

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

M99-R-10

M I N U T E S

APRIL 5, 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,	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

1. City Council Meeting, March 1, 1999
City Council Meeting, March 15, 1999

Motion to approve.

Moved : Cm. Agredano

Second: Cm. Galo

For: 8

Against: 0

Abstain: 0

V. INTRODUCTORY ORDINANCE

2. Authorizing the City Manager to execute a lease agreement with

Webb County for a tract of land consisting of approximately 100,357 square feet located on Block No. 23 at the Laredo International Airport.

- a. Lease term is for one year commencing on October 1, 1998 and ending September 30, 1999.
- b. Monthly rent starting on October 1, 1998 shall be \$1,700.00.

Ordinance Introduction: City Council

3. Authorizing the City Manager to execute a lease agreement with Webb County American Red Cross for approximately 491 square feet constituting Suite No. 2 of Building S-1 located at 1718 E. Calton Road at the Laredo International Airport.
 - a. Lease term is for one year commencing on February 1, 1999 and ending on January 31, 2000 and may be extended for one year ending January 31, 2001.
 - b. Monthly rent shall be \$300.00 and will be adjusted annually during the primary and extension terms of this lease according to changes in the Consumer Price Index.

Ordinance Introduction: City Council

4. Authorizing the City Manager to execute a lease agreement between the City of Laredo, as Lessor and International Bank of Commerce, as successor to that lease agreement approved by Ordinance No. 96-O-200 dated November 16, 1996 between the City of Laredo, as Lessor and Gerardo Javier Ramos, as Lessee, and Eleuterio Garza d/b/a/ E. Garza Construction Company, as assignee and now hereinafter referred to as Lessee under this amended lease for two tracts of land being Lot No. 1 consisting of approximately 15,463.8 square feet and Lot No. 3 consisting of approximately 4,769 square feet all located on Block No. 15 of Subdivision Plat of Laredo Airport and is further described by metes and bounds description.
 - a. Lease term is for twenty (20) years commencing on December 1, 1996 until November 30, 2016, plus two consecutive ten (10) year renewal option periods until November 30, 2036.
 - b. Monthly rent effective January 1, 1999 shall be \$540.00 plus annual rent adjustments based on changes in the Consumer Price Index and the rental obligation shall be further adjusted based on Fair Market Rent appraisals at each ten (10) year anniversary.

Ordinance Introduction: City Council

5. Consenting to transfer an assignment of a Lease Agreement for approximately 8,580 square feet constituting Building No. 55,

located at 4818 Thomas Avenue, Block No. 10, at the Laredo International Airport, from Arturo Fernandez to Valero Development Corporation and approving the assignment of said lease by and between Arturo Fernandez to Valero Development Corporation and authorizing the City Manager to execute said consent of assignment.

Ordinance Introduction: City Council

6. Authorizing the City Manager to execute all necessary documents to effectively convey a 17' x 110' easement and right-of-way, to Central Power and Light Company, for the installation of certain underground electrical service facilities to serve Fire Station No. 11 at 11015 McPherson Road in Laredo, Texas. Said 17' x 110' easement and right-of-way being situated in Porcion 20 and the northeast part of Survey Number 2415, School File 14283, Webb County, Texas, and providing for an effective date.

Ordinance Introduction: City Council

7. Authorizing the City Manager to execute all necessary documents to effectively convey a 12' x 65' easement and right-of-way, to Central Power and Light Company, for the installation of certain underground electrical service facilities to serve Fire Station No. 10 at 5210 Hwy 359, in Laredo, Texas. Said 12' x 65' easement and right-of-way being situated in Las Cruces Subdivision Unit 1, in Porcion 31, Abstract 3116, Webb County, Texas, and providing for an effective date.

Ordinance Introduction: City Council

8. Rescinding Ordinance No. 99-O-002, and authorizing the City Manager to execute all necessary documents to effectively convey fee simple title to the United States of America, General Services Administration for the sale, at its market value, to certain City property described as the "Surface Only" of a tract of land consisting of 15,432.35 square feet (55.56' x 277.76) more or less, of the 1000 block of Salinas Avenue between Washington and Victoria Streets and being bounded on the east by Block 172, W.D. and on the west by Block 171, W.D. Said street situated in the Western Division, City of Laredo, Webb County, Texas, provided however, that the City of Laredo will retain the entire street property as a utility easement, and providing for an effective date.

Ordinance Introduction: City Council

VI. FINAL READING

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

Motion to waive the final reading of ordinances #99-O-087, #99-O-088, #99-O-089, #99-O-090, #99-O-091, #99-O-092, #99-O-093, #99-O-094, #99-O-095, #99-O-096, #99-O-097, and #99-O-098.

Moved : Cm. Bruni

Second: Cm. Agredano

For: 8

Against: 0

Abstain: 0

9. 99-O-087 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). (Cm. Alfredo Agredano)

Motion to approve Ordinance #99-O-087.

Moved : Cm. Bruni

Second: Cm. Alvarado

For: 8

Against: 0

Abstain: 0

- 99-O-088 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). (Cm. Mario G. Alvarado)

Ms. June Leyendecker addressed her concerns regarding this item. First of all, she inquired why isn't there a clear property description and why is the name of the property owner requesting a zone change not included on this item on the agenda?

She said that property owners within 200 feet from the area of the zoning change are the ones notified. How can a person who owns a property a little over 200 feet from the proposed zone change be aware of this change without a clear property description or the name of the person requesting this zone change?

She respectfully suggested that the 200 feet required for notification of nearby owners be increased to 1,000 feet or more. She also suggested that it be

made a requirement to include on agendas of council meetings and P&Z Commissioners meetings, the name of the property owner requesting the zone change. This would allow more property owners that might be affected by an impending change to become aware of it.

She learned from the City Planner that several types of businesses could be included in a property zoned as B-3; however, the "one type" that got stuck on her mind was "storage for portable toilets." She inquired, would this be desirable on a main thoroughfare through a residential area?

Her other concern deals with a property adjacent to the east of this property that was recently approved by council for a zone change from R-1 to R-3 over P&Z's objections. She said that the property description was vague, as it is on this agenda tonight. The name of the property owner requesting the zone change was also not included on the agenda. Nearby property owners who are affected and may strongly object were not aware of the proposed change.

She wondered why recommendations made by P&Z are disregarded by council. She quoted, "we pay people who have the education and the background, take the time, and make the effort, so they can recommend what is presumably best for the City, then these recommendations are disregarded."

In 1991 one such decision made by the City Council over P&Z's objections changed the route of Springfield from extending north between our property and Hilltop (taking equal amounts of land from both sides) and through what is now Salinas-Key. She stated that, "Springfield's extension north is now proposed to bisect our property. We were not informed of this change and learned of it after the fact. This change greatly devalued the 40 acres where we live, has left us without access, and has caused us continuing problems. Our ignorance in this matter is still costing us dearly." She concluded by saying that property owners must be made aware of the proposed thoroughfares or zoning changes before the change is made, not after the fact.

Cm. Guerra

17. Consideration to authorize staff to advertise the sale of Lot 1 and the W 1/2 of Lot 2, Block 1082, Eastern Division. This property is located at the 600 block of North Buena Vista Avenue.

Motion to approve.

