

City of Laredo
City Council Annual Budget Workshop
For Proposed Fiscal Year 2000-2001 Budget
M2000-W-004
City Council Chambers
1110 Houston Street
Laredo, Texas 78040
Thursday, August 10, 2000
Friday, August 11, 2000
Saturday August 12, 2000
5:30 p.m.

Call to Order

With a quorum present Mayor Elizabeth G. Flores called the meeting to order.

Roll Call

Elizabeth G. Flores,	Mayor
Alfredo Agredano,	Councilmember, District I
Louis H. Bruni,	Councilmember, District II
John C. Galo,	Councilmember, District III
Johnny Amaya,	Councilmember, District IV
Eliseo Valdez, Jr.,	Councilmember, District V
Joe A. Guerra,	Mayor Pro Tempore, District VI
Jose A. Valdez, Jr.	Councilmember, District VII
Juan Ramirez,	Councilmember, District VIII
Gustavo Guevara, Jr.,	City Secretary
Larry Dovalina,	Acting City Manager
Cynthia Collazo,	Acting City Manager
Jerry Cain,	City Attorney

I. Introduction and Welcoming Remarks

Larry Dovalina, Acting City Manager
Cynthia Collazo, Acting City Manager

Larry Dovalina, Acting City Manager, opened the workshop with the following remarks:

“The 2000-2001 has been prepared with the intentions to meet the City’s needs that have been paralleled with the City Council’s vision. The City’s growth rate over the last five years has presented challenges to our capital improvement program. These challenges have been met by a positive and dedicated staff that is the strength of our organization.

Our capital improvement program (street improvements, drainage, quality of life projects) has required that we consider innovative financing methods that accelerate funding rather than the “pay as you go” traditional method.

Another challenging area has been the growth experienced by public safety, which in the last three years is 34% or \$10 million in operational expenses. We should be proud of our police and fire departments. The Council's aggressive funding leveraged by state and federal grants has ranked them among the top compared to cities our size. The challenge has been to contain these services in balance to our general revenue. This proposed budget provides that balance."

Cynthia Collazo, Acting City Manager, commented on the Strategic Planning Conference held on August 11, 2000. The following areas were addressed:

Transportation

1 year Ensure Bridge IV is constructed and operational.
World Trade Bridge completed and operational April 15, 2000.

3 year Identify a site for south Laredo Bridge.

Potential tract annexed. Coordination with TxDot will continue in the environmental study and Nuevo Laredo. Identified in TIP for 2004-2005.

5 year All City vehicles to operate on CNG.

Preparation of CNG fueling station at DPW service center complete.

Public Safety

1 year Have Fire Station # 12 operational.

Design for construction of Fire Station # 12 underway.

3 year Each district should have at least one substation.

One police substation in each district is in place and contracts have been awarded for stations in District I, V, and VII.

3 year To have Regional Fire Training Facility Operational.

Site acquisition completed. Design is 95% complete.

5 year Relocate Railroad Bridge from Downtown Area.

Rail mobility comprehensive plan currently under study and expected to be completed in September 2000.

3 year Each district should have at least one substation.

Economic Development

- 1 year Work closely with L. D. F. in the development of policies that will attract jobs to Laredo.
- The implementation of a tax abatement program has been adopted. Two businesses have been assisted: M. S. Carriers and Laredo Candle Company.
- 3 year Reconsider the economic sales tax and emulate some of the successful projects and process what other cities have done to attract jobs to our area.
- The economic sales tax referendum is currently being considered.
- 5 year To increase the Ad Valorem Tax Base by increasing and retaining the number of businesses with environmental friendly policies and better paying jobs.
- Future plans for the development of an improvement tax district and downtown improvement district.

Financial

- 1 year Conduct Franchise Audits.
- Contracted with Navigant Consultant to conduct audit of Entex.
- 3 year Conduct performance audits on all City Departments.
- Performance audits of three major departmental functions were undertaken this fiscal year.
- 3 year Earmark funding to continue to employ the police officers that were previously paid through grants.
- General fund reserves have been earmarked to maintain level of service.
- 5 year Economic development sales tax.
- Proposed was a ¼ of a cent sales tax to finance construction of a Laredo Entertainment Center.

