

**CITY OF LAREDO
SPECIAL CITY COUNCIL MEETING
M2016-SC-08
CITY COUNCIL CHAMBERS 1110 HOUSTON
STREET
LAREDO, TEXAS 78040
July 26, 2016
1:00 P.M.**

I. CALL TO ORDER

Mayor Pete Saenz called the meeting to order.

II. PLEDGE OF ALLEGIANCE

Mayor Pete Saenz led the pledge of allegiance.

III. ROLL CALL

In attendance:

Pete Saenz	Mayor
Alejandro Perez, Jr.	District III
Juan Narvaez	Mayor Pro-Tempore, District IV
Roque Vela, Jr.	District V
Roberto Balli	District VIII
Heberto L. Ramirez	Acting City Secretary
Jesus Olivares	City Manager
Cynthia Collazo	Deputy City Manager
Horacio De Leon	Assistant City Manager
Robert A. Eads	Assistant City Manager
Raul Casso	City Attorney

Motion to excuse Cm. Gonzalez, Cm. Rodriguez, Cm. San Miguel, and Cm. Altgelt.

Moved: Cm. Perez

Second: None

Motion dies for lack of a second.

Citizen comments

None.

IV. MOTION

1. Submission of the proposed Fiscal Year 2017 Annual Budget as per Article VI, Section 6.02, Submission of Budget, which states that "At least sixty (60) days before the end of the fiscal year, the City Manager shall present to the Council a budget for the ensuing fiscal year with an accompanying budget message."

Jesus Olivares, City Manager, reported the proposed 2016-2017 annual operating budget. He specified that this information will also be made available online at the City of Laredo's website. Budget highlights include:

Consolidated budget of \$614.2 million
Net Operating Budget of \$467.4 million
General Fund Budget of \$183.2 million with ending fund balance of \$44.3 million or 25.1%
Consolidated closing fund balance of \$201 million
\$3 million additional revenue due to valuations

The Bond package includes:

Environmental Improvements	\$5 million
Fire Station #8 on Del Mar	\$3.25 million
Railroad Quiet Zone Study	\$1 million
Police Units	\$3.28 million
District Wide Park/Recreation Center Improvements	\$4 million
Transportation Initiatives	\$5 million
Downtown Land Acquisition and Improvements	\$4.2 million
Traffic Signalization and Improvements	\$1.415 million
City Wide Building Improvements	\$2.1 million
Solid Waste Equipment	\$3.324 million
Utility Improvements	\$10 million

The proposed budget includes a 2% Cost of Living increase for civilian employees (\$1.7 million), 3% contract increase with additional pays and benefits for Fire (\$1.7 million), net increase of 21.92 Full Time positions (\$204.5 million, increase of \$5.1 million over FY2016) The new budget also includes \$2.2 million for a new animal care services department for the Animal Control/Animal Shelter division.

The City of Laredo's competitive salary and benefits package includes:

13 pay holidays
1 personal holiday
Sick and Annual Leave Program
Retirement Pension that matches employees contribution of 7% at 2:1
Serious Illness Pool
Only entity in the county to pay 100% of the cost of employees' health insurance benefits
City subsidizes 50% of dependents premiums for Police and Fire
Retired police officers and fire fighters get 100% of their health insurance premium paid by the City

Mr. Olivares reported total revenues of \$183,159,741 and total expenditures of \$183,209,056. This represents a 3.3% increase over FY2016. General funds continue to face increased demand for City services and a weak sales tax in FY2016.

Major increase in expenditures are due to the following categories:

Personnel Increase	\$4M
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800 MHz Radio System Increase	\$694K
Animal Care Services Increase	\$554K
Max Mandel Golf Course Increase	\$400K
Fuel Savings	\$574K

Mr. Olivares reported that for the thirteenth consecutive year, the tax rate will remain the same at \$0.637. The budget process becomes increasingly challenging every year to meet all needs of the City. The cooperation of all City Managers and Department Directors has been exemplary. Mr. Olivares also stated the tentative schedules of the Budget Workshops have been posted for August 8, 9, and 11, 2016, at 5:30 pm. He clarified that the Bridge reporting should be corrected to reflect “northbound” instead of “southbound.”

