

**CITY OF LAREDO
CITY COUNCIL MEETING
CITY COUNCIL CHAMBERS
1110 HOUSTON STREET
LAREDO, TEXAS 78040
5:30 P.M.**

M99-R-09

M I N U T E S

March 22, 1999

I. CALL TO ORDER

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

II. PLEDGE OF ALLEGIANCE

Mayor Elizabeth G. Flores led in the Pledge of Allegiance.

III. ROLL CALL

IN ATTENDANCE:

Elizabeth G. Flores,	Mayor
Alfredo Agredano,	Councilmember, District I
Louis H. Bruni,	Councilmember, District II
John C. Galo,	Councilmember, District III
Cecilia May Moreno,	Councilmember, District IV
Eliseo Valdez, Jr.,	Councilmember, District V
Joe A. Guerra,	Councilmember, District VI
Mario G. Alvarado,	Councilmember, District VII
Consuelo "Chelo" Montalvo,	Councilmember, District VIII
Gustavo Guevara, Jr.,	City Secretary
Florencio Pena, III	City Manager
Jaime L. Flores,	City Attorney

IV. MINUTES

None.

Motion to waive the regular order of business and move up items 19(C)1 and A(1).

Moved : Cw. Moreno

Second: Cm. Valdez

For: 8

Against: 0

Abstain: 0

V. FINAL READING

Internet Available: <http://www.cityoflaredo.com>

Motion to waive the final reading of ordinances #99-O-082, #99-O-083, #99-O-084, #99-O-085, and #99-O-086.

Moved : Cw. Moreno
Second: Cm. Valdez
For: 8

Against: 0 Abstain: 0

- 1. 99-O-082 Ordinance street Improvements Project 61, declaring the necessity for and ordering the paving and improvements of certain streets in the City of Laredo, Texas; approving the street paving assessment roll and cost estimates as prepared by the City Engineer; and directing the City Secretary to file this Ordinance with the County Clerk as a notice of its enactment and ordering and setting a public hearing on the 3rd day of May 1999.
(City Council)

Motion to approve Ordinance #99-O-082.

Moved : Cw. Montalvo
Second: Cm. Alvarado
For: 8

Against: 0 Abstain: 0

- 99-O-083 Amending the City of Laredo FY 1998-99 annual budget by creating the following positions: one (1) Customer Service Representative, one (1) Budget Analyst, and one (1) Secretary at a cost of \$39,573 including fringe benefits and a one-time capital outlay request of \$7,500 for a total of \$47,073 which will be funded by expenditure line item savings from City Secretary and Budget Office, and anticipated salary savings in the reserve appropriation line item, and authorizing the City Manager to implement said budget.
(City Council)

Motion to approve Ordinance #99-O-083.

Moved : Cw. Montalvo
Second: Cm. Alvarado
For: 8

Against: 0 Abstain: 0

- 99-O-084 Authorizing the City Manager to execute a lease agreement between the City of Laredo and Texas/Illinois Cellular Limited Partnership by its General Partner Southwestern Bell Wireless, Inc., for the lease of a 1,114 square feet tract of land out of the former portion of the 1000 block of Texas Avenue

between the south right-of-way line of Chihuahua Street and the north right-of-way line of the Texas Mexican Railroad, situated in the Eastern Division, County of Webb, more fully described in Lease Agreement for a term of fifteen years with the option of one (1) successive renewal term of five (5) years, at the annual rent of \$7,200.00 adjusted annually according to changes in the Consumer Price Index and providing for an effective date. (City Council)

Mr. Hector Cabello asked City Council to table the lease on the reasoning that four years ago he had asked the Closing Committee that he was interested in buying this land and that he owns eight lots to the north and two lots to the west of this piece of land. Since this piece of land adjoins his property, he requested the city to sell it to him because he wanted to join his properties.

On June 26th, the people that are now interested in this lease made a lease agreement with him for his piece of land, but apparently they were not interested in his land because they came back and made an agreement with the city. Now, he finds out that they want the city to execute a lease. Mr. Cabello quoted that he was interested in "buying" this land four years ago and that he has proofs that indicate that he had asked the City and the Closing Committee. He was asked to wait because there was a project to be built there. He further pointed that there is a project and it is being paved. Now the people come in and they want to lease this land from the city.

He asked that a committee discuss this issue because he was the first person trying to purchase this area before any improvements were done. And now that it's being paved, it's about to be leased to other people. He reiterated and asked that he be given the chance to purchase the land.

Cm. Galo commented that the city's position is that the city doesn't want to sell, but does want to lease. He then questioned, what were the circumstances? Are the adjacent landowners usually the first ones in line? To his understanding it is "yes" so he asked Assistant City Manager Dovalina if he had approached Mr. Cabello and if he was asked if

he wanted to lease the property and match this lease. He understands from Mr. Cabello that this has not occurred.

Mr. Cabello reiterated that he hasn't been approached by Mr. Dovalina on this issue. However, he has spoken to Mr. Orfila and Mr. Mireles from Community Development.

Com. Galo asked Mr. Cabello if he was interested in leasing?

Mr. Cabello replied that he is more interested in "buying" than "leasing." The problem he sees is that at first nobody was interested in that land but him when he was willing to buy it. Now that this land is being paved, everybody is interested in it. So, the paving apparently presented a green light for others to come in.

Com. Galo asked if this lease would encumber access to his property in any way?

Mr. Cabello responded that by the way it was presented to him it will and he will not be able to access his two properties through the west.

Cynthia Collazo, Community Development Director, explained that the question was posted to Mr. Dovalina, but was responded by Mr. Mireles. It was Mr. Mireles that made contact with Mr. Cabello.

She explained that the issue was presented to the Telecommunications Committee and that as far as she knows, the item was recommended. They went forth and received the request to sell, but they went ahead and requested a legal determination to determine what would be the best choice and to the best interest of the city. It came back from staff and they provided the determination that it shall be whatever the City Council chooses as long as it is in the best interest of the city.

She concluded by saying that in this particular case, the best interest to the city is to lease because it will generate \$7,200 income per year.

As far as the closure or access to Mr. Cabello's

property, she said that is not the case and explained that Mr. Mireles will present a report to council. As far as the lease is concern, the lease has not been executed yet and it is up for council consideration tonight for final reading.

Mr. Ricardo Mireles, Street Closing Coordinator, reported that the market value of the land in question is \$3,150.

Cm. Bruni said that it would be a rather lucrative for the city to lease than to keep that property.

Mr. Mireles explained that in reference to Mr. Cabello's comment regarding his request to the Street Closing Committee. Mr. Cabello did make a request to the Street Closing Committee, but basically he was referring to Chihuahua Street from Texas Avenue all the way to where the expressway is. That section goes on west and will remain opened. It will not be closed and Mr. Cabello will have legal access to his property through Chihuahua Street which will remain open.

Cm. Galo reiterated, "In order to keep it in fairness was Mr. Cabello ever asked if he wanted to lease this property for the same amount or maybe more?"

Mr. Mireles reported that he had several discussions with Mr. Cabello regarding the lease of the property and the only objection that Mr. Cabello had was that he wanted first priority or first choice. He does not think that Mr. Cabello is interested in leasing the property.

Mr. Cabello said he was not interested on leasing the property.

Motion to approve Ordinance #99-0-084.

Moved : Cw. Montalvo

Second: Cm. Alvarado

For: 8 Against: 0 Abstain: 0

99-0-085 Ordinance deleting Article II, of the Laredo Land Development Code and amending Article III, Chapter 7, of the Code of Ordinance of the City of Laredo, entitled Building and Building Regulations by

amending Section 7-1, thereby Adopting the 1997 Edition of the Standard Building Code, amending Section 7-4 Mechanical Code, thereby, adopting the Standard Mechanical Code (1997 ed.), and any and all provisions regulating and controlling the design, construction, quality of materials, erection, installation, alteration, repair, location, relocation, replacement, additions to, use or maintenance of building systems; providing for the issuance of permits, and collection of fees, and repealing all ordinances and/or parts of ordinances in conflict therewith; providing for publication and effective date. (City Council)

Motion to approve Ordinance #99-O-085.

Moved : Cw. Montalvo
Second: Cm. Alvarado
For: 8 Against: .0 Abstain: 0

99-O-086 Ordinance approving an agreement with the March of Dimes, South Central Texas Chapter, and budget in the amount of \$10,000 for the Neural Tube Defects Project of the City of Laredo Health Department for the period beginning January 1, 1999, through December 31, 1999. (City Council)

Motion to approve Ordinance #99-O-086.

Moved : Cw. Montalvo
Second: Cm. Alvarado
For: 8 Against: 0 Abstain: 0

VI. RESOLUTIONS

2. 99-R-039 Authorizing the City Manager to accept a grant from the Telecommunications Infrastructure Fund Board in the amount of \$91,000 for the wiring and equipping of Bruni Plaza Branch Library.

Motion to approve Resolution #99-R-039.