Organizational Development

- 1 year Good pay, benefits, employee development set aside money for incentive programs to be competitive with other cities our size.
- The current budget included a 1.6% cost of living adjustment and a 2, 3, 4 % merit increase for all employees, excluding the fire and police departments.
- Compensation comparison analysis conducted.
- Medical Benefit Rate Study accomplished.
- Continuous employee training offered.
- 1 year Create incentive program and set aside money to award employees of performance measures.
- 1999-2000 City Employee Pay Plan was adopted.
- 3 year Establish training/safety programs and reward those who excel.
- Department director, mid-management, and first line supervisor training programs continued.
- Program has budgeted a staff trainer for FY 2001.
- Safety incentive program currently under design.
- Driver safety program instructor trained, materials purchased and program under design.
- 5 year Have the very best trained, well-paid employees in comparison with other cities our size.
- Training and safety incentive program enhanced.
- Fourth class of Leadership program initiated.
- Classification and compensation comparison study conducted.

Customer Service

- 1 year Monitor customer service representative and software data results.
- The program continues to be implemented with the completion of the I-Net providing remote access to the customer service software.

Quality of Life

- 1 year Increased park maintenance personnel by one office position and 6 groundskeeper positions.
- Seasonal recreational positions increased by three playground assistants, one playground leader and thirteen lifeguards.
- Bruni Plaza established and staffed accordingly.
- Library operation hours extended six hours weekly by providing overtime funds.
- 5 year Civic Center/ Multi Purpose Use Center.
- \$3.8 million in reserve for Civic Center/Multi Purpose Laredo Entertainment Center proposal.

Growth Management

- 1 year Review and update of land use plan.
- Digitizing of zoning map 98% - complete.
- Conducting current land use survey – 80% complete.
- Data collection and forecast study completed.
- Comprehensive mobility plan 50% completed.
- A corridor intersection analysis 50% completed.
- Parks Master Plan – Completed.
- Update of Comprehensive plan initiated.
- Laredo Metropolitan Transportation Plan for 2000 completed.
- 5 year Review fees imposed for development and evaluate whether they're promoting or stiffening growth.
- Impact Fee Advisory Committee recently extended.

Community Advocacy

- 1 year Get involved (take over) business council.
- The Mayor's office has taken over the business council and will initiate meetings in September.

3 year Continue to work with business and community member as well as our legislature on issue affecting Laredo.

The City is also actively participating in:

Border Trade Alliance
Border Infrastructure Coalition
Texas Municipal League
National League of Cities
U. S. Conference of Mayors
Co-Rio
Tex-21
North American International Trade Corridor Partnership.

The City continues to have legislative consultants in Austin and Washington.

Water

1 year Identify a secondary source of water.

Staff have identified three possible sources.

Staff is negotiating with firms for the delivery of five to twenty million gallons groundwater per day.

3 year Identify and secure funding for continued expansion of water and wastewater infrastructure.

Staff is working with the community on the development of impact fees.

Project has been placed on hold in order to incorporate the groundwater project.

5 year Identify and fund an off river reservoir for storage and recreation.

Staff has made preliminary inquires regarding possible funding sources.

II. Financing Alternative for Proposed Capital Projects

Noe Hinojosa – Estrada Hinojosa

Noe Hinojosa, from Estrada-Hinojosa Investment Bankers, gave a presentation on a plan of finance for proposed 2001 bond issues.

A detailed Plan of Finance Proposed 2001 Bond Issues may be viewed at the City Secretary's Office.

III. City Manager's Recommended Budget for FY2000-2001

- A. Ad-Valorem Tax Rate
Phyllis Colon, Tax Assessor-Collector

Phyllis Colon, Tax Assessor-Collector, gave a presentation before the Council. The following information was submitted:

Year 2000 Appraisal Roll Information:

Total Appraised Value	\$	5,587,394,005
Total Assessed Value	\$	5,445,459,623
Total Taxable Value	\$	4,700,652,717
Number of Accounts		63,148
2000 Effective tax rate	\$	0.559286

- B. Personnel Issues
Dan Migura, Administrative Services Director

1. Pay Plan
2. Health and Benefits

Dan Migura, Administrative Services Director, gave a presentation before the Council. He submitted the following information:

City of Laredo Fiscal Year 2000/2001 Budget Proposal

Pay Plan:

1. 2.2% Cost of Living Adjustment on October 1, 2000.
2. Continue Prior year Performance Based Pay Plan.