Cm. Vela requested that the Environmental Department present at the Budget Workshop, particularly addressing issues of drainage fund allocations. He also requested to hear a presentation from Public Works. Mr. Olivares noted that Public Works will present, particularly regarding street maintenance.

Mr. Olivarez clarified that the weak sales tax has effective every governmental entity in surrounding areas. The weakened peso valuation has also played a role in the weak sales tax. General frugality among citizens is visible in the entertainment industry and retail.

No action taken.

- Submitting the Proposed 2017 – 2021 Capital Improvement Program (CIP) as per Article VI, Section 6.05, of the City Charter, which states that “the City Manager shall prepare and submit a five (5) year capital program at least sixty (60) days before the end of the fiscal year.”

Rosario Cabello, Finance Director, reported the five year funding source summary by department as follows, totaling \$533,269,310.00:

<u>Department</u>	<u>Percentage</u>	<u>Dollar Amount (millions)</u>
Utilities	45%	\$241.5
Airport	13%	\$70.8
Bridge	1%	\$5.0
Drainage	1%	\$5.6
Fire	3%	\$14.6
General Government	1%	\$3.4
Health	0%	\$1.8
Library	1%	\$3.7
Parks	7%	\$37.5
Police	3%	\$13.8
Solid Waste	2%	\$12.2
Streets	12%	\$66.2
Traffic	1%	\$4.2
Transit	9%	\$47.0
Planning/TxDOT	1%	\$5.9

Mrs. Cabello noted that not all of this money comes from bond money. Some funds come from grants. She also summarized the 2017 projects, totaling \$142,000,000.00,

as follows:

Airport Improvements	\$18.3M
Bridge Lane Improvements	\$5M
Cemetery	\$1.5M
Parks	\$28.6M
Transit Equipment/Improvements	\$31.5M
Utilities Improvements	\$35M
Other (Streets, Traffic, etc.)	\$22.1M

Mrs. Cabello reported the timeline for adoption as follows:

July 26, 2016 – Submittal to City Council
August 4, 2016 – Submittal to Planning & Zoning Commission
August 3-7, 2016 – Newspaper publication
August 8-11, 2016 – Budget Workshops
August 18, 2016 – Recommendation by the Planning & Zoning Commission
September 6, 2016 – Public Hearing
September 19, 2016 – Adoption by City Council

Mrs. Cabello noted that there are particular projects planned for the Drainage budget, including special emergency consideration.

Jesus Olivares, City Manager, stated that district-specific projects can be addressed through the respective Council Members' discretionary funds.

No action taken.

V. EXECUTIVE SESSION

None.

VI. ADJOURNMENT

Motion to adjourn.