Moved : Cm. Agredano
Second: Cm. Galo
For: 8 Against: 0 Abstain: 0

3. 99-R-046 Authorizing the City Manager to accept a supplemental grant to the COPS Ahead grant from the United States

Department of Justice in the amount of \$2,250,000 with the City designating \$1,666,110 in matching funds for a total of \$3,916,110 for a three year funding of the "Universal Hiring" program beginning January 1, 1999 through December 31, 2001.

Motion to approve Resolution #99-O-046.

Moved : Cm. Agredano
Second: Cm. Galo
For: 8 Against: 0 Abstain: 0

- 4. 99-R-047 Approving and authorizing the City Manager to enter into and execute the three following instruments and/or any other instruments as supplemented or as approved by the Texas Attorney General's office for the financing, renovation, and conversion of the Hamilton Hotel into 165 low and moderate income residential units as follows:
 - 1) Contract for Loan Guarantee Assistance,
 - 2) Twenty (20) Promissory notes of \$85,000 each totaling one million seven-hundred thousand (\$1,700,000) and,
 - 3) Master Fiscal Agency Agreement between the City of Laredo and Hamilton Housing Partners Ltd., a Texas Limited Partnership, as owner of the former Hamilton Hotel.

Motion to approve Resolution #99-R-047.

Moved : Cm. Agredano
Second: Cm. Galo
For: 8 Against: 0 Abstain: 0

VII. MOTIONS

- 5. Consideration to authorize the issuance of a request for proposals for the development of the San Bernardo Avenue study, which will improve the transportation efficiency and effectiveness, as well as identify enhancement opportunities leading to economic development of the study area. Funding for the study is available in the Metropolitan Planning Organization (MPO) account.

Motion to approve.

Moved : Cm. Galo
Second: Cm. Agredano

9. Consideration to authorize the City Manager to renew the annual maintenance agreement in the amount of \$15,026.60 from Q.S. Technologies, Inc., (formerly HumanSoft) of Greenville, South Carolina, for the period beginning April 1, 1999, through March 31, 2000, for the maintenance of the software that was specifically written for local health departments and installed at the City of Laredo Health Department in 1992.

Motion to approve.

Moved : Cm. Agredano

Second: Cm. Valdez

For: 8

Against: 0

Abstain: 0

10. Consideration to authorize the City Manager to enter into a contract with Enpointe Technologies, Austin, Texas, in the amount of \$847,783.00, for the purchase and installation of the City's institutional network equipment. This equipment will allow utilization of the City's Institutional Network (I-Net) and will connect most city facilities and the seven local high schools via a fiber optic network to support data, voice, and video networks. Enpointe Technologies proposal was selected from a field seven vendors who responded to the City's request for proposal. The evaluation process included the selection of three finalists, a comprehensive review of the finalist's proposed solutions, site visits to working networks, and the negotiation of the final cost. All proposals were reviewed by the City's Automation Committee which includes staff members from the City Manager's Office, M.I.S. Department, Library, Health, Telecommunications Office, Purchase Division, and our telecommunication consultant, Columbia Telecommunication Corporation. The proposals were evaluated based on the strengths and weakness of the proposed equipment and technical solutions, the management systems, and support and training capabilities.

Motion to approve.

Moved : Cm. Agredano

Second: Cm. Valdez

For: 8

Against: 0

Abstain: 0

11. Consideration to refund property taxes to the following taxpayer and company.
- A. Carlos and Helen Chapa in the amount of \$877.33 due to a double payment on behalf of Mr. Chapa and PNC Mortgage
 - B. KMART Corporation in the amount of \$5,090.25 due to a Court

Order Final Judgement on Litigation. Supplement 2 -Judgment #97CVQ00686D1.

Motion to approve.

Moved : Cm. Agredano

Second: Cm. Valdez

For: 8

Against: 0

Abstain: 0

- 12. Consideration to approve Hotel/Motel Fund Air to Other Agencies contract for LULAC Council #12 for the Fiscal Year October 1, 1998 through September 30, 1999, in the amount of \$4,500.00.

Motion to approve.

Moved : Cm. Galo

Second: Cm. Agredano

For: 8

Against: 0

Abstain: 0

VIII. STAFF REPORTS

- 13. Presentation of quarterly report to the City Council by the Laredo Convention and Visitors Bureau.

Don Raulie, Director of Convention & Visitors Bureau, went over the report. Last year, during the month of March 1,102 inquiries were received and processed. By March of this year, over 3000 inquires have been received and processed. The number of inquiries is up, and most of the increase was due to one ad that appeared in one of our publications. He went over revenues, budget, status updates, and advertising as follows:

Revenue

* Hotel/Motel Occupancy Tax collections during the last quarter of calendar year 1998 increased \$40,521.06 or 8.1% over the same quarter in the preceding year.

* Hotel/Motel Occupancy Tax collections during January and February of this year increased \$36,481.32 or 7.3% over the same two months in 1998.

Inquiries

* Visitor inquiries, which are a good barometer of future tourist visits are "up" 27.2% YTD and up 80.5% for the month of February.

Budget

- * Major expenditures (advertising, trade show participation and promotional events) have been made in accordance with the 1998-99 Marketing Plan for the Laredo Convention & Visitors Bureau (LCVB) and are within budget.
- * Exceptions include the birding survey approved by City Council on March 1, 1999 and funding for special lighting on Iturbide St. which was approved by City Council earlier in the year. Both exceptions were funded from a "reserve appropriation" in the LCVB budget.

Advisory Board Status

- * As a result of recent appointments, the LCVB Advisory Board is at full strength.
 - 3 new board members were appointed in January by the City Council to fill positions left open by people who had either moved or were unable to serve.
 - 2 new board members were appointed in February by the City Council to fill the positions of 2 board members whose terms expired.
- * Dan Rodriguez, General Manager of Red Roof Inn, has been elected to serve as chairman of the Advisory Board. Fernando Montemayor was elected to serve as vice-chairman.
- * Orientation for new Board members will be held on March 23, 1999.

Personnel Update

- * The position of Account Executive/Tourism Sales Manager, which was vacated in August and filled temporarily by a contract employee has been filled, subject to satisfactory completion of the city's application and testing process.

Travel Editors

- * LCVB staff personnel have hosted or provided information services to seven travel editors:
 - Maxine Sommers:
Gathered material for a Corpus Christi Caller Times article.
 - Javier Rubiano:
Shot the Jalapeno Festival for a TV show called "Feria a Feria", a 30 minute show to be aired in Latin America.
 - Laura Gonzalez:
Gathered information for an article to appear in National Geographic Traveler.
 - Melissa Stoelje:
Gathered information for an article that will run in the Houston Chronicle on March 28.
 - Scott Williams:
Has written a section on Laredo, which will appear in the "Daytrips and Weekend Getaways" chapter of the second

edition of a Texas Coastal Bend travel guide.

-Adam Hopkins:

Gathered material for a feature on Los Tres Laredos (Laredo, Nuevo Laredo and Laredo, Spain), which will appear in the fall in the London Financial Times.

-Lorraine Williams:

Gathered material for a feature that will appear in Autoroute Magazine, a Canadian travel publication.

Advertising

* U.S. consumer publications, which have carried Laredo ads during the current quarter of 1999, include:

- Fiesta Magazine
- Louisiana Life
- Texas Monthly
- Texas State Travel Guide
- Modern Maturity

* U.S. meetings and group tour publications, which have carried Laredo ads during the current quarter of 1999, include:

- Conventions South Magazine
- Association Leadership Magazine
- Courier Magazine

* Billboards maintained in Mexico during the current quarter:

- Monterrey (8)
- Torreon (1)
- Guadalajara (4)
- San Luis Potosi (1)
- Monclova (2)
- Saltillo (2)

* Mexican newspapers which have carried Laredo ads during the current quarter include:

- El Norte/Monterrey
- El Sol/San Luis Potosi
- Vanguardia/Saltillo
- El Siglo/Torreon

* Mexican radio stations which have carried Laredo ads during the current quarter include:

- XHRL/Monterrey
- XHWGR/Monclova
- XHMG/Monterrey
- XHCTO/Torreon
- XHQC/Saltillo
- XHOB/San Luis Potosi

Trade Shows/Promotional Events

* The LCVB sponsored the inaugural Laredo Baseball Classic, which served as an opening event of the Washington's Birthday Celebration.

* Represented the City of Laredo in Expo Vacaciones, a travel agent trade show held from February 14 through February 17 in Mexico City. Contact with 1500 agencies.

* Represented the City of Laredo at the Society of Government Meeting Planners regional conference in Fort Worth on February 19 through February 21, 1999. Contact with 35

meeting planners.

Convention Activity

- * Hosted 7 ojo rojo receptions during January and February.
- * Provided other convention services to a total of 30 groups during January and February.
- * Distributed four sales leads to hotels/motels during January and February.
- * Recent bookings:
 - Texas Association of Housing & Redevelopment Officials, April 1999, 590 room nights.
 - Harley Davidson Owners/Rally, June 1999, 450 room nights.
 - Texas National Resource Hazardous Waste Seminar, July 1999, 130 room nights.
 - Via San Agustin/Laredo Genealogy Society, September 1999, 160 room nights.