Health Benefits:

1. Propose a 10% Rate Adjustment for Health Plan Contributions.
2. Consider health Benefit Plan modifications to encourage employees to make good health care decisions.

3. Reduce the health Insurance Contributions by 15%.

Health Benefits				
Fund Description	Projected Budget	Rec. Revision	Adjustment	
Percentage				
Dependent Health Ins. De.	2,402,448	2,032,840.70	369,607	-15.38%
Ins. Premiums – Cobra	6,284	5,317.40	967	-15.38%
Med. Contributions Retire	341,609	289,053.60	52,555	-15.38%
Dep. Dental Ins. Deduct.	67,373	67,373	0	0.00%
Health Ins. Contribution	5,549,148	4,725,468.00	823,680	-14.84%
Retirees – City	318,973	269,900.04	49,073	-15.38%
Dental Insurance	120,503	120,503	0	0.00%
	8,806,338	7,510,455.74	1,295,882	-14.72%

C. Proposed General Fund Revenues
Beto Ramirez, Budget Director

Heberto Ramirez, Budget Director, gave the presentation before the Council.

Motion to accept the General Fund Proposed Amendment.

Moved: Mayor Pro Tempore Guerra

Second: Cm. Agredano

For: 8

Against: 0

Abstain: 0

	Revenues	Expenditures
Increase Property Tax Revenues	58,909	
Increase Riverdrive Mall Lease Rents	6,107	
Increase Municipal Court Revenues	35,600	
Increase Sales Tax Revenues	71,319	
Increase Electric Franchise Revenues	31,547	
Reduce Airport Crash Crew Revenues	(7,539)	
Transfer-in Fleet Management Fund	175,144	
Reduce Reserve Appropriation		(100,629)
Reduce Public Works Administration Exp		(1,184)
Increase Police Salaries (Survey)		379,471
Increase Recreation Center Salaries		80,813
	371,087	358,471
Surplus (Deficit)	12,616	
Unfunded Requests		
Increase WCAD Expenditure		71,319

Motion to increase the employees Health Plan Contributions by 10% for dependent coverage from a projected health benefits budget of \$ 8,806,338 to \$ 7,510,455.74.

Moved: Cm. Galo

Second: Cm. Amaya

For: 8

Against: 0

Abstain: 0

D. Proposed FY2000-04 – Capital Improvement Program
Keith Selman, Planning Director

1. Video of Completed Projects
2. Proposed New Projects

Keith Selman, Planning Director, went over the 2001-2005 Capital Improvement Program. A summary of the 2001-2005 Capital Improvement Program may be found at the City Secretary's Office.

E. Proposed FY2000-02 Budget – Municipal Court
Thomas Ochoa, Municipal Court Clerk

1. Municipal Court Operations
2. Proposed Municipal Court Building

Motion to adjust the Municipal Court Judge's salary to \$72,000 per year.

Moved: Cm. Bruni

Second: Cm. Agredano

For: 8

Against: 0

Abstain: 0

Motion to adjourn.

Moved: Cm. Amaya

Second: Cm. Bruni

For: 8

Against: 0

Abstain: 0

Friday, August 11, 2000

F. Proposed FY 2000-01 Budget – Engineering Services
Rogelio Rivera, City Engineer

1. Engineering Operation Highlights
2. Status of Construction Projects

3. NPDES Fund

Rogelio Rivera, City Engineer, went over the projects completed and the status of pending projects. He reported a total of 69 project complete in FY2000 with a total cost of \$71,666,223 and are working currently on 49 project with a total estimated cost of \$47,097,086.65.

Motion to increase NPDES Fund Salary line item by \$73,352 for two positions which was inadvertently omitted. Total Budget will increase from \$1,535,086 to \$1,608,438.

Moved: Cm. Amaya

Second: Cm. Agredano

For: 8

Against: 0

Abstain: 0

G. Proposed FY2000-01 Budget- Parks & Rec. Department

John Vidaurri, Parks and Recreation Director, made the FY2000-01 budget presentation before the Council.

1. Park Issues
2. Recreation Center Programs
3. Cemetery Operations
4. Veteran's Field

H. Proposed FY2000-01 Budget – Library Department

Janice Weber, Library Director

Jose Vela III, Non-Profit and Volunteer Center Coordinator

Janice Weber, Library Director, gave the presentation before the Council.