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

Against: 0 Abstain: 0

18. Consideration to award six month supply contracts to the LOW BIDDERS, Treadco Inc., Laredo, Texas (\$40,761.10), Goodyear Auto Store, Laredo, Texas (\$33,695.30), Tire Center, Inc. Laredo, Texas (\$31,389.20), and A to Z Tire & Battery, Laredo, Texas (\$866.82) to supply tires and tubes for all City vehicles.

Motion to approve.

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

Against: 0 Abstain: 0

19. Consideration to award contract to the following LOW BIDDERS, Clifford of Vermont, in the amount of \$9,627.60, Consolidated Electrical Distributors in the amount of \$4,159.04 and 3-G Electrical Supply in the amount of \$2,504.27 for the purchase of electrical conduits wire, and related items for the use in the installation of new traffic signals.

Motion to approve.

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

Against: 0 Abstain: 0

20. Consideration of an award of contract 99-065 to the LOW BIDDER, Goldthwaites's of Texas, Inc., Fort Worth, Texas in the amount of \$20,566.00, for the purchase of two riding mowers with a 72" cutting deck, for the Airport Ground Maintenance Division. Delivery of the new mowers is expected within forty five days.

Motion to approve.

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

Against: 0

Abstain: 0

21. Consideration of an annual contract number 99-068 to the LOW BIDDER, Garcia Glass, Laredo, Texas in the estimated amount of \$15,000.00 for providing glass replacement service for the Fleet Maintenance Division. All work will be done on a per need basis.

Motion to table this item.

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

Against: 0

Abstain: 0

22. Consideration of contract number 99-063 to the LOW BIDDER, Majic Car Wash Inc., Laredo, Texas in the estimated amount of \$333,000.00, for furnishing car wash services for the City's automotive fleet. Bids were requested on car wash service with and without inside vacuum. All services are secured on an as need basis. The bid pricing for the most utilized service is approximately the same as the previous contract period.

Motion to approve.

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

Against: 0

Abstain: 0

23. Consideration of contract number 99-061 to the LOW BIDDER, G.T. Distributors, Inc., Laredo, Texas in the amount of \$31,918.50, for the purchase of approximately 282 cases of practice ammunition for the Police Department. Bids were requested on the following ammunition types. 45 ACP, 9mm, .38 special, and 12 ga. shotgun shells.

Motion to approve.

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

Against: 0

Abstain: 0

24. Consideration of contract number 99-0072 to the LOW BIDDER, Zapata Lease Services, Laredo, Texas in the amount of \$60,000.00, for the excavation, removal, and disposal of debris on the tract of land when the new Public Works facility will be built. The contractor will be responsible for providing all

equipment, labor, and any materials necessary to complete the scope of work. The tract of land is located at the east terminus of Gale Street and east of the Bartlett Avenue extension.

Motion to approve.

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

Against: 0 Abstain: 0

- 25. Consideration of contract number 99-076, to the LOW BIDDER for a major overhaul of the centrifugal chiller located at the Civic Center complex. Bids were opened on Friday, April 2, 1999. Based on a tear down inspection by the manufacturer, it was determined that a major overhaul was required to bring the unit to operational condition. The chiller is one of two operating at the complex. It is anticipated that the repaired unit will be fully operational within three weeks.

Note: Mayor Flores announced that the low bidder is Trance Corporation in the amount of \$31,400. This information was not in the description because the bids were opened late Friday afternoon.

Motion to approve.

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

Against: 0 Abstain: 0

- 26. Consideration of an award of contract number 99-058 to the LOW BIDDER MEETING SPECIFICATIONS, Al and Rob Sales, Laredo, Texas in the estimated amount of \$19,114.40, for the purchase of uniforms for the Bridge Department personnel. Full service contracts, which include alteration services, will be awarded to the low bidder. The overall contract pricing is 12% less than the previous contract pricing. The City did receive a lower bid from Martin's Uniforms, Tampa, Florida, however, the uniforms proposed by this vendor are not similar (color shade nor style) to the uniforms currently approved for use. Staff is recommending that this bid not be considered.

Motion to approve.

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

Against: 0 Abstain: 0

alteration services, will be awarded to the low bidder. The City has included delivery deadlines in the contract documents requiring that the clothing be delivered within forty five days after receipt of order. The overall contract pricing is approximately the same as the previous year.

Motion to approve.

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

Against: 0 Abstain: 0

- 31. Consideration to approve award of an engineering contract to Foster Engineering Company, Laredo, Texas, for an amount not to exceed \$166,000.00 for surveys, design, and preparation of plans and specifications with cost estimates for the Killam Industrial Boulevard Extension Project. Funding is available in the Capital Improvement Project Killam Industrial Boulevard Extension.

Motion to approve.

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

Against: 0 Abstain: 0

- 32. Consideration to approve award of an engineering contract to Crane Engineering Company, Laredo, Texas, for an amount not to exceed \$15,500.00 for surveys, design, and preparation of plans and specifications with cost estimates for the CDBG Sidewalks - 31 Blocks. Funding is available in the Community Development Sidewalk Account.

Motion to approve.

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

Against: 0 Abstain: 0

- 33. Consideration to approve award of an engineering contract to Mejia Engineering Company, Laredo, Texas, for an amount not to exceed \$94,976.00 for surveys, design, and preparation of plans and specifications with cost estimates for the McPherson Road Widening Project. Funding is available in the Capital Improvement Project McPherson Widening II.

Motion to approve.

between Meadow Avenue to Foster Avenue and the Widening of Meadow Avenue between Saunders Street to Bustamante Street and approval of final payment in the amount of \$39,388.11 to Price Construction, Inc., Laredo, Texas. This project is part of an EDA Grant Project No. 08-01-3080 Airport Medical Infrastructure Improvements. Funding is available in EDA Airport/Medical Park.

Motion to approve.

Moved : Cm. Agredano

Second: Cm. Alvarado

For: 8

Against: 0

Abstain: 0

38. Consideration to authorize the purchase of twenty five portable radios for the Police Department through the Houston Galveston Area Council of Governments (HGAC) - Cooperative Purchasing Program, in the total amount of \$51,754.19. These voice secure radios will be purchased through the cooperative purchasing contract vendor Motorola. Delivery of these radios is expected within sixty days.

Motion to approve.

Moved : Cm. Agredano

Second: Cm. Alvarado

For: 8

Against: 0

Abstain: 0

39. Consideration to amend the annual service contract number 99-015 awarded to Star Operations, Inc., Corpus Christi, Texas, in an amount of \$49,112.00, for electrical needed at the Los Dos Laredos park. this work includes removal and installation of new light poles, installation of new light fixtures, and all required rewiring necessitated by the flood damage. Consideration to authorize the City Manager to enter into a contract not to exceed \$300,000.00 for the furnishing of all necessary materials, machinery, equipment, labor, and all other services necessary for the maintenance of street lights (not maintained by CP&L) and traffic signal lights throughout the city was awarded on 12/07/98. The contract includes \$100,000.00 for electrical services for traffic signals and street lights, and \$200,000.00 for installation, construction, and underground work, for new and/or upgraded traffic signals and for the installation and maintenance of street lights.

Motion to approve.

Moved : Cm. Galo

Second: Cm. Agredano

- amount of \$641.34 due to an overpayment by LNB and taxpayer.
- b. Jabe Ventures LTD is requesting a refund in the amount of \$1,036.34 due to an overpayment of Abstract Co. and taxpayer.
 - c. Felix Granados in the amount of \$500.52 due to an Over 65 Exemption and clerical error.

Motion to approve.