Bi-National Tourism Committee

- * LCVB staff and Mayor Flores have attended two meetings (one in Nuevo Laredo, one in Laredo) with tourism officials from both cities with the intent of developing relationships and programs, which will be beneficial to the tourism industries in both cities. The next meeting will be held on March 23, in Nuevo Laredo.

Winter Texans

- * City officials and members of the LCVB Advisory Board asked staff to investigate the potential for attracting more Winter Texans to Laredo. A detailed report on this item will be distributed to City Council members.

Brochure Delivery Service

- * Preliminary work has been completed and the LCVB will soon begin delivering Laredo brochures (Visitors Guide, Restaurant Guide, Trolley information, etc.) to hotels, motels and other points of visitors contact in Laredo. Initially, the brochures will utilize existing brochure racks.

Promotional Theme/Slogan

- * The LCVB Advisory Board has asked for public input before settling on a single promotional theme to be used in Laredo ads and on all collateral materials. This may mean focusing on a theme already in use, but the Board hopes that the public may offer fresh ideas that could be incorporated into future promotions.

Customer Service

- * An LCVB staff person has been an active participant in the

Chamber of Commerce Customer Service Committee and will become a certified instructor for Customer Service classes which will be held at Laredo Community College.

Coming up in April

- * Following the Advisory Board's regular meeting on April 7, the Board will adjourn and then reconvene in an all day planning session to begin the process of developing a marketing plan for FY 1999-2000.
- * Staff will represent the City of Laredo at the Texas Travel Industry Association Travel Counselors Fair in Corpus Christi, April 14-16.
- * Staff will participate in a hospitality instructor training workshop, sponsored by the A & M Extension Service in Brownsville on April 20-21.
- * Staff will represent the City of Laredo in a travel agent show in Guadalajara on April 27.

Mr. Raulie then went over the Winter Texan Market report as follows:

Executive Summary
THE WINTER TEXAN MARKET

Winter Texans - An Overview

- * "Winter Texans" is the respectful term for wintertime visitors from the north.
- * The Texas Department of Commerce (TXDOC) defines Winter Texans as all domestic non-Texan leisure travelers who stay six nights or longer in the Lone Star State.
- * Winter Texans make 1.3 million winter visits to Texas.
- * Winter Texans spend less per person per day than other non-Texan leisure travelers.
- * Winter Texans add approximately one billion dollars annually to the Texas economy.

The Rio Grande Valley And The Winter Texan Market

- * The Rio Grande Valley attracts more Winter Texans than any other part of the State.
- * The Valley has built its Winter Texan business over a period of decades.
- * Winter Texan facilities in the Valley have evolved from publicly-owned to privately owned and open rated facilities.
- * The Valley has 42,000 RV spaces available for Winter Texans. * "Word of mouth" is the most used medium for attracting Winter Texans to the Valley.
- * The length of stay in Valley RV parks ranges from a few days

to six months and some Winter Texans lease RV spaces the year round.

Laredo And The Winter Texan Market

- * Many Winter Texans pass through Laredo, but most spend only a few hours here.
- * Laredo has much to offer Winter Texans, but a lack of RV spaces and high hotel/motel rates discourage them from staying here.
- * RV travelers spend 60% more time in Texas than non-RV travelers.
- * Statewide, only 15% of Winter Texans stay in hotels/motels.

Attracting More Winter Texans To Laredo

- * The interests of Winter Texans are different from those of other leisure travelers.
- * Laredo attractions of interest to Winter Texans include climate, Mexico, birding, cultural events and history.
- * To reach Winter Texans, the LCVB will use publications which target this market, plus distribution of printed materials at selected locations and participation in a travel show(s) geared to Winter Texans.
- * The development of more RV spaces in Laredo is critical to significantly increasing the number of Winter Texan visits to Laredo.

THE WINTER TEXAN MARKET

Winter Texans - An Overview

Snowbirds. Winter Visitors. Yankees. Winter Texans. Those are some of the terms, which have been applied to the hordes of visitors from the north, who invade South Texas each year. As their numbers have increased and their economic impact has been measured, the Texas Department of Commerce (TXDOC) has endeavored to establish "Winter Texans" as a respectful term for these wintertime supporters of the Texas economy.

According to TXDOC, there is no standardized definition of the term "'Winter Texan.'" In their research, they include all domestic (no Canadian or Mexican) non-Texan leisure travelers who stay six nights or longer in the Lone Star State. Under the TXDOC definition, Winter Texans make about 1.3 million winter (November through March) visits to Texas and account for approximately 6% of all non-Texas leisure trips each year.

The average Winter Texan spends about 25% less per person per day than other non-Texan leisure travelers. There are two major

reasons for that. Both reasons relate to the fact that on an average, their winter excursions last much longer than those of other leisure travelers. Consequently, their purchase of incidentals and souvenirs is spread out over a longer period of time. And, for those who stay several weeks or months, Texas is like a second home and people tend to spend less at home than when they are on the road.

Even though Winter Texan per capita expenditures are below average, TXDOC estimates they added nearly one billion dollars to the Texas economy in 1996, the last year for which such data is available.

The Rio Grande Valley And The Winter Texan Market

Although Winter Texans visit virtually every part of Texas, the vast majority are in search of the warmer days and nights that are found south of a line from Texarkana to El Paso. It is also a fact that the farther south...the greater the concentration of Winter Texans. Thus, it is no surprise that the Rio Grande Valley enjoys the largest concentration.

The Valley's reputation as a winter haven stretches all the way back to the early part of the century. Over time, many south Texas communities actively campaigned to increase their Winter Texan visitations. They advertised. They built tourist centers for the exclusive use of the winter visitors and catered to their needs.

Today, the tourist centers have been replaced by activity centers in the hundreds of mobile home and RV parks located in the Valley. At the close of 1998, there were over 25,000 mobile home spaces in the Valley and 42,000 RV spaces located in over 500 mobile home and RV parks.

Although Valley cities do not invest heavily in advertisements to attract more Winter Texans, Valley Chambers of Commerce still feed the northern media with a steady stream of warm weather stories during the year's coldest months. Most importantly, the Valley benefits from the most powerful advertising medium of all...."word of mouth."

The tens of thousands of Winter Texans who winter in the Valley love to tell all their friends and relatives in Minnesota or Michigan or wherever they are from, about how much they are enjoying the sunshine and warm weather in the Valley.

TXDOC has developed statistical averages for Winter Texans, but the averages do not paint an accurate picture of the Winter

Texans who visit the Valley. Statewide, approximately 70% of Winter Texans stay only six to ten days in the Lone Star State and only about 5% stay 25 or more days. In the Valley, although some stay only a few days, many stay for up to six months.

Some RV parks have twelve month leases with Winter Texans, even though they only spend six months in the Valley. At the Lariat RV & Mobile Home Park in La Feria, the average stay is five months. Some Winter Texans return to the same RV park year after year. Others stay in one park for a few days, then move on to another, presumably shopping for a place to call their winter home.

Laredo And The Winter Texan Market

Some Winter Texans interviewed in the Rio Grande Valley indicated they passed through Laredo en route to the Valley. Others indicated they would pass through Laredo when they "head north." Not many of them have either stopped or plan to stop in Laredo.

Some Winter Texans do stop in Laredo and many of those register at the Convention & Visitors Bureau office and at the TXDOC Information Center. However, their visits are brief. Some park and walk to Mexico. Others are looking for a place to have lunch. Most plan to spend the night somewhere else.

Laredo has essentially the same winter climate as the Valley. Mexico is an important attraction for Winter Texans and the opportunity to park in the U. S. and walk to the shops in Mexico is an important plus for Laredo. The Washington's Birthday Celebration, the Baseball Classic Tournament (a new event on the Laredo calendar), and the growing interest in "birding" in the Laredo area are additional attractions, which can be used to bring Winter Texans to Laredo.

However, there are two major obstacles to Laredo developing more Winter Texan business.

- There is a lack of RV Spaces in Laredo. Including a new park being developed near La Bota Ranch, there are only 112 RV spaces in and around the city of Laredo.
- Laredo hotel/motel rates are relatively high. Hotel/motel occupancy in Laredo is good, which in turn keeps the rates on a par or above other communities in South Texas.

A Brownsville RV park owner said, "A lot of my customers ask me

about stopping in Laredo, but I don't know where to send them." He added, "If you all ever build some RV parks, I can send you some business."

Not all Winter Texans are RV travelers, but a high percentage of them are. And, RV travelers spend about 60% more time in Texas, than those who travel by car or by air.

Statewide, only about 15% of Winter Texans stay in hotels or motels. In the Valley, the percentage is so small that hoteliers do not even track Winter Texans as a segment of the market. Those who stay in hotels/motels, knowing they will be on the road for an extended period of time, are very cost conscious.