1. Library Operations
2. Third Party Agencies

Motion to adopt the time schedule. (Main Library)

Moved: Cm. Bruni

Second: Cm. Galo

For: 8

Against: 0

Abstain: 0

Main Library Hours of Operation

Current 70 Hours/ week

Proposed 64 hours/week

Monday Through Thursday

9 a.m. to 9 p.m.

Friday

9 a.m. to 5 p.m.

Saturday

Monday

9 a.m. to 6 p.m.

Tuesday through Thursday

9 a.m. to 8 p.m.

Friday & Saturday

10 a.m. to 7 p.m.
Sunday 1 p.m. to 6 p.m.

9 a.m. to 6 p.m.
Sunday 1 p.m. to 5 p.m.

Jose "Chito" Vela, Non-Profit Center Coordinator, went over the Third Party Funding.

Motion to increase the 5% penalty to 10% Third Party funding in General Fund and Hotel/Motel Fund.

Moved: Mayor Pro Tempore Guerra

Second: Cm. Amaya

For: 8

Against: 0

Abstain: 0

I. Proposed FY 2000-01 Budget – C & VB Department
Don Raulie, Convention & Visitors Bureau Director

Don Raulie, Covention & Visitors Bureau Director, made the presentation before the Council.

1. Hotel-Motel Fund Revenues
2. Mercado Fund
3. Civic Center Fund
4. Convention & Visitors Bureau Fund

J. Proposed FY2000-01 Budget – Bridge Department
Rafael Garcia, Bridge Director

Rafael Garcia, Bridge System Director, went over the bridge system budget.

1. Bridge Operations

Motion to add a Customer Service Center Manager position to the budget and delete 4 cashiers/teller positions.

Moved: Cm. Amaya

Second: Cm. Bruni

For: 8

Against: 0

Abstain: 0

Traffic

Roberto Murillo, Traffic Director, reported on their proposed budget on Traffic Safety and Parking Meter Fund.

Motion to amend the FY2000-01 decreasing opening balance in the Parking Meter Fund in the amount of \$99,190 due to under estimating expenditures in FY99-00.

Moved: Cm. E. Valdez

Second: Cm. Amaya

For: 8

Against: 0

Abstain: 0

K. Proposed FY2000-01 Budget – Airport Department

Jose Flores, Airport Director, gave the presentation before the Council.

1. Airport Revenues
2. Proposed Airport Expenditures
3. Airport Projects

Motion to increase the ARFF account by \$12,339.

Moved: Cm. Bruni

Second: Cm. Amaya

For: 8

Against: 0

Abstain: 0

Motion to transfer proceeds of sale of land in the amount of \$2,007,000 from Airport Funds to the Airport Construction Fund.

Motion to adjourn.

Moved: Cm. Galo

Second: Cm. Amaya

For: 8

Against: 0

Abstain: 0

Saturday, August 12, 2000

L. Proposed FY2000-01 Budget – Fire Department

Tomas Ramirez, Fire Chief

Mayor Flores asked Acting City Manager Dovalina to get with Fire Chief Ramirez to work with the permit ordinance and bring back recommendation to the council for the possibility of increasing the Haz-Mat personnel.

1. Fire Prevention and Suppression
2. EMS & Ambulance Services
3. Status of Fire Training Facility
4. Status of Fire Station No. 12

Motion to form a committee of City Managers, Firefighter Alarcon, Cm. Guerra, Cm. Galo, Cm. Agredano to work on ideas for funding of an aerial truck, fire equipment and personnel.

Moved: Mayor Pro Tempore Guerra

Second: Cm. Valdez

For: 8

Against: 0

Abstain: 0

Q. Proposed FY2000-01 Budget – Laredo Municipal Housing
 Mario Maldonado, Laredo Municipal Housing Director

Mario Maldonado, MHC Manager, spoke on the Jose A. Flores and the Tomas Flores Apartments. He added that they are proposing rental rate increases as follows:

Jose Flores Apt. – Occupied Units

	Current	FMR	FMR %
2 Bed	\$335	\$485	69%
3 Bed	\$370	\$606	61%
4 Bed	\$410	\$682	60%

	Proposed	FMR	FMR%
2 Bed	\$345	\$485	71%
3 Bed	\$430	\$606	71%
4 Bed	\$485	\$682	71%

Additional Revenues: \$69,757

Rate includes water, sewer, garbage & maint. service.