Moved : Cm. Galo

Second: Cm. Agredano

For: 8

Against: 0

Abstain: 0

44. Consideration to authorize the selection of Sherfey Engineering to design the extension to the Chacon Creek Interceptor. This project is a two-mile, wastewater line extension from Highway 59 to the north end of East Corridor, involving a feasibility study to determine route and size; line design; and construction services. Work is to be initiated within 60 days to mesh its construction phase with the end of original Chacon Creek Interceptor project.

Motion to approve.

Moved : Cm. Galo

Second: Cm. Alvarado

For: 8

Against: 0

Abstain: 0

45. Consideration to authorize the assignment of surplus bond funds from the current bond projects for Water and Wastewater to new proposed bond projects within each division.

Cw. Moreno did not concur with this item. She questioned why funds from Project 61 are being reassigned to other projects, and requested that this item be tabled.

Fernando Roman, Utilities Director, explained that Project 61, an original 10 block project, had monies allocated for it. Originally there were \$260,000 in each water and wastewater for that project. Since water and wastewater work has been completed on those original 10 blocks, surplus funds were assigned to other projects. This way, monies that were sitting idle will be used to keep other projects moving.

Cw. Moreno disagreed and said she feels that the surplus funds need to be used to complete the paving of all the blocks contemplated on Project 61.

There was lengthy discussion on this matter and other issues got involved with the discussion.

City Manager Pena addressed the fire training facility waterline funds and the water improvements, which are not totally funded for Project 61.

Motion to table.

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

Against: 0 Abstain: 0

- 46. Consideration to authorize the City Manager to execute professional services renewal contracts for one year with J&A Pharmacy not to exceed \$82,800, and Home Options, Inc., not to exceed \$25,000 to provide pharmaceutical and/or home health services to HIV/AIDS clients of the City of Laredo Health Department for the period beginning April 1, 1999, through March 31, 2000. J&A Pharmacy is the only pharmacy authorized to receive reimbursement of over \$15,000.

<u>Program</u>	<u>Provider</u>	<u>Contract</u> <u>(Not to Exceed)</u>	<u>Date</u>
HIV/AIDS	J&A Pharmacy	\$82,800	4/1/99 - 3/31/00
HIV/AIDS	Home Options	\$25,000	4/1/99 - 3/31/00

Motion to approve.

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

Against: 0 Abstain: 0

- 47. Consideration to authorize the City Manager to request Interest Statements from the general public to lease all or part of Block 19 of the Laredo Airport Plat from the City at the Laredo International Airport for medical related purposes.

Motion to approve.

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

Against: 0 Abstain: 0

- 48. Consideration to authorize the award of contract to LOW BIDDERS for the purchase of Traffic Signal assemblies and related items. The low bidders are as follows:
 Naztec \$33,680.86

Miscellaneous items:

- Concrete approach slab still pending.
- Interior rail still pending.
- Exterior rail still pending.
- Light poles still pending.
- Security fence still pending.
- Rip rap 80% complete.
- Excavation at bridge end 60% complete.

The amount of the bridge's completed construction is 57%. The scheduled date for completion is July 1999, a month ahead of the required completion date of August 27, 1999.

BORDER FACILITIES:

A contract was awarded on January 4, 1999 to M.W. Builders, Inc. from Temple, Texas in the amount of \$29,277,000.

The construction will be completed in two stages.

Stage I

Would allow the city to commence operations on March 15, 2000.

Stage II

Would follow with an additional 6 months of construction and completion of Phase IA of the Border Facilities would be fully constructed by September 15, 2000.

City currently has identified the plans and specs liquidated of \$4,500 per day for completion after March 15, 2000.

On January 18, 1999, following the meeting in Mexico City, City Council was presented with Change Order No. 1, to the Construction Contract with M.W. Builders, Inc. The change order includes the following:

1. The original Construction Contract time was changed from September 15, 2000 to March 15, 2000.
2. Also, as an incentive, the contractor will be paid \$4,500.00 for each calendar day that all work and construction in Stage I facilities is complete and operational prior to March 15, 2000. This incentive will be paid up to a maximum of 60 calendar days for a maximum of \$270,000.00.

CONSTRUCTION STATUS OF U.S. BORDER FACILITIES:

Mobilization - 100% complete
 Clear & Grub Site - 85% complete
 Site Cut & Fill - 15% complete
 Import Dock - 5% complete
 Site Utilities - 3% complete
 Off-Site Utilities - 1% complete
AMOUNT OF U.S. BORDER FACILITIES CONSTRUCTION COMPLETE - 7%

Note: Those items for which has not yet commenced are not included above.

ROADWAY - TxDOT:

Milo Approach:

Project Summary:

Total % Complete - 16.43%
 Total time used - 10%

Total Contract Amount - \$32,842,589.99
 Total Pay Out as of Today - \$5,396,953.88

Embankments on the project are 70% complete at this point
 Concrete Box Culvert #2 (100% complete) - just need wings.
 Concrete Box Culvert #3 - starting work at this time.

Riverbank Bridge:

100% drill shaft work done.
 25% columns are complete.
 The large box culvert 100% complete (Culvert #1) - just needs the wing wall to be constructed.

FM 1472 Bridge: 100% drill shaft work done.
 30% columns complete.

FM 1472 Connector: The drill shaft work for the connector has started at this time.

TxDOT - PHASE I includes the frontage roads, bridge over Mines Road west bound and the direct connector from Mines Road to Loop 20.

A contract was awarded to H.B. Zachry in the amount of \$32,589.99.

Phase II - Includes 2 bridges for railroad tracks, 4 new bridges on IH-35 and 2 direct connectors from southbound IH-35 to northbound Loop and eastbound Loop to northbound IH-35.

This phase will be let in June 1999.

MEXICO

A contract was awarded to Empresas ICA in the amount of \$18 million pesos and construction started August 1998.

Construction Status of Mexico portion of Bridge:Substructure:

- Drilled Shafts - 100% complete
- Columns - 100% complete
- Caps - 100% complete

Superstructure:

- Beams Fabricated 50 of 80 - 63% complete
- Beams Erected 19 of 80 - 24% complete
- Precast Panels Fabricated - 470 of 915
51% complete.
- Precast Pannels Erected 5 of 915
5% complete
- Cast-in-place Slab 0 of 5 - 0% complete

Miscellenous Items:

- Concrete Approach Slab still pending
- Interior Rail still pending
- Exterior Rail still pending
- Light Poles still pending
- Security Fence still pending
- Rip Rap still pending
- Excavation at Bridge end still pending

AMOUNT OF BRIDGE CONSTRUCTION COMPLETED IS 40%**Roadway/Interchange and Border Facilities**

A contract was awarded on January 8, 1999 to Andrade Gutierrez at a cost of \$456,228,818.18 pesos for both, the Border Facilities and the Roadway. Contractor has not started yet.

Mrs. Collazo reported that as of last week they (the Mexican Contractor) indicated that they have yet to start. She phoned this afternoon to find out the status, but was unable to locate the project manager.

51. Presentation regarding the Laredo Northwest International Bridge (Fourth Bridge) Project Plaque.

Florencio Pena, City Manager, stated that this project will involve the placement of two plaques. One will be located at the middle of the bridge and will be placed upon the completion of the bridge structure itself (by July of this year). The other plaque will not be placed until April 2,000 when the border station is completed. He said that they have to order the plaque that will be on the bridge structure so they need for council to review it and then they need their approval.