Moved: Cm. Narvaez

Second: Cm. Vela

For: 5

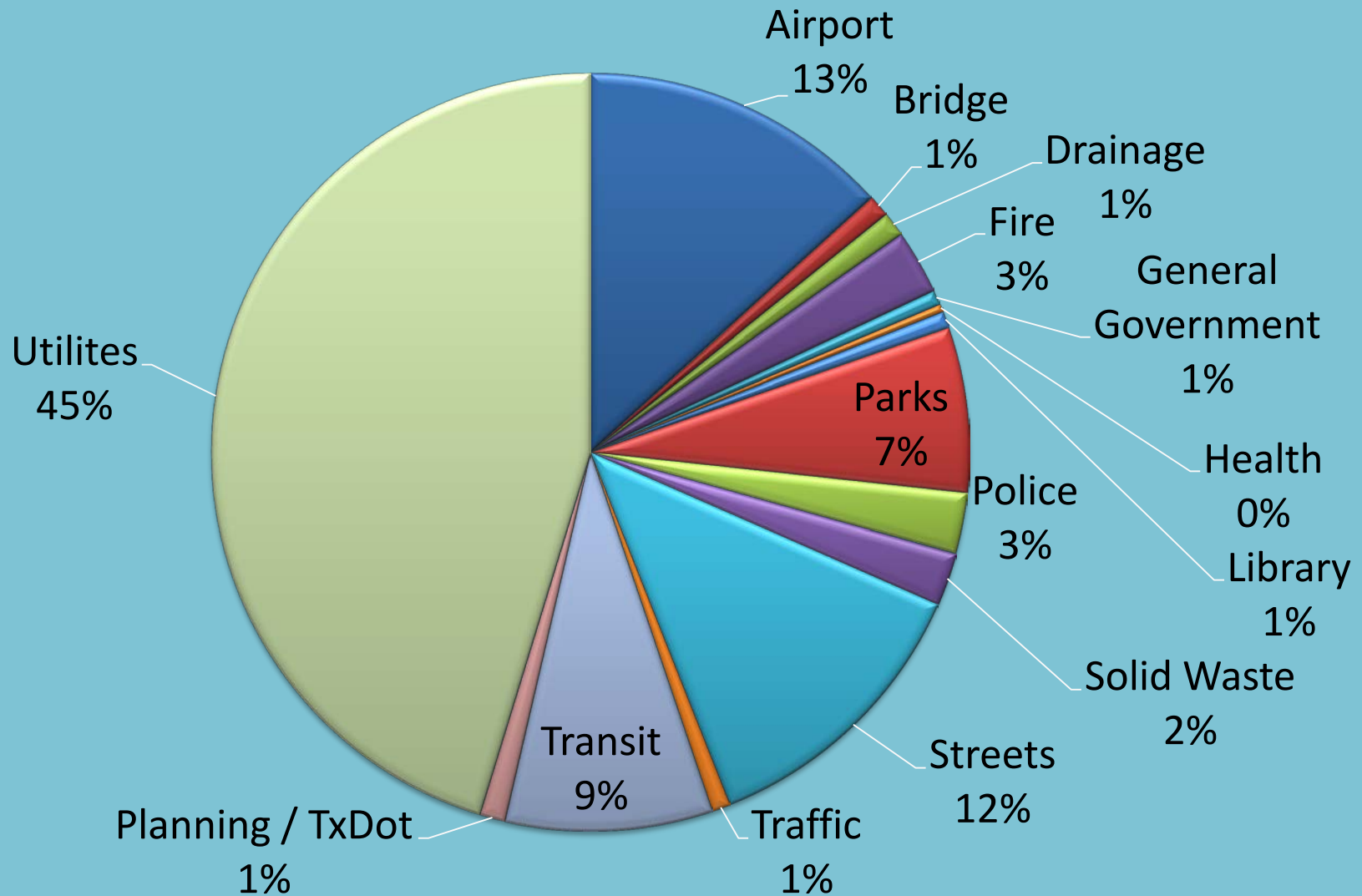
Against: 0

Abstain: 0

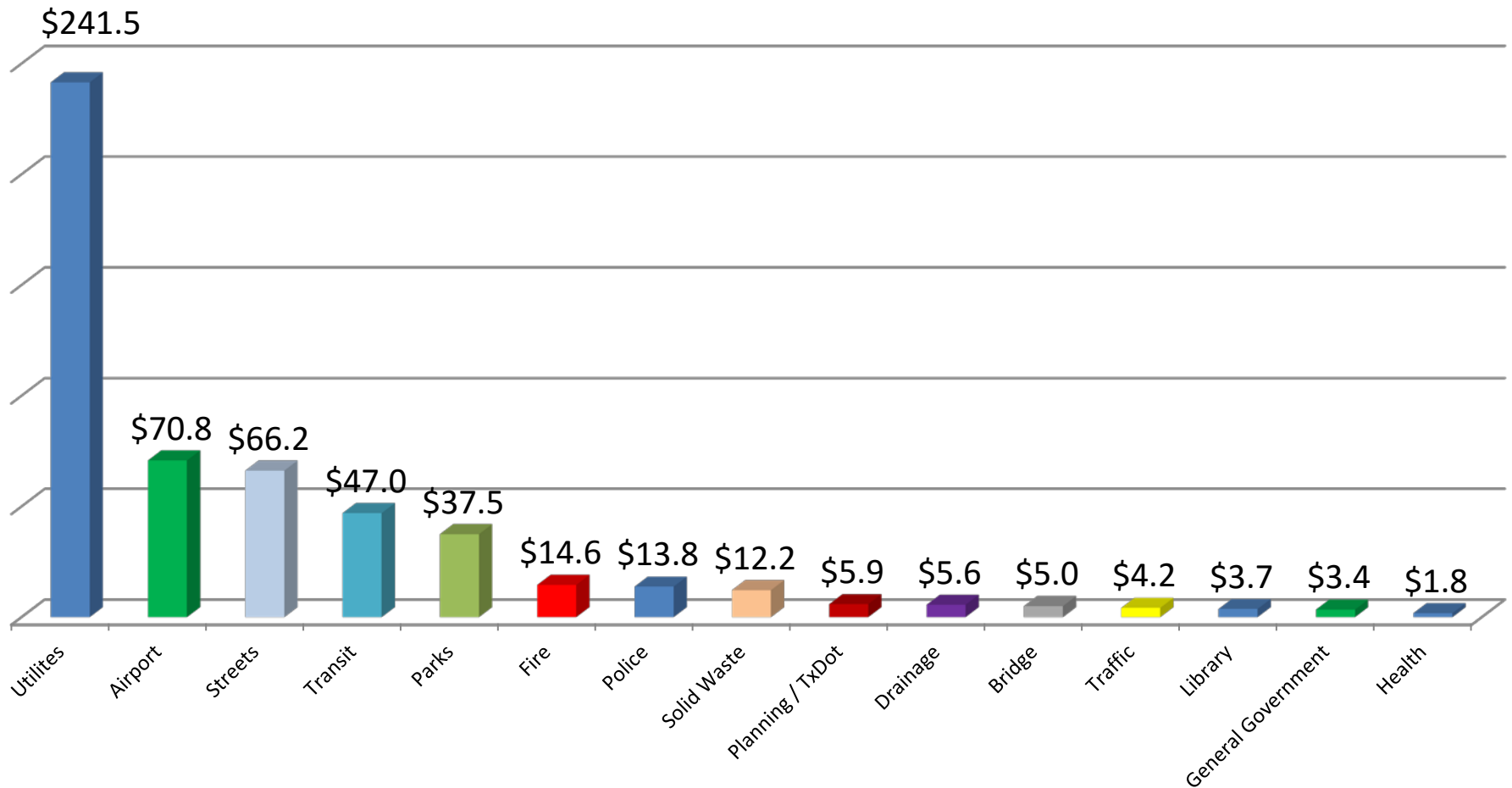
City of Laredo

Proposed 2017 – 2021 Capital Improvements Program

Five Year Funding Source Summary By Department - \$533,269,310



Top Five Funding Departments For FY 2017-2021 \$533,269,310



2017 Project Summary \$142M

- \$18.3M - Airport Improvements
- \$ 5M - Bridge Lane Improvements
- \$1.5M - Cemetery
- \$28.6M - Parks
- \$31.5M - Transit Equipment & Improvements
- \$35M - Utilities Improvements
- \$22.1- Other; I.e. Streets, Traffic, Drainage, etc.

Timeline for Adoption

- July 26 - Submittal to City Council
- August 4– Submittal to P & Z Commission
- August 3-7 – Newspaper publication
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