Attracting More Winter Texans To Laredo

Winter Texans are significantly less interested than the typical leisure traveler in general entertainment, theme parks, auto/boat/antique shows, gambling, etc. On the other hand, they are significantly more interested in nature activities, cultural activities and sightseeing. Although ordinary shopping is not a high priority, the opportunity to shop in Mexico is an important attraction.

Attractions

To attract more Winter Texans to Laredo, the Convention & Visitors Bureau (LCVB) will focus on:

- * Climate - Warm weather and plenty of sunshine are at the top of Winter Texans priority list, when they shop for a winter home.
- * Mexico - Many Valley cities are near an international bridge to Mexico, but no other city offers the convenience of being able to park in the U. S. and walk to shops and restaurants in Mexico.
- * Birding - The large number of bird species found in and around Laredo already attracts some Winter Texans, but the birding survey scheduled for completion this year will provide an important new marketing tool.
- * Cultural Events - The Washington's Birthday celebration, exhibits at the Center For The Arts, Laredo Philharmonic concerts and other concerts can be used to attract Winter Texans.
- * History - "Heritage Tourism" is the fastest growing segment in today's tourism industry. Laredo already has many points of historic interest and the redevelopment of historic homes and buildings and the overall

redevelopment of downtown Laredo will serve as a powerful attraction to Winter Texans in the future.

Advertising

Since significant numbers of Winter Texans come from more than twenty different states, it is not economically feasible to reach them via the usual media advertising at their point of origin. There are however a number of publications specifically geared to Winter Texans. Most of them are published for distribution in Winter Texan havens such as the Rio Grande Valley, Port Aransas, etc.

More importantly, the LCVB has acquired a list of all the mobile home and RV parks in the Rio Grande Valley. All of them have brochure racks or some place from which they distribute information. Those surveyed indicated a willingness to place Laredo brochures on display.

The LCVB will send small quantities of brochures on a regular schedule to selected Valley RV parks. The LCVB will also encourage Laredo RV parks to provide flyers or promotional coupons for distribution in the Valley parks.

The LCVB will schedule participation in a travel show, which is held each year in McAllen and which targets Winter Texans.

RV Park Development

The development of one or more additional RV parks in Laredo is critical to attracting Winter Texans in significantly larger numbers.

Meeting the need for RV space in Laredo is a chicken-and-egg situation. Developers will be slow to build additional RV spaces without some assurance that there is a need for them. On the other hand, RV'ers use RV guides and manuals and more recently the internet for reference. Since they know there are very few RV options in Laredo, there will never be an obvious demand for more spaces until more spaces are available.

Market research is available through state and national RV park organizations. The LCVB staff will work with any developer interested in building an RV park, to obtain the necessary market data to support the feasibility of an RV park or parks in Laredo.

14. Presentation on the Clark Hendricks Project.

Erasmio Villarreal of Community Development reported that the

area is the intersection of Clark and Hendricks. Hendricks Street is closed and right adjacent to it there is a concrete retaining wall constructed by the city years ago. They had asked a local artist Gerardo Salazar to come up with an artist rendition as to what might be statistically pleasing for this area. He introduced Mr. Salazar who showed some of the renditions that he had done.

Mr. Gerardo Salazar said that when this project was started he did not quite understand it because he thought it was the existing wall that is why he started on that particular wall. He found out that it was not that wall, but actually the slope going up to Hendricks that needed the esthetic work. His proposal is to use concrete and stones to make it look like a waterfall. He will then return and paint it so that it will look like a waterfall. They plan to paint parrots flying away in odd numbers. His source of inspiration for the parrots was from the pictures that appeared in the National Geographic Magazine. He is going to take that theme and make it artistically pleasing. This project will be done with city monies, and he thinks that this project will start this summer.

15. Status report on the Telecommunications Building Project with reference to previous council action to terminate contract with Molano Construction, Inc. on November 16, 1998.

Gabriel Martinez with the Engineering Department read the abbreviated description of the sequence of events on the project status as follows:

On November 17, 1997, the City of Laredo awarded a contract to Molano Construction, Inc. in the amount of \$788,068.00.

Due to several reasons stated at council meeting of November 16, 1998, the City of Laredo terminated the construction contract with Molano.

The contractor's bonding company, Travelers Property Casualty, was advised of this action on the following day. Prior to this time, City Engineering had already established contact with Traveler's due to claims from several of Molano's subcontractors and suppliers due to claims of non-payment from Molano.

Travelers hired CarCyn, Inc. to secure bids from contractors in the Laredo area to take over the project, and sent an invitation for bids dated 11/23/98 to 8 area contractors. Only one bidder, Sedona Construction, responded with a bid on or

about January 5, 1999. Although the amount of the bid was not disclosed. Travelers stated that it was too high for consideration.

On February 3, 1999, Travelers' attorney, James Knox asked the City to consider selecting a preferred contractor and getting a price for completion. They stated that municipalities could do so without competitive bidding restrictions under these circumstances. The City's Legal Department investigated this claim and responded on February 24th with an interdepartmental memorandum that this was in fact a legal solution.

On March 3, 1999, the City issued verbal notice to Travelers that the City was unwilling to take the responsibility of finding a contractor to complete the work, and that this effort should be continued by Travelers. A letter stating this request dated March 11, 1999 was faxed to Travelers on the same date.

A phone call was placed to Travelers by City Engineering on March 17, 1999 verified that Travelers had received the March 11, 1999 letter, had forwarded a copy of their attorney, Jame Knox, and has already made contact with another prospective contractor, Faulkner Construction, to review a bid package. Even though City Engineering has made certain recommendations to modify their bid package, it is our understanding that they are proceeding to request bids based on their original conditions.

City Manager Pena said that this is an important project that has been delayed due to contractor problems and they want to keep council informed on the status. He added that if they don't see any firm action on their part in the near future, that there are other actions or alternatives that can be taken including making a claim with the performance bond and taking this matter to court. He added that Travelers continues to work with the City and that the project is about 60% complete.

Cm. Guerra questioned, "Does that mean that since November when we terminated the contract with Molano, no work has been done on that building at all?"

Mr. Martinez answered, no.

Mayor Flores explained that we had to take care of the legal steps because of the termination of the contract.

Cm. Guerra wants to know, where do we go from here?

City Manager Pena replied that at this point, Faulkner Construction has been contacted by Travelers and they are negotiating a bid with them. If they reach an agreement, then we will have a contractor to resume the work. He added that they would prefer that Travelers make this contract hold in order to make the contract good. Right now, there is a proposal with Faulkner and he hopes to have a positive response from them.

Mayor Flores stated that the bonding company should assume the entire responsibility including the payment of the delay.

Cm. Guerra asked that the legal staff pursue this matter to the fullest extent and staff come back with a report to council.

Mayor Flores wants a status report on the issue at the next council meeting.

16. Presentation of unpaved and unfunded streets previously identified in Street Improvement Project 61.

Gabriel Martinez, Assistant City Engineer, reported that on Project 61 they have a design contract with G.G. Salinas to design 36 city blocks. At the present time there is funding for 10 of those blocks. They have received bids on the 10 blocks and the paving cost is about \$300,000.00 (for 10 blocks). He pointed that one of those blocks was paved by Public Works, so there were 25 blocks that were designed by G.G. Salinas that are ready to go for construction, but are awaiting funding. They are averaging about \$30,000 per block.

He also pointed that there are other blocks that have been identified in the package totaling to 37 1/2 blocks. The estimation for the 37 1/2 blocks is \$700,000.00 for construction only (without engineering) because the engineering has been done on the bulk of 25 of those 37 1/2 blocks.

Cw. Moreno pointed that these are one time items and we did have a large amount of money from last year that was added to this fund balance.

Mr. Pena explained that they are preparing a report to be brought forth to council in the next couple of weeks regarding the beginning balance and the projects. His recommendation

was that on the CIP we consider using bridge funds, CIF funds, or possibly issuing street assessments. He indicated they are having preliminary discussions with Noe Hinojosa regarding a possible issue for parking funds and maybe street assessments could be a small issue to help do these projects.

Cw. Moreno wanted to know what this means, does this mean that we would borrow money to do this?

Mr. Pena answered yes, it would be a street assessment. Its borrowing money to upfront the cost, then when we do the assessments on these projects and we get a portion of the money back.

Cw. Moreno said that none of these streets are on her district and she believes that we have a commitment to pave all the streets, but for the last year and a half they haven't done it.

Mr. Pena said they will have a report ready in two or three weeks.

Cm. Bruni asked if the 1800 block of Harding is already funded, and if it's not, that it be included in the project.

Mr. Martinez stated that this street is funded, it's on Project 60, and it is being constructed by Public Works.

Cm. Bruni wants a written report of the anticipated start-up date is on this particular block (1800 block of Harding).

17. Request for Executive Session pursuant to Texas Government Code Section 551.072 in regards to deliberating the purchase, exchange, lease or value of real property, for the widening of Cherry Hill Drive, because deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person, and return to Open Session for possible action.