Mayor Flores asked if they can call this the "Dedication Plaque" since these are really the people that are here during this dedication.

City Manager Pena stated that the initial "Convenio" for the bridge was approved in 1988, the Presidential Permit was issued in 1994 and construction started in 1998. He added that this is strictly a decision of the City Council and that they do need to order the plaque. He concluded by saying that there will be a dedication this summer when the bridge is completed and for the border station there will be a separate plaque.

Motion to approve the plaque as presented.

Moved : Cm. Guerra

Second: Cw. Montalvo

For: 8

Against: 0

Abstain: 0

- 52. Presentation of the General Fund Opening Balance on October 1, 1998.

Heberto Ramirez, Budget Officer, made the presentation on the beginning and estimated balances plus on the analysis of closing balances as follows:

**CITY OF LAREDO
OPENING FUND BALANCE
OCTOBER 1, 1998**

GENERAL FUND	Budget Estimate FY97-98	Budget Actual FY97-98	Difference
Beginning Balance October 1, 1997	12,037,474	12,037,474	0

REVENUES

Taxes	26,399,540	26,926,648	527,108
Franchise Fees	5,352,924	5,067,426	(285,498)
Licenses and Permits	1,569,940	1,868,434	298,494
Intergovernmental Revenues	583,634	433,390	(150,244)
Charges for Services	19,490,117	18,288,558	(1,201,559)
Fines	1,333,099	1,391,458	58,359
Fees and Collections	491,111	536,075	44,964
Interest and Other	5,696,977	5,253,609	(443,368)
Miscellaneous	801,790	764,240	(37,550)
Total Revenues	61,719,132	60,529,838	(1,189,294)

EXPENDITURES

General Government	8,267,801	8,221,359	(46,442)
Public Safety	31,266,360	31,238,295	(28,065)
Public Works	8,375,487	7,725,213	(650,274)
Health and Welfare	1,504,728	754,402	(750,326)
Cultural and Recreational	4,834,635	4,493,210	(341,425)
Other Financing Uses	3,905,100	3,749,923	(155,177)
Other	2,248,851	2,031,815	(217,036)
TOTAL EXPENDITURES	60,402,962	58,214,217	(2,188,745)
ENDING BALANCE, SEPTEMBER 30, 1998	13,353,644	14,353,095	999,451

**CITY OF LAREDO
ANALYSIS OF CLOSING BALANCE**

	Total Estimate FY 97-98	Actual FY97-98	Proposed Budget FY98-99	Budget FY98-99
GENERAL FUND				
BEGINNING BALANCE	12,037,474	12,037,474	13,353,644	14,353,095
REVENUES	61,719,132	60,529,838	59,583,797	59,583,797
EXPENDITURES	60,402,962	58,214,217	62,526,720	62,526,720
CLOSING BALANCES	13,353,644	14,353,095	10,410,721	11,410,172
% CLOSING BALANCE TO EXPENDITURES	22.11%	24.66%	16.65%	18.25%

Mr. Ramirez reported that there was a drawdown when they prepared the budget for 98/99. They had \$59,583,797 in revenues as opposed to \$62,526,720 in expenses, so in essence they drew down the fund balance by \$2.9 million. The proposed 98/99 projection is 16.65%. He added that because we ended up with \$999,451 more, our projected ending balance at the end of this fiscal year will stay at 18.25%

The 24.66% would have been the ending balance of the end of September 1998. There was a drawdown of \$2.9 million into the new budget year, so they are estimating \$16.65% (projected ending balance) over expenditures. They will end up at 18.25%.

He added that council was provided with a recap on the Proposed General Fund Drawdown. They are recommending five projects, unless council wants to change them, for the \$999,451.

Cw. Moreno asked why Paving Project 61 was not considered?

City Manager Pena said their recommendation was to fund projects that are council approved. For example, the South Meadow Bridge Project which is council approved, but there is a cost (over) of \$259,000. Also, the Killam Industrial Boulevard project which is also council approved and has funds appropriated.

Cw. Moreno asked, "Where is Project 61?" She questioned, "how can you use that logic, Mr. Pena..come on?"

Mr. Pena replied that Project 61 is not funded.

Cw. Moreno quoted, "But it's an approved project, approved more than ten years ago."

Mr. Pena replied, "well, this is our recommendation and council can certainly alter this recommendation if you wish, but these projects are funded, they need additional funds to complete them. Projects include the Killam Industrial Park, Hilltop Subdivision, the truck route intersection for \$170,000.00." They have done estimates to do Springfield/Calton and San Francisco/Calton and it appears they are going to need additional funding. He added that these are approved and funded projects. Now that the engineering is about to be completed, the estimates are showing that additional funding is needed.

Cw. Moreno asked if the majority of the engineering work was already done for the paving project.

Mr. Pena answered, "what is funded currently is 10 blocks."

Cw. Moreno asked if on the rest of it, is the engineering done? We just don't have the money to do the paving.

Mr. Pena replied that the recommendation is that these projects be funded.

In reference to the traffic signal project, this is a project where UISD has indicated an interest to match. If we plan to get the traffic signal in by the fall of 1999, he suggests that we proceed with the amendments.

Cw. Moreno asked if the Killam Industrial extension engineering work has been done already?

Mr. Pena replied that Foster Engineering has just been selected, and they hope to fast track this project.

Cw. Moreno quoted, "so it is going to be a new fiscal year before they even get started. Just a while ago, you were taking money from projects that are not going to be done now...and now you are putting money into projects that are not going to be done now either, because it will not be until the next fiscal year, right?"

Mr. Pena replied that he hopes to have Killam Industrial Blvd. under construction this fiscal year because it is a top priority.

Rogelio Rivera, Engineering Director, informed council that in reference to the Killam Industrial Blvd. the surveying is being done already. The clearing has been done and it will probably take about four months for design. He added that they will fast track work on this project.

Cw. Moreno again stated that the logics don't make sense.

Mayor Flores addressed the City Manager, "When you make your recommendations, Mr. Pena, there is a difference between paving a street and moving the truck traffic out of residential areas, so that people are safe. Those are two different types of projects that are necessary for different reasons. Obviously, paving the streets is very important, but you need to explain

why other projects, in the opinion of staff, were more important than paving the streets."

Mr. Pena explained that if we don't agree to \$259,000 on the South Meadow bridge project, we will lose \$700,000 from TxDOT. Council may want to defer the Killam project since the funds for it are not approved.

Cm. Galo suggested that in order to finish the paving project, that they reduce the Killam Industrial Blvd. project from \$1.2 million to \$1 million, later budget the \$200,000 since all the money won't be spent at once.

Mr. Pena explained that we cannot award a contract without a full appropriation for a project. When a contract is awarded, we must have the appropriation.

Cw. Moreno insisted that all the projects are important, but the small streets will never compete with the larger projects. There will never be a reason why that one block that's not paved is more important than any of the other projects.

Mr. Pena used as an illustration, item #55 on this agenda in which it will be discussed whether we want to do sidewalks or the paving projects.

Cw. Moreno quoted, "You are taking it from the small people again because that money is going to the small people." She thinks that the City Manager has allocated funds that should get us somewhere with those projects that are already engineered. She brought this up because all the projects tie in together. We need to set priorities for our funds; perhaps we might have more money coming in from the bridge, like we did last year.

Cm. Valdez expressed that he has a problem with the logic of doing away with the sidewalks and using CDBG monies to subsidize other projects being done throughout the city. He said that CDBG funds should be used to bring the poor areas around the city up to par with the rest of the city. He concluded by saying that we need the sidewalks and we also need to finish paving those streets.

