is no hurry for representation.

32. Status report on the conflict of interest review of all city committees, commissions and boards, and any matter related thereto.

No discussion or action taken.

33. Presentation by the Laredo Development Foundation regarding the economic development activities including events, prospects and any other matters incident thereto, with possible action.

No discussion or action taken.

34. Presentation on a proposed Street Maintenance Fee for paving of streets, in order to preserve street surfaces and to avoid costly reconstruction, with possible action.

No discussion or action taken.

XIII. EXECUTIVE SESSION

None.

XIV. RECESS AS THE LAREDO CITY COUNCIL AND CONVENE AS THE LAREDO MASS TRANSIT BOARD

35. Authorizing the City Manager to execute a grant application for the amount of \$247,069.00 to the Federal Transit Administration (FTA) for Fiscal Years 2015 and 2016 Section 5310 (Map-21) Grant Program for Enhanced Mobility of Seniors and Individuals with Disabilities. These funds will be used for the purchase of Capital for the Laredo Transit (El Lift) Paratransit Van Operations and Webb County Rural Transportation (El Aguila). The required local match for this grant is funded by Transit's Sales Tax and Operating funds from Webb County Rural Transportation.

No discussion or action taken.

36. Consideration to award a contract for the purchase of two (2) ADA Paratransit Vans for the El Lift Department in the amount of \$197,912.82 utilizing the TXSMARTBUY Cooperative Contract Pricing with Creative Bus Sales from Irving, Texas. Funding is available in the Federal Transit Administration Section 5310 Grant #TX-2017-024-00.

No discussion or action taken.

XV. RECESS AS THE LAREDO MASS TRANSIT BOARD AND CONVENE AS THE LAREDO PUBLIC FACILITY CORPORATION

37. Election of the following Officers to replace vacancies on the Laredo Public Facility Corporation (LPFC): President, Vice-President and Heberto L. Ramirez as Secretary for the LPFC.

No discussion or action taken.

XVI. ADJOURN AS THE LAREDO PUBLIC FACILITY CORPORATION AND RECONVENE AS THE LAREDO CITY COUNCIL

No discussion or action taken.

GENERAL COUNCIL DISCUSSIONS AND PRESENTATIONS

38.

A. Request by Mayor Pete Saenz

1. Discussion with possible action on whether to place City Manager, Jesus M. Olivares, on administrative leave with pay, until such time as outside counsel is retained to assess and make recommendations to Mayor and Council on this and/or other FBI investigation related matters.

John Stabile asked Jesus Olivares to take a leave of absence, resign, or retire in light of his inclusion on the FBI's "target subject" list. He stated that the City has had so many things go wrong under Mr. Olivares' leadership, which has cost the taxpayers additional money to correct. He also informed Council that he would monitor their vote on whether to place Mr. Olivares on administrative leave. Council Members were elected to represent the people of the community but often vote against the best interests of the citizens.

Polly Sue Stabile stated that she has seen appalling behavior on the part of Council under the administration of Mr. Olivares. She cited the lack of a designee for monitoring millions of dollars in contracts with the City, the lack of relevant experience of the Internal Auditor, the hiring of an engineering firm that recommended a particular pump size for the El Pico water treatment plant and then installing pumps noncompliant with the recommendations resulting in the failure of two pumps, the selling of the civic center and using the proceeds for purposes other than what is required by state law, and committee members appointed with possible conflicts of interest. Ms. Stabile requested that Mr. Olivares be placed on administrative leave until his name is cleared from the FBI's "target subject" list.

Mayor Saenz suggested that Council discuss this item in executive session as it may affect Mr. Olivares' contract with the City and relates to his character.

David Cardwell stated that the citizens and taxpayers of Laredo are watching Council's vote. The public perception is that the City Manager is solely focused on maintaining tight control on all decisions made at City Hall at all costs. This has broken public trust in the City. Laredo can not have a City Manager on the FBI's "target subject" list making administrative decisions, and the decision to place him on administrative leave is both temporary and prudent that does not presume guilt or innocence. This is a usual procedure and should have been done as soon as the "target subject" list was released.

Juan Avila reminded Council that all of the members have been involved in ethical dilemmas and that it is hypocritical for them to judge the morality of the

City Manager.