Motion to go into executive session pursuant to Texas Government Code Section 551.072 in regards to deliberating the purchase, exchange, lease or value of real property, for the widening of Cherry Hill Drive, because deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person, and return to Open Session for possible action.

Moved : Cw. Montalvo
Second: Cm. Guerra

true out for over and under collections. She quoted, "if they undercollected, we opt the factors to get more money paid to the cities. If they undercollected we do the opposite".

She said that CP&L is pledging to the cities that are involved in the San Juan suit, that if there is a final unappealable decision in the San Juan issue, that they are willing to award and treat the cities that have opted out of the lawsuit in the same manner that they would treat those that are involved in the lawsuit. So they would adjust the calculation if the settlement so says or if the final judgment so says. Make that applicable to those cities opting out of the suit. So from their side she does not think there is any benefit to cities if you look at a litigation future expense. She quoted, "If you opt out there is no litigation expense for you. We are planning to pursue this as far as we can go to make sure that our cost is successful."

She pointed that last week the Telecommunications Commission talked about a recommendation to the council saying that if we did not resolve some findings successfully from their consultants that the city would then see fit to join the suit. From their side they have yet to see the findings, to the extent that they are within the scope of the contract. They would be happy to work with RMI to verify the findings and make adjustments. If there are findings that fall outside of the scope of the contract, they will not be able to work with that. She thinks they have had a good working relationship with the City of Laredo and look forward to continuing that. If there are any issues that they can work on together for a win/win they will be interested in pursuing that.

She re-emphasized again, and asked that they look at the franchise and look at the wording on the contract. It talks about the sale of electricity and does not talk about anything else. From that stand point, they have abided by the calculation.

Bruce Miller Earl, Telecommunications Chairman, said that at their last meeting it was voted unanimously that we should move forward in this process. They hope to deliver further information after they have had chance to go over the information received and that the consultants are now looking at. There are sums of money that they think are in question with CP&L. They believe that there is a minimum of \$150,000.00 that we may be over dispute. He begged council's indulgence to let them review this report and give them the information prior to their next regular meeting.

Adam Poncio, Class Counsel on this case, addressed the "pass through" issue. He explained that CPL is contending that they can pass through any deficiency in unpaid and underpaid franchise fees based on a "pass through" provision of Docket 4400. They have presented argument from our expert that says they cannot pass it through. In fact what Docket 4400 says is that they can go back only six months to adjust increase or decrease for unpaid or underpaid rates and therefore, they cannot go back and pass this through the consumer. They have received a letter from the Office of Public Utility Counsel that points to that argument and which says there is strong possibility that they will not be able to pass it through. What they have used is this "pass through" argument which is an attempt to threaten and intimidate Councilmembers in all of the cities with regard to any "unpaid or underpaid franchise fees". It doesn't make sense because a number of the revenues that we are going after are unpaid franchise fees related to third party revenues that they received. What the franchise fee agreement says between the city: a contract with the city is that the city is entitled to 4% of the gross receipts related to electrical sales within the cities.

For example: If they setup an entire structure within the city which would include utility poles plus other advertising means and other means of collecting and collecting revenues related to underpayments and non-payments by citizens how can they pass all that through. If CP&L has an agreement with the city that you can use our city right-of-ways for their electrical sales within the city and the CP&L goes and sells a rental of their pole to a third party, how can they come to you and say "you are not entitled to a portion of those revenues, those are all ours". How can CP&L when they sell electricity to citizens for example, they charge them a termination fee, re-connection fee, a return check fee all related to the sales within the city. How can they tell the city, "Well...city that part of it is ours you are not entitled to a portion of that."

Their estimates are that the city has been underpaid approximately \$13 million over the life of the contract. The city does not have statute limitation and those are the revenues they are going after on behalf of the city. He quoted, "If you trust CP&L in them saying, we've paid you properly, that is like trusting the fox in the hen house and saying, well...we trust you with all the books so far which you haven't turned over...we trust you with all the audited audits which you haven't complied with."

Cm. Guerra stated there seems to be a misunderstanding on the allegations being brought forth.

Jaime Flores, City Attorney, stated that is the basis of the matter here with regards to the contract, as to what constitutes gross receipts? The plaintiff will take the position that the sale of electricity includes all revenue involved in the sale, as an example: connect and reconnect fees. He will assert that you can't sell electricity without connecting. Defendant asserts that those are not necessarily involved in the sale of electricity. There are at least 67 other categories of such revenues and that's the basis of the lawsuit: What are the things that should be included for CP&L to pay gross receipts on and how they in the past not paid on all of them.

Cm. Galo inquired if they have received all the documentation required for the audit?

Mr. Poncio answered that they have not. Even as part of the discovery process, CP&L has not fully complied with the discovery process. They will hold until after the audit period to press on those issues. They filed a motion to compel against, even against the cities that are in the lawsuit. They have to date, failed to fully comply with the discovery.

Cm. Valdez stated that since we are going to have to review our contract, that we see what provisions we have on our contract with CP&L that addresses the right-of-ways on all these annexations and what we are entitled to.

IX. COMMUNICATIONS

- a. Jesus Hernandez, American G.I. Forum, spoke on the use of the food assistance to the needed Veterans. He indicated that he is a member of several organizations, not only one. He is a member of the Hall of Fame, Veterans Coalition Association, American Legion Post 59, American Veterans, Blind Veterans Association, etc. and that he is not favoring only one organization when requesting for assistance.

He expressed that the G.I. Forum is the only organization that has been fighting for the rights of Mexican-Americans. He mentioned that it has been said that he uses this as politics, but that he does not need any of the mentioned groups to make politics, but unfortunately some seem to think that he uses this towards politics. He further stated that he is always

there when help is needed, and that he will continue to do so. He asked council for its opinion and vote in reference to him being the leader of some programs such as his requests before council for pampers, flags, and food for veterans.

Cw. Montalvo replied that council cannot take a vote on any requests because the item is not on the agenda. She thank Mr. Hernandez for his presentation. She added that she understands that the food will continue to be assisted, and that there is presently no problem with his food distribution for the veterans.

Mr. Pena stated that this is not an item for discussion, but Mr. Beto Ramirez will visit with Mr. Hernandez to straighten this issue out.

Mr. Luis Diaz de Leon said they met with the Veterans Committee and what he understood from that meeting was that the committee had denied food to Mr. Hernandez because the city did not pay the vouchers that he signed to draw food out. Based on this, Mr. Hernandez did not have food to distribute.

Mr. Diaz sees this as a management problem that the city has in relation to the American G.I. Forum efforts to try to meet the needs of the people. If those vouchers had been paid, he is sure that whoever runs the food bank would have said it is o.k. to give him the food. He later found out that these expenses were supposed to be paid out from the Mayor's fund, and that payment was made to the wrong food bank.

Mayor Flores explained that this funding is not budgeted. Because Mr. Hernandez hasn't been able to approach us for third party funding, former Mayor Ramirez included these expenses in the Mayor's budget. And this is what she did in order to continue paying the food bank for what Mr. Hernandez withdrew. However, there was an accounting error. She further explained that first the food bank forgot to send us the vouchers, then when they sent them, we sent payment to the wrong food bank. All those issues have been ironed out, the money was there for Mr. Hernandez, and we knew what to budget. Since we want to continue helping Mr. Hernandez, the food bank expenses will be included through third party funding on the next budget.

- b) Cm. Galo acknowledged several people under the direction of Silvia Bruni, Chairperson for AVANTE, because they obtained the donation of a building at the Russell Terrace Apartments for the Laredo Municipal Housing Authority. LMHA will be providing services including day care, computer skills among others to

educate new mothers.

- c) Florencio Pena, City Manager, reported that council was scheduled to conduct their second session of the strategic planning session for April 10th, but because there was a problem with two members, Joe Gonzalez who will be conducting the session, has recommended either April 24, 1999 or May 1, 1999. However, Mr. Gonzalez prefers April 24, 1999. Mr. Pena wants council to decide which date will be convenient.

Mayor Flores replied that April 24 seems convenient, but that council and her will confirm tomorrow morning.

- d) Cm. Bruni advised council and the public that on March 12, 1999, the Southwest Texas Rain Enhancement Association had a special meeting to award the contract for weather modification to Atmospheric Inc. The weather modification program will start on April 15, 1999, but the long-term weather forecast people had advised to move the starting date to May 1, 1999.
- e) Cm. Alvarado informed that this afternoon he received a letter from Mercy Health Systems regarding a meeting at the House of Representatives where a bill to establish a University of Texas Health Science Center will be considered. Since none of the Councilmember are able to attend the meeting, he recommended to direct staff to send a letter supporting this item.
- f) Mayor Flores spoke about a newspaper article regarding Senator Graham seeking \$347 million for customs. She called the Senator's office and they advised her that there are items in the bill that are not negotiable like the 1,705 personnel to be hired over the two-year period and technology expenses such as container inspection systems, truck x-rays, rapid tire deflating systems, etc. Senator Graham is working for Laredo, so there is another big slew of special agents for drug smuggling and money laundering coming to Laredo.