Mayor Flores expressed that CDBG funds have many uses.

Cm. Galo stated that Project 61 has about 75-80% CDBG areas so it is not like we are taking monies from Community Development to do something else with it.

Cw. Moreno said that because something is in the CDBG area, it doesn't mean that the only funds the city is going to spend are those, those areas deserve the tax money too.

Cm. Alvarado said that it is a point well taken, but commented that if we can't take advantage of CDBG money to get some of these projects or to use the money in non-CDBG areas, then we need to be able to maximize the monies in this manner.

Cw. Moreno said if we are talking about maximizing the money it is all right, but if we are going to wait for money to be left over for the paving, it will never get it done.

Cm. Alvarado replied that he fought at the last budget workshop to keep on track those last unpaved streets, but this council voted to take away money earmarked for the paving project to do other projects. He added that monies to finish the paving project can be identified during the budget workshops.

Mr. Pena explained that in reference to the council approved truck route intersection project which comprises of the intersections at San Francisco/Calton and Calton/Springfield and consists of putting concrete in those intersections. He said that they might just be able to do one of those intersections if they don't allocate additional funds. They do concur that the project has to be done, but the estimate now shows that in order to do the two intersections it is going to cost more than what was originally estimated. They might cut down to do one intersection on Calton and put the rest of the money in paving Project 61A if that is council's desire. This will not result in the loss of funds.

In reference to the traffic signal project, it does seem to be a high priority project and if it does not get started now, we won't be ready with that traffic signal in September for the new school year.

Mayor Flores questioned, if you eliminate one of the intersections, how much (in funds) will that generate, will that be enough for Paving Project 61 for the water lines, and for everything else that has to be done?

Mr. Pena replied that if they leave the \$170,000 alone, they can just do one intersection. The \$105,451.00 can go to paving Project 61A if that's council's wish.

Mayor Flores and Cm. Galo inquired, "what amount do we need to finish Project 61A?"

Mr. Beto Ramirez answered that at our last meeting it was determined that it's about \$750,000.

Cw. Moreno asked if this amount was only for the engineering work or for all the project?

Mr. Ramirez answered that it is for the construction and engineering.

Cw. Moreno asked about the section that needs to be engineered, can we get that done with the \$288,000 and the \$115,000?

Mr. Rivera answered no, there is a total of 37 1/2 blocks that have not been designed yet, of which 25 blocks are in CD areas and about 12 1/2 in non-CDBG areas. There are 25 blocks that have been designed, but because they are not continuous blocks the cost is high.

Mr. Pena added that council needs to understand that our paving program is generally completed. There are a lot of unplatted, unimproved streets in the city, and they will continue to have periodic requests for streets to be opened and/or paved. They have to start discussing such streets during this year's budget and work on a policy as to how to address these in the future.

Cynthia Collazo, Community Development Director, recommended that if council wishes, they can do a small project of maybe eight (8) or nine (9) blocks on the ones where the engineering has been done. She added that as they identify more balances available and as projects get completed, then they can come back to council, if not, they will be starting the planning of our next action year plans where these can be included.

Mayor Flores stated that what council is saying is that we need to aggressively seek the funds for paving all the streets.

Motion to take the additional funding of \$115,451 from the truck route and designate it to the paving project.

Moved : Cm. Galo

There was no second.

Cm. Valdez stated he agrees, but the intersection of Springfield and Calton Road was identified several years ago

and for a long time they have been trying to do it. Now we have the Killam Road plus other projects that are taking priority, but here again, we are building those high priority projects and postponing this particular project identified two or three years ago.

Mr. Ramirez stated that they have appropriated \$170,000 for this project, but their estimates indicate that an additional \$100,000 are needed for the two intersections.

Cm. Galo asked that if the money is there, what's the hold up to get that project started? Is the engineering done?

Mr. Rivera answered that they will be doing the engineering in-house and it should be done within the month. Then they will bid out on the following month. They are going to be working with both intersections together, but with the concrete cost going up, probably they will do one intersection with the other one as an additive alternate in case they get good bids.

Mr. Pena said that the basic policy that has been followed is that if a project such as this one is funded, and the preliminary indications seem to indicate that the project might be more expensive than what was anticipated, that priority goes to those projects to get those projects completed.

Cw. Moreno remarked that Mr. Pena makes it sound as if Project 61 was not a funded project and it was, but it just didn't have enough funds.

Cm. Galo asked if there is a solution?

Mr. Pena reiterated that they have a recommendation.

Motion was clarified again by Cw. Moreno, to leave the \$170,000 as it is for the intersection that Cm. Valdez is talking about (Calton/Springfield), and not appropriate the other \$115,451.

Moved : Cm. Galo
Second: Cw. Moreno

Cm. Guerra clarified that there are two intersections in question, one the San Francisco/Calton and the other in Springfield/Calton and he is not in favor of moving any of those funds. He added that the pavement at those two intersections is horrendous because of the big trucks.

Cm. Bruni added that we need to find the funding somewhere else

since all the projects are important. Cm. Galo and Cw. Moreno concurred with Cm. Bruni.

Cm. Galo said that we've seen the cost over-run of \$859,000. but supposedly there is a surplus of \$999,000. He then asked, "What is the additional funding?"

Mr. Ramirez replied, "That is a new project."

There was discussion on the report submitted by Mr. Ramirez. It was determined that a correction needs to be made.

Mr. Ramirez explained that the \$115,000 for the truck intersection would be an over-run. The Mayor asked that the motion be re-clarified, but Cm. Galo wanted this item tabled.

SECOND WAS WITHDRAWN.

Mayor Flores indicated that we can't table this item because we need to get started on some of these projects. She entertained a motion and Cm. Galo made an amendment to it.

Motion to accept the recommendations by staff, that we put the money on these cost over-runs of \$859,000 and an additional \$140,451 for the additional funding needed for the truck route intersection project and the traffic signal at Del Mar and Alexander. Any cost savings from these projects will go directly into paving Project 61.

Moved : Cm. Galo

Second: Cm. Guerra

For: 8

Against: 0

Abstain: 0

53. Presentation to City Council demonstrating the spreadsheet on current year Capital Improvement Programs that will be on the City of Laredo's web page.

Oscar Medina, Assistant Public Works Director, got a printout of the C.I.P. spreadsheet off the internet in order to show that the spreadsheet is available to anybody that has internet access and would like to view it. He gave an overview and went over the figures and updates of several projects such as St. James signalization, Calle Del Norte, signal controller upgrades, speed hump initiatives, street signalization, etc.

Cm. Alvarado had a question on the streets' recycling.

Mr. Medina replied that the project is about 30% complete and

that 27 streets have been done. He will be sending each Councilmember a schedule of the sequence of the streets as they will be done.

Cm. Bruni had a question on University Blvd. that's showing pending rights-of-way acquisition. He asked, "What is the estimated time to finalize the acquisition of the rights-of-way, and has it gone out to design?"

Cynthia Collazo, Community Development Director, reported that the survey is complete, but there were some questions from one of the owners. The owners have requested that the deeds back from the 1800's be reviewed.

Cm. Guerra had a question in reference to the Southside Wastewater Treatment Plant belt filter press bid that was rejected and which is out of the budget as stated by Mr. Medina.