Tomas Flores Apartments – Occupied Unites

	Current	FMR	FMR%
2 Bed	\$335	\$485	69%
3 Bed	\$395	\$606	65%

	Proposed	FMR	FMR %
2 Bed	\$345	\$485	71%
3 Bed	\$430	\$606	71%

Additional Revenues: \$11,115

Rates include water, sewer, garbage and maint. service.

Last Rent Increase: 1-1-98

Low Income Program

	CURR	FMR	FMR	MAXIMUM
2 Bed	\$220	\$485	45%	\$305
3 Bed	\$240	\$606	40%	\$343

	PROP	FMR	FMR%	MAXIMUM
2 Bed	\$250	\$485	52%	\$305
3 Bed	\$275	\$606	45%	\$343

Additional Revenue: \$5,040

Rates include water, sewer, garbage & Maintenance service

Last Increase 1-1-98

1. Operations – Revenues and Expenditures

M. Proposed FY2000-01 Budget – Police Department
Agustin Dovalina III, Police Chief

Agustin Dovalina, Police Chief, made the presentation.

1. Police Operations
2. Status of Community Oriented Policing Services (Substations)

N. Proposed FY2000-01 Budget – Public Works Department
Joe Guerra, Public Works Director

Jose Guerra, Public Works Director, gave the presentation before the Council.

1. Solid Waste Management Fund Operations
 - a. Vertical Expansion
 - b. Landfill Operations
 - c. Closure and Post Closure Costs
2. Public Works Operations
3. Fleet Management

Motion to add a D & R Cat, Dozer with trade in for Landfill Acct. No. 556-2760-535-9004 in the amount of \$235,00.

Moved: Cm. Amaya

Second: Cm. E. Valdez

For: 8

Against: 0

Abstain: 0

Motion to reinstate funding under contractual services for Acct. No. 402-4315 Construction Crew for a total of \$16,018 as follows:

402-4315-533-1000 Rental of Equipment	\$2,500
402-4315-533-1310 Professional Development	\$1,300
402-4315-533-2020 Vehicle maintenance	\$2,500
402-4315-533-3000 Uniforms	\$3,718
402-4315-533-5500 Purchased Professional Services	\$5,500

402-4315-533-5551 Diagnostic Services \$ 500

Moved: Cm. Amaya

Second: Cm. Galo

For: 8

Against: 0

Abstain: 0

Motion to add \$81,250 to Acct. No. 556-2710-535-9301 for furniture and equipment for the new Public Works Service Center.

Moved: Cm. E. Valdez

Second: Cm. Agredano

For: 8

Against: 0

Abstain: 0

A note to inform Council the amount allocated for Waste Disposal under account number 101-2710-533-500 should have been \$299,579 instead of \$100,000 and that we may have to come back for additional funding during the year.

Motion to add 1 garbage truck driver and 2 garbage collectors from Solid Waste Management Fund.

Moved: Cm. E. Valdez

Second: Cm. Galo

For: 8

Against: 0

Abstain: 0

O. Proposed FY2000-01 Budget – Utilities Department
Fernando Roman, Utilities Department

Fernando Roman, Utilities Director, gave the presentation.

1. Water Fund Revenues and Expenditures
2. Water Fund Capital Improvements
3. Wastewater Fund Revenues and Expenditures
4. Wastewater Fund Capital Improvements

P. Proposed FY2000-01 Budget – Laredo Metro, Inc.
Peter Behrman, Laredo Metro, Inc. General Manager

1. Operations Revenues and Expenditures
2. Capital Improvements

Motion to recess as City Council and reconvene as Mass Transit Board.

Moved: Cm. Galo

Second: Cm. Bruni

For: 8

Against: 0

Abstain: 0

Motion to authorize City Manager to accept grant no. 51122F1013 in the amount of \$275,584 from State Public Transportation Fund. (This action is for budget purposes and will require formal action of a resolution by Mass Transit Board.)

Motion to adjourn as Mass Transit Board and reconvene as City Council.

Moved: Cm. Galo
Second: Cm. Bruni
For: 8

Against: 0

Abstain: 0

Motion to adjourn.

Moved: Cm. Galo
Second: Cm. Bruni
For: 8

Against: 0

Abstain: 0

I hereby certify that the minutes contained in pages 01 to 15 are true, complete and correct proceedings of the City Council held on this the 10th, 11th, and 12th day of August, 2000.

Gustavo Guevara, Jr
City Secretary