Note: At this point Mayor Flores requested to go to the Executive Session items #17 and 18.

X. CITY COUNCIL PRESENTATION AND DISCUSSION

19. Requests by Mayor and City Council members for presentation and discussion.

A. Request by Council member Louis H. Bruni

1. Presentation by Guillermo "Guero" Benavides regarding the Webb County Conservation District.

Cm. Bruni said that Mr. Benavides was before City Council on last week's meeting under communications. He added that his presentation was very informative. He had asked to be put back in the agenda as an action item, but it was not posted as such. He said that they will entertain his comments at this time and then instruct staff to come back with an action item.

Mr. Guillermo Benavides, Jr., Chairman of the Local Webb Soil and Water Conservation District, reiterated on his brother's last week presentation before council on the funding request that State Board and the Texas State Soil and Water Conservation Board has made to the state. He added that this request for funding totals \$52 million in addition to the regular budget. He said this request has come about because there are some offices of the Natural Resource Conservation Service are being closed throughout the state, and because NRCS works in conjunction with soil and water conservation districts throughout the state to address soil and water conservation issues, soil erosion, clean air, and things of that nature.

He added that if they have not heard of soil and water conservation he thinks there is a good reason for that. There are 216 districts throughout the state which have done a good job without much fanfare. These offices are run by District Directors who are conservative men that don't beat their drum a lot. Unfortunately, people that don't beat their own drum are the first ones that get their projects and initiatives diluted when funding cuts come around. This is what is happening nationwide, and of course Texas is in line to get their own funding cut.

His request is for a resolution for capacity building which the county is has already endorsed and signed on. He said the resolution is lengthy in nature, but it actually asks for support from the City of Laredo in endorsing their funding request.

He reiterated again, that it is a \$52 million request to help fill some of the void that has resulted from the national funding from NRCS being drastically reduced. This funding reduction has been taking place over several years, but they have now reached a point where there are offices that are being closed throughout the state so the

directors throughout the state have gotten together and made this funding request through the state and the Water Conservation Board. He was asking the City Council to consider the resolution and said they would like their endorsement on it. There are over 170 councils of government, cities, and counties throughout the state that have already signed on for this resolution.

Cm. Bruni clarified if what Mr. Benavides he is requesting, is that the city look into that resolution and then the city pass a resolution to that effect.

Mr. Benavides answered that the resolution has already been drawn and that maybe last week council was delivered a copy of it. The bottom line is, "Therefore it be resolved, (in this case) The City of Laredo actively supports seeking increase funding by the Texas Legislature for the Soil and Water Conservation Program in Texas."

Cm. Bruni said he thinks this City Council and the Mayor will support this and asked that he give a copy of the resolution to the City Manager so that legal staff can bring it back by next meeting for council consideration.

B. Request by Council member John C. Galo

1. Presentation by L.A. Tedrow, with possible action on limited space for loading and unloading of trucks within the business district.

Motion to table this item due to the fact that Mr. Tedrow was not present.

Moved : Cm. Bruni

Second: Cm. Agredano

For: 8

Against: 0

Abstain: 0

C. Request by Council member Cecilia May Moreno

1. Informational presentation by Laredo Independent School District (Co-sponsored by Cm. Eliseo Valdez Jr.)

Dr. Paul Cruz, LISD Superintendent, made the presentation before the council regarding the Bond Issue. He went over some of the key issues on the LISD proposed bond election. The last LISD Bond Election was held on October 29, 1985 for \$10 million. Since then, the school

board requested staff to look at the instructional and facilities needs; therefore, a feasibility study was conducted. A committee composed of community leaders, parents, teachers, boardmembers, etc., was formed to evaluate the facilities needs assessment process. Once the committee identified the students' needs they met with team members and schools principals to get their input. Several board workshops were conducted in order to look at all the major items -Gyms & multipurpose rooms for elementary schools, additional classrooms, library expansions, electrical, plumbing, ADA improvements, program renovations, and upgrades; support facilities (transportation, technology, and food service) were addressed. After reviewing the essential needs and putting it into a wish list, a bond package of \$144 million was put together.

The bond package calls for improvements in elementary schools; full day kinder at all elementary schools; four replacement schools (McDonald, Bruni, Heights and Santa Maria); gyms, multipurpose rooms for all elementary schools so that physical education can be conducted indoors, science demo rooms, library renovations, additional classrooms for secondary schools, and individual needs for each school. Support facilities for transportation, technology, and food services are the only three that are not directly instructional or for a particular school. He said that \$138 million is for the schools out of the \$144 million, the rest is for support facilities.

Jesus Amezcua, LISD Business Manager, went over the financing options for the bond issue. One option is called the Facilities Funding and it's available through the State of Texas. LISD qualifies for 79.31%. The other option is the Tier II funding which will cover about 80% of the funding, but it is an enrichment funding so it dependent on the local tax collections. The estimated cost of financing \$144 million is as follows:

For the first year \$.07, second year \$.04, third year zero increase, fourth year \$.05, fifth year zero increase, and for the sixth year \$.01. Over the first six years there will be a total increase of \$.16 which makes up the 20% local funding. The State of Texas will pay approximately 80% of the cost of financing \$144 million either through Facility Funding or through Tier II funding. The tax increase is only for 20% of the cost

to finance the debt. Basically, the 80% comprises taxes that have been paid by the state and if Laredo does not take advantage of this, the funding will go somewhere else.

What happens after the bond election?

The bond issues are scheduled over the next six years: the first issue for \$50 million in 1999; second issue for \$20 million in 2001; third issue for \$20 million in 2002; fourth issue for \$20 million in 2004; fifth issue for \$15 million in 2005; and the sixth issue for \$19 million in 2006. The six bond issues include six installment sales in order to be able to afford that kind of program.

The submission for instructional funding application to the state is June 15th and one of the prerequisites to submitting the application is that they have a successful bond issue, then they are able to sell the bonds. The first bond sale is estimated at \$50 million to maximize the use of instructional facility funding. What that means is that they can get 79.31% of funding from the state for the first \$50 million and then the second phase will be on Tier II Funding.

In reference to property tax trends in LISD, they've seen a decline in taxes in the downtown area by 6.56%. The home average value has seen increase by \$2,063 or 4.6%, the business average value of a business has gone down by \$3,132 or 5.4%. There are 4,816 accounts that are over 65 accounts out of the total of \$27,542 which is only 6% of the total tax value.

He gave three examples in reference to impact to the local taxpayer:

TAXPAYER 1:

- Homeowner: Value of Property \$50,000
 \$50,000-15,000 exemption = \$35,000 (assumes no increase in property value)
- Current tax bill = (350 x 1,295) \$429
- Yr. 1 = (350 x 1,335) 24
- Yr. 2 = (350 x 1,335) 14
- Yr. 3 = (350 x 1,335) 0
- Yr. 4 = (350 x 1,385) 18
- Yr. 5 = (350 x 1,385) 0
- Yr. 6 = (350 x 1,395) 3
- Estimated increase in taxes is \$59/yr or \$5/month.

TAXPAYER 2:

- Homeowner: Value of Property \$50,000
(\$50,000-\$25,000 exemption = \$25,000 (assumes no increase in property value)
- No tax increase to Taxpayer over 65 years old.
- Current tax bill = (250 x 1.225) \$306
- Yr. 1 = (250 x 1.295) frozen 0
- Yr. 2 = (250 x 1.335) frozen 0
- Yr. 3 = (250 x 1.335) frozen 0
- Yr. 4 = (250 x 1.385) frozen 0
- Yr. 5 = (250 x 1.385) frozen 0
- Yr. 6 = (250 x 1.395) frozen 0

TAXPAYER 3:

- Business Owner: Value of Property \$100,000
- Current tax bill = (1,000 x 1.225) 1,225
- Yr. 1 = (1,000 x 1.295) 70
- Yr. 2 = (1,000 x 1.335) 40
- Yr. 3 = (1,000 x 1.335) 0
- Yr. 4 = (1,000 x 1.385) 50
- Yr. 5 = (1,000 x 1.385) 0
- Yr. 6 = (1,000 x 1.395) 10
- Estimated increase in tax is \$170/yr or \$14/month.

The voting for the bond election is set for Saturday May 1, 1999 and the early voting dates starting April 14-27, 1999. Some early voting sites include Cigarroa High, Christen Middle, Canizalez Gym, LCC, J.C. Martin Elementary among other schools. The regular voting sites include Salvation Army, Laredo Civic Center, St. Joseph Hall, Memorial Middle, Lamar Middle, Bruni Elementary, K. Tarver Elementary, Farias Elementary, among others.

In summary the \$144 million bond issue will provide improvements for the future of LISD students. He added that 80% will be paid by the State and the 20% will be covered by local taxpayers. The total cent increase is \$.17 over a six year period reflecting \$59 for the homeowner and \$179 for the business owner. The homeowner over 65 years old will not see any tax increase. The issuance will start on the summer of 1999 and will end in 2006. Mr. Amezcua urged citizens to get involved in the future of our community. The bond election hotline phone number is 795-3296.