Fernando Roman, Utilities Director, explained that they opened bids for the belt press (a sludge handling machine). They had originally budgeted about \$350,000 and revised that to amount to approximately \$420,000 on advise of the consultant. The bids came at \$540,000 and \$630,000 which was extremely high. They think that this is because of the size of this project (project being very small) and because the contractors are very busy. Normally, they get 10 bids and are now getting two or three. On this item they only received two bids. What they want to do is put this project in conjunction with the North Laredo filter press and bid them together because they are similar projects and maybe perhaps, have some economics of scale. He concluded by saying that they should be re-bidding this project in about 45 days.

Cm. Guerra wanted a short update report on the water/wastewater issue for the colonias.

Mr. Roman reported that last Friday, he met with Turner, Collie, and Brady to revise the 95% final draft. They spent about three hours looking at different tables and figures and finally, gave them all the information and changes that they need to do. It was a successful meeting and Mr. Roman is expecting the consultant to have the document finished by the end of this week. Once they have the finished document, they will talk to the Water Development Board about meeting with them on a setting that will allow us to explain the changes that happened.

He added that the colonias project had a \$10.7 million construction budget the first time around, after they hired Turner, Collie, and Brady with specific instructions to include sewer systems for all the colonias, the construction budget went up to approximately \$15.2 million. Overall and once they put contingencies, engineering, budget management, etc. it will be \$20 million project.

They have notified the state of our intention to get a pre-clearance from them. He added that once they meet with them they want them to make a decision and tell us whether "we may proceed, this makes sense, or absolutely not, in certain areas". Once they have response, they will continue with the environmental work.

Mr. Roman anticipates that they will meet with them within 15 days to get that pre-clearance and to get orientation as to where they can pursue with the project.

Separately, they have been looking for funding. The county is now preparing an application for \$500,000 to bring funds from the Texas Department of Housing Community Affairs to the Tanquesitos I sewer area. What they want to do with that is go to the board and show them some leverage as to what the project is and what is the additional funding that the county can apply for. They will try to convince the board members to stay away from the guideline that would shut the project down.

Regarding the rights-of-ways, Mr. Roman informed that this has a varied degree of success. For example, they have been more successful on the colonias along Hwy. 359, than on Penitas. They have about 79% on Hwy. 359 and low 30 or 40% on Penitas.

54. Status report on the Santa Isabel water point with possible action.

Fernando Roman, Utilities Director, reported that they've installed all devices, all the fences are up, and the machine has been calibrated. It is being set at 150 gallons at 25 cents, which translates at 1.60/1000 gallons. This is the same rate that the users have been paying at other machines around town.

He informed council that the entrance is lacking asphalt and that the facility needs some cleaning up before the grand opening. However, he asked council if they rather wait until the asphalt is put on the entrance in and out, or if they want to plan the grand opening as soon as possible.

55. Regarding Community Development Block Grant (CDBG) sidewalk project fund balances totaling \$477,871 and seeking concurrence to proceed with the construction of additional sidewalks within CDBG eligible target areas equally among Districts 1,2,3,4,5,7, and 8.

Cynthia Collazo, Community Development Director, reported on the remaining balances. From the 19th action year, they have \$9,576. From the 20th action year, \$211,234, (this was a contract by Public Works). From the 21th action year, \$8,368.00 so there is a total of \$229,178. This amount was distributed among seven districts so that's \$32,739 per district.

On the 23rd program year, council directed staff to allocate \$202,899.43 to districts II, III and IV, the rest of the districts had \$43,899.43 so 75% of the funds went to districts II, III and IV, and 25% of funds went to districts I, V, VII and VIII. Summarizing on what they got remaining, \$62,173.25 (75% of the funds) are for districts II, III and IV and \$15,543.31 (25% of the funds) for districts I, V, VII and VIII.

After adding both distributions of the remaining balances, they came up with \$94,913 for districts II, III, and IV, and \$48,283 for districts I, V, VII, and VIII. So they can do approximately 21 blocks/district on districts II, III, and IV; and 10 or 11 blocks/district on districts I, V, VII, and VIII. The total number of blocks would be approximately 107. She added that the engineering work has not been done, so this number might go down. Also, there are some streets that have been identified in prior projects.

Mrs. Collazo mentioned that they prefer to do an inventory for those blocks that need the most work. Provide the information to council so that council can decide on which streets they want them to work first.

56. Regarding funding of Paving Project 61 through the transference of Community Development Block Grant (CDBG) project fund balances totaling \$288,454 with possible action.

Cynthia Collazo, Community Development Director, explained that the \$288,454 needs to be reduced by \$10,900; therefore the new number would be \$277,554. This is because of the contingencies and testing that are needed for project 61. As she mentioned earlier and if council wishes, they can go ahead and proceed

with another small project, perhaps 8 to 10 blocks.

Motion to move item #57 (Executive Session) to the end of the meeting.

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

Against: 0 Abstain: 0

57. Request for Executive Session pursuant to Texas Government Code 551.071(1)(A) to consult with City Attorney regarding pending litigation regarding City of San Juan vs. Central Power and Light, in the District Court of Hidalgo County, Texas, 332nd Judicial District, and return to open session for possible action.

Motion to go into Executive Session pursuant to Texas Government Code 551.071(1)(A) to consult with City Attorney regarding pending litigation regarding City of San Juan vs. Central Power and Light, in the District Court of Hidalgo County, Texas, 332nd Judicial District.

Moved : Cm. Guerra
Second: Cm. Valdez
For: 7

Against: 0 Abstain: 1
Cw. Montalvo

Cw. Montalvo stated that she would abstain and would not participate in any discussion.

At this point the City Attorney suggested that before going into executive session that they hear comments from people that signed up to speak on this item.

Sam Dalton: "My name is Sam Dalton, Attorney with Vincent, Dalton's Law firm out of the Dallas Office. I've been in these chambers several times to address the telecommunications commission, and it's a great honor to be here tonight".

We've been meeting since approximately 2:30 this afternoon, negotiating an agreement with Mr. Flores and Mr. Dovalina. That agreement basically provides that the city will receive equal treatment from any final non-appealable judgement or any settlement that's raised in the San Juan Litigation.

What the agreement does for the city of Laredo, is assure that the city will receive equal treatment with the results achieved in the San Juan litigation, without the risk of having to

participate in that litigation. The agreement is fairly self-explanatory. I don't know how much background you all have on the actual issues and the lawsuit, but basically the allegations are that Central Power and Light Company has underpaid franchise fees to the City of Laredo. What we paid those on, pursuant to the agreement with the City, are gross receipts from the sales of electricity within and for use within the city limits. CP&L's position in the lawsuit is - that's exactly what we've been paying on since the inception of these franchise ordinances.

There are 128 cities that CP&L serves that have franchise agreements with CP&L. We've been going for about 90 days non-stop in this opt-in/opt-out period. The court has determined that each city must individually consider and vote whether to participate in the litigation. The current count as of tonight, considering there are several meetings tonight, is 86 cities out of the 128 that have opted out of the litigation. In contrast only 28 cities in the service territory chose to participate.

Mayor Flores asked, "How big were those cities?"