Lakshmana “Vish” Viswanath stated that it is only partially true that Council is considering administrative leave for Mr. Olivares because of the FBI raid. Before the FBI’s investigation, citizens have been coming to Council meetings complaining of mismanagement of City affairs under Mr. Olivares’ leadership. Administrative leave is common during investigations in other industries and should occur in this case. He reminded Council that Cm. Balli, Cm. Torres, Cm. Perez, and Cm. Gonzalez are also on the FBI’s “target subjects” list and the remaining four Council Members are on a secondary list. Mr. Vish asked Council why Saul Villarreal’s position of Special Project Advisor did not go through an RFP or RFQ process. The operation of the City must be different than what has been conducted in the past.

Remy Salinas stated that the City Manager has not been performing his job duties adequately. He also noted that the Acting City Attorney, who is being considered for the City Attorney position, is married to a sitting District Judge, and there are four attorneys on Council whose votes on that issue will provide ethical dilemmas. Perceived corruption has been present in Laredo government throughout the different administrations and Council, and Mr. Salinas stated that Council must vote to change that starting with this vote. He noted that all of the Laredo Police Chief candidates and department directors are local and are not being hired by other cities, casting doubt over their qualifications and merit.

Mellie Hereford reminded Council that the City Manager is an at-will employee who can be removed by Council. While the Charter does not make provisions for a leave of absence, it is routine to place any employee on a leave of absence. The City Manager should not be treated any differently. She noted that the Charter should be amended to account for this issue. She asked the Mayor to use a roll call vote on this item.

Armando Cisneros cited comments made by Cm. Balli on February 23, 2015: “The City is a very big business. It is an almost \$700 million a year business; we have income and we have expenses. We have our current Interim City Manager and Assistant City Managers negotiating very big deals with developers and with others, and for our Interim to not have the position of City Manager, for us not to have somebody there with the title of City Manager, does not allow for proper negotiations because people see that person in a position of weakness. ‘You may be negotiating today, but maybe next week there is going to be somebody else here negotiating with me.’ So we have an Interim City Manager who doesn’t necessarily have authority because all the people negotiating with the City have to do is wait it out and if they don’t like the deal, they can wait for the next guy and maybe be able to strike a better deal.”

Motion to go into executive session to discuss whether to place City Manager, Jesus M. Olivares, on administrative leave with pay, until such time as outside counsel is retained to assess and make recommendations to Mayor and Council on this and/or other FBI investigation related matters.

Moved: Cm. Rodriguez

Second: Cm. San Miguel

For: 8

Against: 0

Abstain: 0

Following executive session, Mayor Saenz reported that no action was taken.

Jesus Olivares, City Manager, thanked Council for the opportunity he had to serve the City and announced his retirement effective immediately.

Motion to accept Jesus Olivares' retirement from the City.

Moved: Cm. Torres

Second: Cm. Vielma

For: 8

Against: 0

Abstain: 0

2. Discussion with possible action on whether to appoint an Interim City Manager.

Motion to go into executive session to discuss whether to appoint an Interim City Manager.

Moved: Cm. Torres

Second: Cm. Perez

For: 8

Against: 0

Abstain: 0

Following executive session, Mayor Saenz reported that no action was taken.

Motion to appoint Horacio de Leon as Interim City Manager.

Moved: Cm. San Miguel

Second: Cm. Perez

For: 6

Against: 2

Abstain: 0

Cm. Gonzalez

Cm. Torres

Cm. Rodriguez

Cm. Balli

Cm. Perez

Cm. Vielma

Cm. San Miguel

Cm. Altgelt

3. Discussion with possible action on the status of retaining outside counsel.

Cm. Balli noted that following the retirement of Jesus Olivares as City Management, the City is no longer in a precarious position needing outside counsel. If Council secures outside counsel, they will do so at a great expense to the taxpayers, and he does not think it is necessary. He reiterated that the City as a whole is not under investigation.

Miguel Pescador, Purchasing Agent, confirmed that if Council wished to request qualifications, they would need to post the request for a minimum of 14 days after the first date of posting.

Cm. Altgelt clarified that the intent at the last Council meeting for retaining outside legal counsel was to provide some framework to either amend the ethics ordinance or create additional ordinances that may prevent similar incidents from occurring again.