Cm. Galo questioned whether the Tex-Mex yard is in the district.

Mr. Amezcua replied that they have not looked at the taxable or the tax revenue laws to the school district, there are some provisions in the education code for any major changes in the taxes. If there is a great decline in property value they can make a waiver to the state and get some relief from the state, but that at this time they have not looked at this particular issue.

Phyllis Colon, Tax Department Director, said that a lot of the railroad stock, etc. is not taxed such as the district we are in. It is taxed at the statewide level and distributed so this would not have a direct impact on us.

Cm. Guerra asked the LISD representatives look very closely into the drop-off areas on the new schools.

Motion to waive the regular order of business and move item A.1, at this time.

Moved : Cm. Bruni

Second: Cm. Agredano

For: 8

Against: 0

Abstain: 0

D. Request by Council member Eliseo Valdez Jr.

1. Presentation by staff on the compliance of Y2K and coordination efforts with other businesses that would ensure the same level of services.

Mike De La Fuente, MIS Director, reported that the City of Laredo has implemented a Year 2000 action plan. They are in the remediation process right now and have tested the water treatment plants, contacted the local utility companies, plus have received letters of assurance from them. This is an effort not only by the city, but a cooperate effort to be "Year 2000" compliant. He reiterated that there has been testing done, and have software applications already compliant, plus our computer systems are compliant.

Cm. Valdez inquired if he was satisfied with what he has seen with the test runs?

Mr. De La Fuente said he is not an expert in the Water Treatment Plant issues, but Mr. Roman stated that he has done some testing.

Fernando Roman, Utilities Director, reported that they have gone into the computerized operations and looked at what could be in conflict with Y2K. They did one more thing, and that is that they had every piece of equipment that runs by hand or by manual mode (if it has a chance of going computer or going manually) which is to switch to hand and ran the plans on a completely detach from any operation. They ran the water/sewer plants, every lift station, every booster station and if they have electricity they will have water. Other than that, they are purchasing software to do monitoring of the pressures and levels around the city so that they can see it at the plant instead of having to go out and drive and check the pressure in some areas.

As far as getting the bottom level of contingencies (and that is running by hand) they have done that and tested the plants. They will run provided there is electricity and CP&L assures us that they will also be running. He informed that CP&L can also run the facility by hand, except that they have some efficiencies to be concerned with because they have a lot of the operation controlled by a computer. He added that CP&L representatives said they will be complying on June 1, 1999.

Marga Lopez Baker, Business Manager for CP&L, reported that CPL is getting Y2K ready and their deadline is June 30, 1999. They will be having a press conference on April 14, 1999 and will be addressing the Telecommunications Commission on their updated plan.

E. Request by Council member Mario G. Alvarado

1. Confirmation of appointee Lynn S. Nava to the Parks and Recreation Board.

Motion to confirm Lynn S. Nava to the Parks and Recreation Board.

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

Against: 0 Abstain: 0

2. Discussion and possible action on the need to create a City/County Committee to develop a water and wastewater master plan for Laredo/Webb County.

Cm. Alvarado said he has had informal discussions with the two new County Commissioners and added that based on the growth that we are looking at, the Senate Bill, and the fact that we are looking at additional water resources, that we make sure that we address some of our key staff people who should be involved in this preparation and whether or not we need to set up a separate committee or whether it can be done through the Metro Government in joining with the county to look for ways to better service the people in Laredo and Webb County. He wants legal direction on this item.

Mayor Flores asked the City Secretary if there was a standing committee right now that can address this.

Gustavo Guevara, City Secretary, answered that the Metro Government.

Cm. Bruni stated that he feels that Metro Government would be the proper standing committee to address these problems.

Cm. Guerra said that the Water Issues Committee would also be beneficial to this effort.

Fernando Roman, Utilities Director, reported that he met with members of the NAD Bank (North American Development Bank), the Border Environmental Corporation Commission, the Texas Water Development Board, and members of Commissioners Court. This meeting had a two-fold approach (1) they wanted to know what the status of the colonias was and (2) on a question from both the county and the city regarding some of the applications made.

They presented to them some of the issues that they have been dealing with. He explained that the facilities plans are in the city's position, are being reviewed, and they will be coming back to the board with a proposal in approximately two weeks. They facility plan went from \$10.7 million to a \$15.2 million construction cost. Once they put the engineering, the contingencies, etc. it will go up to \$20 million. One of the objectives of that meeting was to see where they were.

He explained they are working with NAD Bank and BEC because they are the designated agencies now and where the federal money is going to, instead of coming directly to the state so they can make the loans.

On the second issue, he explained that the City of Laredo made an application for a grant for Water Master Plan six to nine months ago, but it had not gone anywhere and he asked where it was. They told him that they haven't moved on it because what they wanted to do is to allow the facility plans for the colonias to take place and kind of get out of the way. Apparently the Board Environment Commission (BEC) had some planning grants, some planning money, that they used with the condition that this planning grant will go to address a current or existing environmental or public health problem. That is why they couldn't give it to us as a grant just to do a master plan for infrastructure development. Upon talking to Mr. Urdillas, Engineer for BEC, who is in charge of this projects he asked him if that disqualified the City of Laredo from applying for the grant at all being that we are already looking at the public health issues of the colonias through the facility plan. He answered no, that actually combining the two water providers in the area (Webb and the City of Laredo) combining them into a grant for a Master Plan, they would consider that a greater Metropolitan Master Plan and that they could incorporate all the areas not just the existing public health problems so it looks promissory. They will be contacting them in a week or two once they know what is going to happen with the facility plans.

Cm. Alvarado said that in discussion with the Commissioners, they said they wanted to have Mr. Tomas Rodriguez and Mr. Carlos Villarreal involved in that particular committee as far as their staff is concerned. He thinks we should have Mr. Roman and our City Manager appoint one of the assistants to follow-up on this particular committee and work with both city/county staff's and bring back something back to City Council and that the Commissioner's Court can also follow-up on.

XI. PUBLIC HEARINGS

20. Public hearing concerning an application by Victor Casarez amending the Zoning Ordinance (Map) of the City of Laredo by rezoning Lot 1, Block 218, Eastern Division, located at

1802 S. Meadow Avenue, from B-1 (Limited Business District) to B-3 (Community Business District). The Planning and Zoning Commission recommends approval of this item.

INTRODUCTION OF AN ORDINANCE

Ordinance amending the Zoning Ordinance (Map) of the City of Laredo by rezoning Lot 1, Block 218, Eastern Division, located at 1802 S. Meadow Avenue, from B-1 (Limited Business District) to B-3 (Community Business District).

Motion to open the public hearing.

Moved : Cm. Bruni
 Second: Cw. Moreno
 For: 8 Against: 0 Abstain: 0

There was no public input.

Motion to close the public hearing and introduce.

Moved : Cm. Agredano
 Second: Cm. Bruni
 For: 8 Against: 0 Abstain: 0

Ordinance Introduction: Cm. Agredano

- 21. Public hearing concerning an application by Chi-Town Connection, Ltd., amending the Zoning Ordinance (Map) of the City of Laredo by rezoning 10.2995 acres as further described by metes and bounds, located south of International Boulevard, north of Del Mar Boulevard and east of I.H. 35, from R-1 (Single Family Residential District) to B-3 (Community Business District). The Planning and Zoning Commission recommends approval of this item.

INTRODUCTION OF AN ORDINANCE

Ordinance amending the Zoning Ordinance (Map) of the City of Laredo by rezoning 10.2995 acres as further described by metes and bounds, located south of International Boulevard, north of Del Mar Boulevard and east of I.H. 35, from R-1 (Single Family Residential District) to B-3 (Community Business District).

Motion to open the public hearing.

Moved : Cm. Bruni
 Second: Cw. Moreno
 For: 8 Against: 0 Abstain: 0

There was no public input.

Mayor Flores pointed that staff does not support the proposed change and one thing she has seen a lot on the zoning changes is that the future Land Use Map recognizes the area for different use than what is being proposed for the area. She remarked, "How old is our Comprehensive Plan? Is this the 1991 Plan? Shouldn't we be working on updating that plan?"

Keith Selman, Planning Director, made a presentation and replied that the plan was adopted in 1991, but it has been subsequently amended on numerous occasions. If they were to go into amendments of the Land Use Plan at this point in time, they would have to start over on the impact fees, so they are tied to this Land Use Layout until they can get through the impact fee process.

Mayor Flores said that the Comprehensive Plan needs to be improved and updated.

Motion to close the public hearing, introduce the ordinance, and accept P&Z's recommendation for approval of the zone change.

Moved : Cm. Alvarado

Second: Cm. Valdez

For: 4

Cm. Bruni

Cm. Valdez

Cm. Alvarado

Cw. Montalvo

Against: 3

Cw. Moreno

Cm. Agredano

Cm. Galo

Abstain: 1

Cm. Guerra

Ordinance Introduction: Cm. Alvarado

- 22. Public hearing concerning an application by Pedro M. Bustamante, owner and Mejia Engineering Company, applicant amending the Zoning Ordinance (Map) of the City of Laredo by rezoning 1.013 acres as further described by metes and bounds, located at 10114 Mines Road, from B-1 (Limited Business District) to B-3 (Community Business District). The Planning and Zoning Commission recommends approval of this item.