Mr. Dalton replied, "The City of Victoria opted out, Brownsville opted out; the City of Corpus Christi, we are going to have a fight about. The council there also consists of 9 members. We proposed an agreement to the City of Corpus Christi to opt out of the litigation, but we only received 5 votes approving that agreement, so there are 5 votes in favor of opting out. Corpus has an odd provision in their charter which requires 6 votes to approve a contract within 30 days of any election. They had an election in Corpus last Saturday, the meeting was Tuesday, and then they voted to opt out. There is a 5-4 of voting against that because they didn't have the protection of the agreement. And then when they considered opting in the lawsuit they voted 5-4 against that. We are basically left to go to the District Judge and argue about whether or not they are participant in the lawsuit. But, there are sizable cities on both sides."

Kino Flores who has been working in this case from the very inception, back from the old comptroller days, stated that to better explain the issue of what they are doing he will have the lead counsel Adam Poncio explain what they are trying to do.

Adam Poncio: Thank you for allowing us to speak. Just a brief overview, all this started with an audit. We represented 17

cities. Our cities attempted to audit CP&L to make sure that CP&L was properly complying with their payment requirements under the franchise fees agreement with the city. CP&L did not cooperate. They play the shuffle game that shuffled us from Corpus Christi to Dallas, back to Corpus Christi. We never got a full compliance with the audit request so we filed a lawsuit. That's what started that whole thing."

"As a result of the lawsuit, Ms. Olga Maldonado testified that, once our auditors began snooping around, they decided to conduct their own internal audit. And they did an audit for a two-year period. They had three divisions, but they only audited one division. For that two-year period they found that there was an underpayment to the cities of \$350,000 in revenues that were due to those cities. They paid out the \$350,000, didn't pay any interest in that amount, didn't pay any other type of damage to what the cities would have been entitled. At any rate, I asked about the other years, and we still haven't seen any information regarding any other audits that would come after today because we can get into the full discovery to try to figure out -have they been complying?- which we argue that they haven't. They haven't been complying with the terms of the agreement because the agreements are construed in favor of the cities. We are looking at a total damage estimate of approximately, and this is without getting into their figures and just relying on the public documents, \$108 million for the 128 different cities. The City of Laredo represents approximately 12% of that amount, so you are talking about an approximately underpayment of \$12 million, which is what we are contending. Because the city has no statute limitations, you can go back as far as the initial beginning of your agreement with Central Power and Light Company. When you look at the numbers, Mayor, you asked what are the numbers. The numbers are running actually (sic) population wise approximately 3-2 in favor of the opt-ins. For example \$300,000 to \$100,000 that have opted out. Why, because what CP&L did to start off this game, was go to a number of the smaller cities who couldn't afford the litigation and said, "Look, you are going to be responsible for attorneys fees and court costs, we are going to take depositions." It was through these types of intimidation tactics, and we will bring that up with the Judge in a couple of weeks. But these types of tactics that we believe led to a number of cities opting out. So we are going to move to have those opt out voided to allow the cities to reconsider without threats and intimidations. For example, one small city they went to and said, "Hey, you owe us \$200,000, now if you opt out, then we would put off trying to collect that for a while, but if you opt in we are going to come after you for that

\$200,000 that you owe us." And that was a small city and the Mayor was very frank saying we can't afford this right now, what do we do. At any rate, that's just a brief overview; I know that your attorney will brief you and you heard enough from me."

Cm. Bruni: "You said that cities have no statute limitations, so how far can we possibly go back?"

Mr. Poncio: "Numberwise, we haven't seen what your originating date of your franchise fee agreement with CP&L is, but whatever it is....."

Note: At this point Executive Session took place.

After Executive Session Mayor Flores announced that no formal action was taken. However, she had some questions and asked Ms. Olga Maldonado, CP&L, to come to the podium.

Mayor Flores: "I wanted to know, in this agreement that has been prepared and is to be executed by CP&L and the City of Laredo, what "number 4" means."

Ms. Maldonado: "What this means is that we are willing to come to the table, like I said before, and talk about issues that relate to service, issues that relate to our conducting or providing service to the customers of Laredo." "Is there any further question in regards to that?"

Mayor Flores: "We just didn't understand and that's kind of vague."

Cm. Galo asked, "To the customers or to the City of Laredo?"

Ms. Maldonado replied, "Well, I think what we are trying to formulate here is that we are willing to sit at the table and talk about some of the issues. Whatever the city has, whatever we have and try to come to some common ground, and if there is some common ground there, that we would look at trying to pursue that further."

Cm. Galo: "At this time you don't know if there is any common ground or not?"

Ms. Maldonado replied, "We have not. We talked about some issues that have been raised in terms of miscellaneous revenues that we had identified as being outside the scope of the contract to the extent that we identified other issues. You

know, we can certainly discuss those."

Cm. Valdez: "Further question is: you have the authority to sign this document on behalf of CP&L?" -"Are you the one empowered to sign this contract?"

Ms. Maldonado: "No. An executive has to sign the contract."

City Attorney Flores answered, "Madam Mayor, we have two agreements that have been provided. One has been signed earlier in the evening by Ms. Maldonado with permission from the President of CP&L, and that's the signature that indicates. Then the other one that is a faxed copy signed by Mr. Gonzalo Sandoval, the General Manager and President, which I have a copy of it here."

Ms. Maldonado: "Would you like to see that councilman?"

Cm. Valdez replied, "No. I saw it, but I just wanted to make sure that you had or whoever executed the document, had the authority to sign the document." He added, "Also, I understand that if we opt out, we may be entitled to collect whatever revenue you came up... or your attorney said that we would be entitled to collect our percentage, if you all go on and lose this litigation?"

Ms. Maldonado: "In regards to the pledge where we had indicated is that the cities that opted out would be treated in the same way in regards to a recalculation of the franchise methodology as those cities that are inside in the lawsuit. So to...."

Cm Valdez: "Well, you need to be more specific." "Treated in the same way that means?"

Ms. Maldonado: "That means that if we had a final non-appealable decision, where CPL has persuaded (sic) as far as we can, and we find that the judge rules against CPL saying that this franchise methodology will be changed, that if you have opted out of the suit, whatever change occurs out of that methodology recalculation, the city that is outside the suit will have the same benefits as those that are in."

Cm. Valdez: "And that would be retroactive, so if the court found that it was retroactive to the beginning of the inception of the contract and those monies were to be recalculated, we would be paid retroactively."

Ms. Maldonado: "That's correct."

Cm Valdez: "Now, did you offer this to the other small cities that opted out?"

Ms. Maldonado: "That pledge, we have been consistent in offering to all communities."

Cm. Valdez: "The one that opted out and have that pledge." "Do they have a signed document or you just told them verbally?"

Ms. Maldonado: "When we formulated the pledge, we went to all the cities that we were processingum, ongoing discussions with and regards to the San Juan issue, and presented the pledge to them."

Cm. Valdez: "My final question is to Mr. Flores." "Again, we do retain the right if we opt out to sue them individually?"

City Attorney Flores: "That's absolutely correct. That's item #3 under the agreement."

Mayor Flores: "Ms. Maldonado we appreciate all the time that you all have taken, but I wanted to ask you and maybe ..ah.. our attorney Mr. Flores, why was it necessary to put number 4 in the agreement if all it has to do.... if all the saying and I am going to read this: -CP&L and the City agree that they will discuss non-franchise fee issues-, and you said that is talking about service and relating to customer.... I mean, why do we need to add that to a contract like this if it's not something we are already doing."

