

**CITY OF LAREDO  
WORKSHOP  
M-2009-W-01  
CITY COUNCIL CHAMBERS  
1110 HOUSTON STREET  
LAREDO, TEXAS 78040  
June 29, 2009  
5:30 P.M.**

**I. CALL TO ORDER**

With a quorum present Mayor Raul G. Salinas called the meeting to order.

**II. PLEDGE OF ALLEGIANCE**

Mayor Raul G. Salinas led in the Pledge of Allegiance.

**III. ROLL CALL**

In attendance:

Raul G. Salinas,	Mayor
Mike Garza,	Mayor Pro Tempore, District I
Hector Garcia,	Council Member, District II
Michael Landeck,	Council Member, District III
Juan Narvaez,	Council Member, District IV
Johnny Rendon,	Council Member, District V
Gene Belmares,	Council Member, District VI
Jose Valdez, Jr.	Council Member, District VII
Cynthia Liendo-Espinoza,	Council Member, District VIII
Carlos Villarreal,	City Manager
Amy Sanchez,	Deputy City Secretary IV
Cynthia Collazo,	Deputy City Manager
Horacio De Leon,	Assistant City Manager
Jesus Olivares,	Assistant City Manager
Raul Casso,	City Attorney

Motion to excuse Cm. Landeck.

Moved: Cm. Garcia  
Second: Cm. Narvaez  
For: 7

Against: 0

Abstain: 0

**IV. This workshop will include discussions with possible action regarding the following subjects:**

1. The proposed Laredo Convention Center;

City Attorney Raul Casso spoke about the recently passed HB2032 bill that now allows the City to mix taxes with the venue tax fund. He added that the question had arisen as to how to pay for the center, so the venue and hotel occupancy tax (no more than 2%) could now be used to do this.

Finance Director Rosario Cabello said that they projected \$21 million in the sports venue account by the end of the year.

City Manager Carlos Villarreal stated that they needed direction from Council as to size or what they expected to spend so that he would know what to tell the financial advisor. He noted that staff would bring back a recommendation. He added that regarding the convention center and baseball stadium, one was contingent on the other.

Cm. Belmares said that they needed to focus on what brings people to Laredo, such as shopping, a golf course, and a baseball field. He felt that the baseball field was a priority more so than the convention center because it could attract people to Laredo. He also said that they should not migrate the convention center away from downtown.

Motion to locate convention center in the downtown area.

Moved: Cm. Belmares

Second: Cm. Liendo Espinoza

For: 5

Against: 2

Abstain: 0

Mayor Pro Tem Garza

Cm. Narvaez

Motion to update the feasibility study for the site recommended from the current convention center fund.

Moved: Cm. Belmares

Second: Cm. Liendo Espinoza

For: 7

Against: 0

Abstain: 0

Motion to go out for Request For Proposals for hotels that may collaborate in the construction of a hotel and convention center.

Moved: Mayor Pro Tem Garza

Second: Cm. Belmares

For: 7

Against: 0

Abstain: 0

2. Solid Waste Department operations, budget, related matters;

Steve Geiss, Sanitation Supervisor, made the following presentation:

Solid Waste Services

Operational Analysis

Current Operations	
Total Number of Accounts	56,500
Actual Amount Billed	\$9.00
Monthly Cost per Household	\$11.97
Revenues	\$6,885,281
Expenses	\$6,794,784
Debt Service Expense	\$1,322,750
Total Expenses	\$8,117,534
Net Gain/Loss	\$(1,232,253)
Favorable/Unfavorable	\$(2.97)

Recycling	
Total Number of Accounts	56,500
Actual Amount Billed	\$2.13
Monthly Cost per Household	\$2.84
Revenues	\$1,936,529
Expenses	\$1,928,510
Net Gain/Loss	\$8,018
Favorable/Unfavorable	\$(0.72)

Landfill	
Total Number of Tons	372,742
Operational cost per ton	\$19.91
Revenues	\$7,722,798
Expenses	\$6,130,928
Debt Service Expense	\$1,290,539
Total Expenses	\$7,421,467
Net Gain/Loss	\$301,331
Favorable/Unfavorable	\$0.81

Creek Cleaning	
Total Number of Accounts	56,500
Actual Amount Billed	\$0.00
Monthly Cost per Household	\$1.99
Revenues	\$
Expenses	\$1,350,613
Net Gain/Loss	\$(1,350,613)
Favorable/Unfavorable	\$(1.99)

Solid Waste Services Excluding Landfill	
Total Number of Accounts	56,500
Actual Amount Collected per Account	\$13.01
Monthly Cost per Household	\$16.81
Charges for Services	\$8,821,810
Expenses	\$10,073,907
Debt Service Expense	\$1,322,750
Total Expenses	\$11,396,657
Net Gain/Loss	\$(2,574,847)
Favorable/Unfavorable	\$(3.80)

## Further Points of Consideration

### Solid Waste Services Revenue Vs. Expenses

	FY07-08	FY08-09	FY09-10
Revenue	\$15,994,226	\$17,201,153	\$17,037,297
Expenses	\$19,786,659	\$18,817,106	\$17,914,509

### Collection Fee Comparison 2009

	Laredo	Corpus Christi	El Paso	McAllen	San Antonio	Harlingen	Brownsville	Austin
Pickup times per week	2	1	1	1	1	2	1	1
Fee	\$13.25	\$14.95	\$16.50	\$17.16	\$17.99	\$18.00	\$21.62	\$30.25