INTRODUCTION OF AN ORDINANCE

Ordinance amending the Zoning Ordinance (Map) of the City of Laredo by rezoning 1.013 acres as further described by metes and bounds, located at 10114 Mines Road, from B-1 (Limited Business District) to B-3 (Community Business District).

Motion to open the public hearing.

Moved : Cw. Montalvo
Second: Cm. Alvarado
For: 8

Against: 0 Abstain: 0

There was no public input.

Motion to close the public hearing and introduce.

Moved : Cm. Alvarado
Second: Cm. Agredano
For: 8

Against: 0 Abstain: 0

Ordinance Introduction: Cm. Alvarado

- 23. Public hearing concerning an application by Pedro Gonzalez III amending the Zoning Ordinance (Map) of the City of Laredo by rezoning 3.957 acres as further described by metes and bounds, located at 5412 Riverside Drive, from AG (Agricultural District) to M-1 (Light Manufacturing District). The Planning and Zoning Commission recommends approval of this item.

INTRODUCTION OF AN ORDINANCE

Ordinance amending the Zoning Ordinance (Map) of the City of Laredo by rezoning 3.957 acres as further described by metes and bounds, located at 5412 Riverside Drive, from AG (Agricultural District) to M-1 (Light Manufacturing District).

Motion to open the public hearing.

Moved : Cm. Alvarado
Second: Cm. Valdez
For: 8

Against: 0 Abstain: 0

There was no public input.

Motion to close the public hearing and introduce.

Moved : Cm. Alvarado
Second: Cm. Agredano
For: 8

Against: 0 Abstain: 0

Ordinance Introduction: Cm. Alvarado

- 24. Public hearing amending Section 24-77.1, Dimensional Standards, of the Laredo Land Development Code by adding a restriction of less than 5,000 square feet to the dimensional standards of

residential lots of record for setback purposes.

INTRODUCTION OF AN ORDINANCE

Ordinance amending Section 24-77.1, Dimensional Standards, of the Laredo Land Development Code by adding a restriction of less than 5,000 square feet to the dimensional standards of residential lots of record for setback purposes.

Motion to open the public hearing.

Moved : Cw. Montalvo

Second: Cw. Moreno

For: 8

Against: 0

Abstain: 0

There was no public input.

Keith Selman, Planning Director, stated there is an update to the communication. The P&Z Commission in a 8 to 0 voted to recommends approval of the proposed amendment.

Motion to close the public hearing and introduce.

Moved : Cm. Galo

Second: Cm. Agredano

For: 8

Against: 0

Abstain: 0

Ordinance Introduction: City Council

- 25. Public hearing amending the City of Laredo FY1998-99 General Fund annual budget by appropriating revenues and expenditures in the amount of \$847,783.00, for the purchase and installation of the City's institutional network equipment. This equipment will allow utilization of the City's Institutional Network (I-Net) and will connect most city facilities and the seven local high schools via a fiber optic network to support data, voice, and video networks.

INTRODUCTION OF AN ORDINANCE

Ordinance amending the City of Laredo FY1998-99 General Fund annual budget by appropriating revenues and expenditures in the amount of \$847,783.00, for the purchase and installation of the City's institutional network equipment. This equipment will allow utilization of the City's Institutional Network (I-Net) and will connect most city facilities and the seven local high schools via a fiber optic network to support data, voice, and video networks.

Motion to open the public hearing.

Moved : Cm. Galo
Second: Cw. Moreno
For: 8

Against: 0 Abstain: 0

Mr. Hue Mong had a question as to how this is going to be used and for what purpose?

Mr. Pena explained that this is a fiber optic system that is going to tie the public facilities such as the ones mentioned so that we can establish data and voice communication back and forth. Also, to do long distance learning centers simultaneously for high schools. He added there is also the benefit of having our own servers so that we have own internet system without having to pay for internet service.

Mayor Flores indicated that we have 40 locations throughout the city and it will be easier for us to communicate.

Mr. Mong asked if this is a fiber optic hard bind for making an expanded network between the City and the schools?

Mr. Pena replied, "that is correct".

Motion to close the public hearing and introduce.

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

Against: 0 Abstain: 0

Ordinance Introduction: City Council

26. Public hearing amending the City of Laredo FY1998-1999 Annual Budget in the amount of \$91,000 for a grant from the Telecommunications Infrastructure Fund Board for the wiring and equipping of Bruni Plaza Branch Library providing for effective date.

INTRODUCTION OF AN ORDINANCE

Ordinance amending the City of Laredo FY1998-1999 Annual Budget in the amount of \$91,000 for a grant from the Telecommunications Infrastructure Fund Board for the wiring and equipping of Bruni Plaza Branch Library providing for effective date.

Motion to open the public hearing.

Moved : Cm. Bruni

Second: Cm. Agredano

For: 8

Against: 0

Abstain: 0

There was no public input.

Motion to close the public hearing and introduce.

Moved : Cw. Montalvo

Second: Cm. Bruni

For: 8

Against: 0

Abstain: 0

Ordinance Introduction: Cw. Montalvo

- 27. Public hearing to amend the City of Laredo's ordinance number 98-O-356 which inadvertently the revenue source was not included in the financial section. This ordinance is to fund the Laredo Border Violence TF operation in the amount of \$116,662 and authorize the City Manager to enter into an agreement with the Department of Treasury/U.S. Customs Service for the reimbursement of \$91,000 for overtime wages, with the City of Laredo designating \$25,662 for benefit wages for a total of \$116,662. The Laredo Border Violence TF will assist U.S. Customs Agents in conducting official Treasury investigations. These monies will be used to pay overtime and benefit wages for Laredo Police Narcotics officers involved in this Task Force. This will be the second year the City has entered into this agreement. Funding is available from the Federal Emergency Management Agency (FEMA) reimbursement.

INTRODUCTION OF AN ORDINANCE

Ordinance to amend the City of Laredo's ordinance number 98-O-356 which inadvertently the revenue source was not included in the financial section. This ordinance is to fund the Laredo Border Violence TF operation in the amount of \$116,662 and authorize the City Manager to enter into an agreement with the Department of Treasury/U.S. Customs Service for the reimbursement of \$91,000 for overtime wages, with the City of Laredo designating \$25,662 for benefit wages for a total of \$116,662. The Laredo Border Violence TF will assist U.S. Customs Agents in conducting official Treasury investigations. These monies will be used to pay overtime and benefit wages for Laredo Police Narcotics officers involved in this Task Force. This will be the second year the City has entered into this agreement. Funding is available from the Federal Emergency Management Agency (FEMA) reimbursement.

Motion to open the public hearing.

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

Against: 0 Abstain: 0

There was no public input.

Motion to close the public hearing and introduce.

Moved : Cm. Alvarado
Second: Cm. Agredano
For: 8

Against: 0 Abstain: 0

Ordinance Introduction: City Council

- 28. Public hearing amending the City of Laredo's 1998-1999 annual budget in the amount of \$70,105 for the Multi-Agency Narcotic Task Force. Funding is available from the opening balance of the Narcotic Task Force Division and will be used to pay overtime for April and May of this fiscal year. Grant period is from June 1, 1998 through May 31, 1999.

INTRODUCTION OF AN ORDINANCE

Ordinance amending the City of Laredo's 1998-1999 annual budget in the amount of \$70,105 for the Multi-Agency Narcotic Task Force. Funding is available from the opening balance of the Narcotic Task Force Division and will be used to pay overtime for April and May of this fiscal year. Grant period is from June 1, 1998 through May 31, 1999.

Motion to open the public hearing.

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

Against: 0 Abstain: 0

There was no public input.

Motion to close the public hearing and introduce.

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

Against: 0 Abstain: 0

Ordinance Introduction: City Council

- 29. Public hearing amending the City of Laredo's Special Police Program 1998-1999 budget in the amount of \$173,798 for a supplemental grant to the COPS Ahead grant from the U.S.

Moved : Cw. Montalvo
Second: Cm. Galo
For: 8

Against: 0

Abstain: 0

Ordinance Introduction: Cw. Montalvo

XII. ADJOURNMENT

Motion to adjourn.


Adjournment time: 9:10 p.m.

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

Against: 0

Abstain: 0

I HEREBY CERTIFY THAT THE ABOVE MINUTES CONTAINED IN PAGES 01 TO 48 ARE TRUE, COMPLETE, AND CORRECT PROCEEDINGS OF THE CITY COUNCIL MEETING HELD ON THE 22ND DAY OF MARCH, 1999. A CERTIFIED COPY IS ON FILE AT THE CITY SECRETARY'S OFFICE.



Gustavo Guevara, Jr.
City Secretary

Minutes approved: April 19, 1999