Cm. Altgelt asked why and was told that the Parks Department directed the crew to clean up a field for the PONY Baseball League. The majority of work done by the groundskeeping crew is on baseball fields. Cm. Altgelt was told that the leagues do not pay any fees for use of the fields or electricity. He researched other cities and found that their leagues pay fees for wear and tear of the fields and that a Parks employee monitors a scheduling mechanism for the use of city fields and facilities. Those systems are set up to provide fair treatment to all leagues. The Laredo Parks Department is the third biggest department, budget-wise, behind Fire and Police. Much of the Parks Department's budget goes toward field maintenance, and the leagues do not contribute any money to help defray the costs.

Bill Johnson noted that most of the youth sports organizations are non-profit organizations run by unpaid volunteers. Registration fees go toward supplying uniforms, equipment, and insurance as well as the costs of officiating games. Having to lease fields for league use would force the leagues to raise their registration costs, which would affect the youth and discourage them from participating. He suggested that Council meet with representatives of various leagues to find the best option for both sides. He agreed that any organization wishing to use City facilities should provide any and all information requested of them, like proof of affiliation, bylaws, proof of liability insurance, proof of 501 (c)(3) status, and more.

Cm. Altgelt noted that he did not intend to confuse the public with the initial wording of his agenda item and apologized for any misunderstanding. After consulting with City of Austin Parks Department employee Eric Olivares, Cm. Altgelt was discouraged from turning over the maintenance of City fields to leagues. The City of Austin has engaged the leagues and concession vendors to offset the costs of field maintenance and upkeep.

Margie Ramirez Ibarra noted that her granddaughter plays in the league and can not afford to pay more to maintain the parks and fields. She reminded Cm. Altgelt that Council is not in Austin but Laredo and should think like Laredoans. What works for Austin may not work for Laredo.

Cm. Torres stated that youth sports organizations greatly contribute to keeping children off the streets, and the individual teams probably have their own fundraisers to ensure that the children comply with uniform and insurance requirements. He voiced his opinion that there is not anything for Council to change; Council should make it easier for children to participate in extracurricular activities. If non-profit organizations do not do the work that they do, there would be more cost to the City when children run out of safe and healthy options for entertainment. He asked that Council not send this item to the Parks & Leisure Services Advisory Committee with the direction to make taxpayers contribute financially to facility maintenance. Out of solidarity with non-profit organizations that encourage youth activities, he will not support this item.

Mireya Mancha of Gateway Girls Softball noted that the organization merged with PONY League a few years ago. Gateway Girls prepares the players for high school. She noted that the District V fields do not have benches or concession stands and the Gateway Girls volunteers clean the bathrooms

themselves. The City only cuts grass and maintains fields while the volunteers do the rest. Ms. Mancha often waives the registration fees because the children often can't afford them.

Lisa Peterson, girls softball coach and Gateway Girls board member, stated that she rakes fields, chalks lines, picks up trash, cleans the restroom, and more for the softball leagues. She invited Cm. Altgelt to shadow her while she volunteers for the organization as he needs to see what the volunteers go through. She iterated that the City does little maintenance for the facilities as it is and the organization's soaps and toilet papers are often stolen and need to be replaced.

Manuel Rangel, Certified Public Accountant, noted that he prepares the tax returns for the PONY League. The organization's tax return is available for public inspection.

Salvador Sciaraffa, Southwest Sports Wire News publisher, noted that he is not affiliated with any of the leagues but saw that the verbiage of this item was very confusing to the public and the media. He cautioned Council to be careful of their wording, as this particular item's wording created a public uproar. The fact that Cm. Altgelt specifically addressed only one party in this item was also problematic. Somebody should have raised an objection before the agenda was posted.

Cm. Altgelt apologized again for the misunderstanding.

Jose Luis Maldonado, Northside Laredo League President, noted that his league has experienced discrimination from City Manager Jesus Olivares and Parks Director Osbaldo Guzman, who have attacked his personal character and said disrespectful things about him. He has asked the City to fix the scoreboard at his field for six years with no action. He stated that Mr. Guzman threatened to have him written up or fired for using the fields at one point. Mr. Olivares had ordered City staff not to pick up trash for the Northside Laredo League. He informed Cm. Altgelt that many of his children can not afford to pay for use of the fields but that Richard Rosas has been able to use Uni-Trade Stadium frequently with no objection from the City. He recommended that Council treat all leagues and individuals fairly by allowing equal access to fields and stadiums and subsidizing either all or none of the teams.