### Proposed Rates

- Federal/State Mandate Fee – No Change
- Sanitation
  - \$10.50 per month October 1, 2009 (+ \$1.50)
  - \$11.00 per month April 1, 2010 (+ \$1.50)
  - \$11.50 per month October 1, 2010 (+ \$0.50)
  - \$12.00 per month April 1, 2011 (+ \$0.50)
- Landfill
  - + \$1.50 per ton (commercial only) October 1, 2009

### Cost Saving Alternatives

#### Landfill Bonds

1998 C.O.	\$112,367
2002 C.O.	\$6,565,000
2005 C.O.	\$399,458
2007 C.O.	\$6,850,000
Total of All Landfill Bonds	\$13,926,825

### Cost Savings Scenarios

- Plan A – 5 Day Plan
- Garbage pick up twice a week
- Recycling pick up – every other week
- Grass clippings and small branches – every other week
- Branches – one grapple per zip code
- Estimated savings -- \$666,800
- Savings per household -- \$1.01
- FTE Reduction – 17

The remainder of this presentation can be viewed at the City Secretary's Office upon request.

Cm. Belmares felt that something should be charged to the taxpayers to recycle and perhaps use drop bins rather than provide individual bins to residents.

Motion to approve Plan A.

Moved: Mayor Pro Tem Garza

Second: Cm. Rendon

For: 7

Against: 0

Abstain: 0

3. The proposed Municipal Golf Course; and,

Horacio De Leon, Assistant City Manager, gave the following presentation:

Municipal Golf Course Status Report

- 2005 – RFP's
- 2006 – Council approves Las Islitas site
- 2007 – City sells bond of \$5.1 million and adds \$500,000 to the project for a club house
- Many meetings from 2007 to the present due to challenges in Utilities and the cost of construction given the budget
- Last meeting to date was earlier this month and many terms and conditions have been clarified.

Developer's Obligations

- Donate the surface only of 270 acres for the golf course, additional tract of 120 acres would also be donated for recreational purposes.
- Cash contribution of \$1,000,000 to pay for cost of the project.
- Lease of 500 acre feet per year of Class A Rio Grande River Water Rights for \$1.00 per year, 20 years.
- Develop, design and construction of the golf course.

City's Obligations

- City funding for the project of \$5.6 million.
- Construction of city utilities, capacity agreement, reservation of utility capacity.
- Execution of IRS Form 8283 recognizing the donation of land for a public purpose.

Major terms and conditions pending agreement

- Project timeline
- Golf course development and maintenance plan
- Utility service area
- Budget allocation for the different categories of the project
- Inclusion of any pre-development cost
- Reverter clauses in the agreement (if the City abandons the operations of the golf course)
- Legal language in the development agreement that would expose City in the construction process

- All terms are subject to City Council approval and only reflect staff recommendations.

Cm. Rendon felt that the City needed a signature golf course as a selling point.

Assistant City Manager Horacio De Leon replied that they would like to have a signature golf course, but it would cost \$2 million more.

Mayor Pro Tem Garza felt that no one would want to drive thirteen miles out of town to golf.

Cm. Rendon disagreed and felt that a signature golf course would attract people from out of town.

Motion to work with Webb County to make the golf course a better project and get additional funding.

Moved: Mayor Pro Tem. Garza

Second: Cm. Garcia

For: 2

Against: 5

Abstain: 0

Cm. Liendo Espinoza

Cm. Valdez

Cm. Rendon

Cm. Narvaez

Cm. Belmares

Motion fails.

Motion to initiate a development agreement that would charge \$500 per lot to go into the operations of the golf course.

Moved: Mayor Pro Tem Valdez

Second: Cm. Garcia

For: 4

Against: 3

Abstain: 0

Cm. Valdez

Cm. Liendo Espinoza

Cm. Belmares

Motion to negotiate a contract within sixty days with a status report in thirty days, looking at the possibility of using convention center funds to make a signature golf course and republish the RFP if needed, as amended.

Moved: Cm. Valdez

Second: Cm. Garcia

For: 6

Against: 1

Abstain: 0

Mayor Pro Tem Garza

4. Downtown parking which may include plans for incentive rates and fees.

Assistant City Manager Horacio De Leon gave the following presentation:

Due to its extraordinary length, this presentation was not included in these minutes but can be viewed at the City Secretary's Office upon request.

**V. INTRODUCTORY ORDINANCE**

1. Amending Section 19-362 of the Code of Ordinances in order to
  1. Temporarily reduce the parking rate for passenger vehicles at Riverside Parking Lot from \$1.00 an hour and \$8.00 per day to \$1.00 per day; and
  2. Temporarily reduce the parking rate at Zaragoza Parking Lot from \$2.00 per hour and \$10.00 per day to \$1.00 per day; and
  3. Providing that this reduction will be effective for a period of 45 days from effective date;

Directing the Traffic Director to implement this temporary change; and directing the City Manager to make a report to the City Council before the end of the term of reduction in rates at those two (2) parking lots; and providing for an effective date.

Motion to approve downtown parking free for one hour through the next fiscal year as amended, including \$1.00 per day for downtown employees.

Moved: Cm. Garcia  
Second: Cm. Belmares  
For: 7

Against: 0

Abstain: 0

**VI. EXECUTIVE SESSION**

**VII. ADJOURNMENT**

Motion to adjourn.

Moved: Mayor Pro Tem Garza  
Second: Cm. Narvaez  
For: 7

Against: 0

Abstain: 0

I, Gustavo Guevara, Jr., City Secretary, do hereby certify that the above and foregoing is a true and correct copy of the minutes contained in pages 01 to 07 and they are true, complete, and correct proceedings of the City Council meeting held on June 30, 2009.

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Gustavo Guevara, Jr.  
City Secretary