Eric Gonzalez confirmed that PONY League has received \$250,000 from the City in the past four years while other leagues have not received anything. He reminded Council of his allegations that Mr. Olivares and Mr. Guzman racketeered against him starting the USSSA league in Laredo so that Mr. Guzman could become the director. They made it difficult for Mr. Gonzalez to do business. Mr. Guzman had initially denied calling USSSA to replace Mr. Gonzalez as director on KGNS, but he admitted to it during an Ethics Commission hearing against him. He also admitted at the hearing that he and Mr. Olivares began to charge Mr. Gonzalez's league money to use facilities when they had never previously charged other leagues. After Mr. Gonzalez was removed as director and a new director installed, Mr. Guzman and Mr. Olivares stopped charging the USSSA. Mr. Gonzalez displayed an email which Mr. Guzman sent to the USSSA league claiming that a contract had been signed and a deposit on file. However, no contract or deposit exists, as confirmed by

the City during an open records request.

Osbaldo Guzman, Parks and Leisure Services Director, stated that there is no partiality among the leagues. He agreed that the Parks & Leisure Services Advisory Committee could develop a recommendation for fair treatment and distribution of costs for the use of City sports fields.

Cm. Balli noted that about 3,000 children play baseball or softball in Laredo. If the City requires leagues to pay for field maintenance, that will force the leagues to charge the children more, which is not a good situation for the City to impose on Laredo's youth. He voiced his opposition to this item despite the good intentions of Cm. Altgelt.

Lakshmana "Vish" Viswanath stated that an employee of the City has a family member running a concession stand at one of the parks' fields with the approval of the City Management who has not paid any money to the City. For seven years, this vendor has operated without paying taxes or rent to the City. Mr. Vish also noted that there is a discrepancy between the treatment of PONY League and other leagues in the City. The City pays money to support and promote PONY League but not the others.

Remy Salinas, former Parks & Leisure Services Advisory Committee member, stated that this problem is not new. For decades, the concessions were used to subsidize each league. As a committee member, he had requested financials from each league to ensure that the concessions revenues were being used for the children, and he was never provided with the documentation. He stated that the adult leagues are no better and that the City should not need to support or subsidize adult leagues.

David Rivera, District Administrator for Little League International, stated that the organization has been complying with the City since his tenure began in Laredo. However, he noted that the organization wants fair treatment.

Darril Minton noted that safety has not been addressed yet. A child in a City dugout sliced his finger, and the leagues do not have the time or resources to make repairs and upkeep of that nature. He stated that he has taken his son to play on baseball fields across the country, and some of the worst fields are the ones in Laredo.

Cm. San Miguel clarified that no one on Council has suggested charging children for field maintenance. Mr. Minton countered that if the leagues are charged for maintenance, they will have no choice but to get that money from the children and their families.

Cm. Vielma directed the Parks & Leisure Services Advisory Committee to analyze how much money the City has spent on each league as well as the financial documents of each league.

Motion to send this item to the Parks & Leisure Services Advisory Committee to develop a fair way for use of the Parks Department facilities, not to include maintenance or rental fees, and to require financial reporting, insurance with the City as an additional insured entity, and have a 501(c)(3) status, and have the

Internal Auditor analyze each league's financial documentation, as amended.

Moved: Cm. Altgelt

Second: Cm. Vielma

For: 5 Against: 3 Abstain: 0

Cm. Gonzalez

Cm. Perez

Cm. Rodriguez

Cm. Torres

Cm. Vielma

Cm. Balli

Cm. San Miguel

Cm. Altgelt

Motion to send this item to the Parks & Leisure Services Advisory Committee to develop an even distribution of costs and use of the Parks Department facilities.

Moved: Cm. Altgelt

Second: Cm. Vielma

For: 8 Against: 0 Abstain: 0

2. Discussion and possible action to direct staff to cease all use of park personnel from maintaining the Uni-Trade Stadium and Pony League activities.

This item is replaced by Item II. George Altgelt #1 on Supplemental Minutes M2017-S-04.

D. Request by Council Member Vidal Rodriguez

1. Presentation by Dr. James O'Meara, Dean of Texas A&M International University College of Education on the free online learning program Skoolbo, with possible action to implement at all City recreation centers and public libraries.

Dr. James O'Meara, Dean of Texas A&M International University College of Education, reported that Skoolbo is a free summer literacy program for children in District II that will launch in June 2017. Skoolbo will partner with Smart Play and Active Laredo, programs that encourage physical activity. Smart Play sign-up will take place on June 2 at South v. Central libraries and June 5 at the Parks and Leisure Services Department. Skoolbo is a game-based literacy program with a point system for prizes. Active Laredo promotes lifelong activity to build skills and long-term health and wellness in Laredo.

Cm. Rodriguez clarified that this program is for children Pre-K to fifth grade. It can also provide English as a second language education for adults. The children get to create their own avatar on their mobile devices.

Cm. Torres offered to reach out to the local Boys and Girls Clubs for participation.

Motion to implement Skoolbo at all City recreation centers and public libraries.

Moved: Cm. Rodriguez

Second: Cm. San Miguel

For: 8 Against: 0 Abstain: 0

2. Discussion with possible action to promote the Twelfth Annual National "Dump the Pump" Day for the transit system and the community to ride, not drive on June 15, 2017. (Co-Sponsored by Council Member George Altgelt)

No discussion or action taken.

E. Request by Mayor Pro-Tempore Alejandro "Alex" Perez

1. Discussion with possible action to replace all existing speed pad humps with asphalt speed humps.

No discussion or action taken.

F. Request by Council Member Alberto Torres, Jr.

1. Discussion with possible action to reconsider action taken at the April 11, 2017 Meeting as it pertains to the proposals on the Boulevard of the Americas Project; and any other matters incident thereto.

No discussion or action taken.

2. Status update with discussion and possible action on the Laredo Energy Arena naming rights contract; and any other matters incident thereto.

No discussion or action taken.

3. Discussion and possible action to clarify and authorize the Hearing Officer to apply discretion to pending handicap placard citations, retroactive to the date change was made to city ordinance; and any other matters incident thereto.

No discussion or action taken.

G. Request by Council Member Nelly Vielma

1. Discussion with possible action to modify the criteria and point system for selection of contractors to include but not limited to additional factors such as negative litigation history, negative compliance with contract terms history, criminal investigation history, history of deceptive actions, etc. and to avoid deducting points for lack of contracts with the city; and any other matters incident thereto.

No discussion or action taken.

2. Discussion with possible action to establish a Contracts Compliance staff member or unit; and any other matters incident thereto. (Co-Sponsored by Mayor Pete Saenz and Council Member Alberto Torres, Jr.)

No discussion or action taken.

3. Discussion with possible action to establish an ad-hoc committee to assist in the future plans and usage of the Uni-trade stadium; and any other matters incident

thereto.

No discussion or action taken.

4. Discussion with possible action to direct staff to require Laredo Baseball Holdings to conduct an audit of their financial records by an independent CPA pursuant to the terms of the Operations and Lease Agreement, and any other matter related thereto.

Marcus Holliman addressed comments from Baldemar Garcia, Jr., attorney for Arianna Torres, that Mr. Holliman and Mr. Saul Villarreal obstructed the City audit of Laredo Baseball Holdings by withholding financial documentation. He displayed a letter from Falcon International Bank which stated that the only account signor for Laredo Baseball Holdings was Arianna Torres. Furthermore, on May 1, 2017, Arianna Torres made the sole decision to vacate the membership of the Laredo Lemurs without approval from the City, Council, or the Board of Directors of Laredo Baseball Holdings. As a result, on May 8, 2017, Council terminated the lease and operation agreement with Laredo Baseball Holdings. This action by Council did not address the more than \$500,000 in liabilities owed by the Laredo Lemurs, and this action voids all secondary contracts and obligations of vendors, sponsors, and employees have with the Lemurs. Many sponsors and vendors have made substantial investments towards the 2017 baseball season.

Mr. Holliman displayed a letter dated April 13, 2017, authorizing Mr. Holliman and Mr. Villarreal to seek season-saving financing from Grupo Arhe. He also displayed a letter dated May 8, 2017, outlining terms whereby all sponsor and vendor agreements will remain intact and all outstanding liabilities by Laredo Lemurs will be paid. He recalled a comment from a Council Member on May 8 that the City should no longer do business with Mr. Holliman or Mr. Villarreal. Mr. Holliman noted that after seeing proof of his attempts to save the current season and not make personal gain, Council should pursue true transparency by seeking all the facts from both parties before making any decisions. He requested that Council add an item to the next Council agenda to give Mr. Holliman and Mr. Villarreal the opportunity to present all of the facts and explore options to preserve investments made for the Laredo Lemurs. He recognized sponsors and vendors present.

Cm. Altgelt asked Mr. Holliman why he does not simply return the money back to the sponsors, to which Mr. Holliman replied that the money has been spent for operations and is no longer available.

Cm. Vielma noted that at the last Council meeting, the Internal Audit did not indicate any documentation of how \$750,000 was spent. Mr. Holliman stated that he will report that documentation to the City Attorney's Office.

Saul Villarreal clarified that the \$500,000 in question is leftover liabilities since 2014 and not new liabilities. About \$340,000 of that amount is taxes alone, and \$45,000 in payroll expenses that were not paid to employees. The previous ownership had \$1.7 million of liabilities, which Mr. Villarreal and Mr. Holliman were hired to correct. He stated that the tax debt is from the previous entity, and that the City hired him and Mr. Holliman as advisors to remedy the previous

liabilities. Most of those liabilities were paid, but the Form 941 taxes were not paid because they had no records or paperwork to reconcile. Mr. Villarreal noted that he was hired by the City three years ago as advisors for the airport and the Laredo Lemurs. He was approached by Carlos Villarreal, the City Manager at the time, to seek investors for the Laredo Lemurs. He clarified that Mark Schuster entered into an agreement with Mr. Villarreal and Mr. Holliman to pay them their administrative fees; the \$750,000 paid by the City did not go toward their salaries.

Mr. Villarreal stated that during the previous meeting, Council discussed the Laredo Baseball Holdings in executive session and yet gave Mr. Baldemar Garcia, Jr., 45 minutes to make claims without Mr. Villarreal or Mr. Holliman able to rebuttal. Mayor Saenz countered that Mr. Villarreal and Mr. Holliman were free to attend the meeting and rebut any claims, as all items provide for public comment.

Mr. Villarreal displayed a letter from Benito Torres, Arianna Torres' father, stating that he would not be able to provide financing for the Laredo Lemurs due to poor attendance, insufficient sponsorships, and devaluation of the Mexican peso. In the letter, Mr. Torres stated that he would only be able to provide financing for another 30 days before a shutdown of operations becomes imminent. On June 4, 2016, Mr. Villarreal found a new investor who would invest \$4 or \$5 million dollars into the stadium, bring a new team, and pay the Torres family \$3 million, \$800,000 more than their initial investment. However, at a meeting to discuss the potential sale with the Torres family present, Benito Torres placed conditions on the sale of the Lemurs, stating that they would only sell if Arianna would stay on the administration for the remainder of the year. The investor had no interest in those terms and declined, so Ms. Torres sued Mr. Villarreal and Mr. Holliman for trying to sell the team without her knowledge. Mr. Villarreal asked Council to provide the opportunity for him to preserve his name and honor, which has been attacked following his service to Laredo.

Mr. Villarreal continued that he and Mr. Holliman provided all of the documentation requested by the Internal Auditor that they were in possession of. The only thing they can not provide is account information for LBH, as Arianna Torres is the sole account signor.

Mr. Holliman added that the City's assets, like Uni-Trade Stadium, is overbuilt for the community. Laredo does not have the attendance to support the large stadium, and the City often asks who is going to cover the losses. Nobody wants to admit that the stadium loses money every year, but if the City paid for its construction, it can not ignore the costs of maintenance.

Cm. Vielma voiced her opinion to Mr. Holliman and Mr. Villarreal that they can not be expected to do a good job when they are doing three jobs at one time. She asked Mr. Villarreal to stop using his City-provided business cards that name him as a Special Projects Advisor. Mr. Villarreal countered that he has not used that business card because he does not have a contract with the City anymore.

Motion to direct Laredo Baseball Holdings to provide financial documentation to City staff as requested by the Internal Auditor.

Moved: Cm. Vielma
Second: Cm. Torres
For: 8

Against: 0

Abstain: 0

XVII. ADJOURN

Motion to adjourn.

Moved: Cm. Perez
Second: Cm. Torres

For: 8

Against: 0

Abstain: 0