Ms. Maldonado: "We went through a lot of discussion on this issue and I guess, as far as our position, there are a lot of.... I guess, confusion right now with the legislative session and franchises being an issue. At this point in time, there is also a concern about any conflict with the current lawsuit that we have in place. So we cannot discuss any of those issues. As far as what else is there in terms of discussion of non-franchise fee issues, have we talked about any thing, say for example the fee. Favorite nation's clause part of the contract includes: -where identified that whatever we do with Laredo we will do with any other community. And so, from that standpoint that gives us a chance to talk about some of the issues that the City of Laredo has, to see how we can remedy those and work those. And' if that process at some point leads us further to a renegotiation, we would look at that."

Mayor Flores: "Thank you Ms. Maldonado. Do I hear a motion from the council?"

At this point Mr. Bruce Earl, Chairman of the Telecommunications Commission, wanted to share public comments.

Mr. Earl: "Madam Mayor, ladies and gentlemen of the City Council, city staff, I am not privy to what document has been put together here. Could I please ask the City Attorney to give us a brief explanation of what this is."

City Attorney Flores: "Madam Mayor, in response to Mr. Earl's request, this is an agreement that would take effect upon the council authorizing the City Manager to sign it. The agreement basically is a contract between CP&L and the City of Laredo and/or the parent company of CP&L successors and assigns, that recognizes that there is a litigation of San Juan vs. CP&L, that the City of Laredo is a potential class member in that litigation. We have received class notice informing us of our rights in connection with that litigation, and the agreement itself describes the eight items within it, which are the considerations that each side, the city, and CP&L will provide."

City Attorney Flores gave a brief overview of those eight items:

Numbers 1 and 2, basically state that CP&L will pay that amount which shall be determined by a court in that lawsuit, within 10 days plus interest.

Number 3, states that we, the city, keep the right to sue.

Number 4 is the item which council asked for additional explanation. Basically what it ends of stating is that CP&L will come to the table now and begin to look at our ordinance.

Number 5 says that we, the city, have already identified by an audit conducted by Resource Management International, certain sums that we say are owed. However, there is not a set sum amount yet. So, CP&L agrees that it will pay to the City the agreed amount of the any additional franchise fees based on the annexation fee findings from the audit conducted by RMI and that payment will be within 10 days of the date that CP&L and the City reached that agreement. Mr. Flores indicated that could be in two weeks or may take a month.

Number 6 is about what would the city do since items 1 from 5

are considerations from CP&L. In exchange for those considerations as the city agrees not to participate in the litigation, specifically to opt-out of the litigation, and that the opt-out notice will be in the posted as a notice.

Numbers 7 and 8 are contractual clauses. Number 7 says that this agreement contains pre-standard clauses, and contains the entire agreement between the parties with regards to the litigation. And number 8, says that the no-modification of this agreement or amendment of this agreement shall be enforced unless it done in writing and executed by all the parties that execute this agreement.

Mayor Flores: "Basically my comment to all of this is that big cities are given an agreement; the small cities, as we heard earlier, were given scare tactics. I don't know where the balance is."

Mr. Earl explained on the reason for obtaining the above information, "The telecommunications commission brought you a motion that we opt-in to the litigation. I would like to say, that in the last week, after bringing this issue up in our telecommunications meeting, there were some hurt feelings on the CP&L side. They thought we were too heavy handed with what we had to say. Talking with Olga Maldonado, who from the beginning I had nothing but a good working relationship with her." He went on explaining that although CP&L participates and donates money for community causes, the issue of the litigation is something else.

Motion authorizing the City Attorney to file an OPT-OUT NOTICE regarding the City of Laredo's participation in the class action lawsuit styled the City of San Juan vs. Central Power and Light Company, Cause No. C-2510-96-F, now pending in the 332nd Judicial District Court of Hidalgo County, Texas, and to give notice of such filing to both parties; and further authorizing the City Manager to execute an Agreement with Central Power and Light Company attached hereto as Exhibit "A" to this motion.

Moved : Cm. Bruni
Second: Cm. Guerra
For: 7

Against: 0

Abstain: 1
Cw. Montalvo

Note: Exhibit A was not submitted for the record.

X. COMMUNICATIONS

- a. Cm. Guerra wanted an update from staff on the automatization of the oversize permit process.

Gustavo Guevara, City Secretary, informed council that the program was installed three weeks ago. It is available through the internet, and anyone who needs a permit can e-mail all the information to acquire oversize and overweight permits.

Cm. Guerra asked if the permit would be issued electronically.

Mr. Guevara replied that at this time a signature from the requester is required; therefore, the person needs to pick up the permit at the Traffic Department.

Mayor Flores asked if it was possible to get the requestors' signatures on file, perhaps get a contract signed by those people that are in the business.

Luis Landin, Traffic and Bridge Director, reported that they will go over the signature requirements and will explore it with the Traffic Department. One of his concerns is the ability to collect the fees required.

- b. Mayor read a letter from David Gillies, owner of Fast Moving Mobile Car Wash II, LLC.

Letter quote:

"Dear Mayor Flores,

I am writing to you to voice my gratitude for what the Laredo Development Foundation has done for me. I am currently a full-time MBA-IT student at TAMIU. Just recently, I started a small mobile car wash called Fast Moving Mobile Car Wash II. I had many questions on several topics from taxes to filing my assumed name. The staff is incredibly helpful and well-informed, so they helped me immeasurably. If I do not have an appointment, they always see me unannounced.

As a small business/full time student, I have limited funds, and I find that the seminars at the Laredo Development Foundation are informative and affordable. This source of inexpensive information is imperative for a small business, and I am grateful for the LDF's existence.

Keep up the good work!"

- c. Mayor announced the Household Hazardous Waste Collection Event from the City of Laredo will be on April 17, 1999. Everyone is encourage to bring his/her household hazardous waste for proper disposal to 1800 E. Hillside Road at the El Metro Park-n-Ride.
- d. Cm. Alvarado invited the public to attend a Town Hall Meeting to be held next Monday evening, April 12th at Washington Middle School, from 6:00 to 8:00 p.m. This meeting will address issues concerning the ongoing projects and the future projects to alleviate the heavy traffic on the Mines Road.

XI. CITY COUNCIL PRESENTATION AND DISCUSSION

- 58. Requests by Mayor and City Council members for presentation and discussion.

A. Request by Mayor Elizabeth G. Flores

- 1. Report on the 1997 Mortgage Revenue Bond Issue of the Laredo Housing Finance Corporation (LHFC).

Erasmus Villarreal, Boardmember of LHFC, explained that this corporation is setup specifically to allow first time home-buyers the opportunity to access mortgage money for the purchase of their homes. The City of Laredo is eligible to receive approximately \$12,185,000 in single family mortgage revenue monies. This figure is based on the 1990 census population data.

He explained how this issuance came out and reported that this was a 1997 bond issuance that allowed the city to use this \$12,185,000. The team that was used to put this particular issuance together, obviously is the Housing Finance Corporation who is the issuer for the bonds. The Financial Advisor for this transaction is Dan Rausher, of Dallas, the Bond Counselor is Chapman and Cutler of Chicago, the Bond Underwriter and placement agent is Morgan and Kigan of Dallas, and the Bond Administrator for the funds is First Nationwide Mortgage.

He went over background information and stated that this particular transaction closed on October 30, 1997. The board was looking at several issues back then, when the issuance was going to take place. The board was concerned that the interest rates were dropping almost on a daily basis as they were getting ready to go to market to sell these bonds so the board asked the underwriters

to look at a creative package.

The underwriter was asked to look at "what if the rates continue to drop and you sell the revenue bonds at a specific rate and then conventional financing is cheaper". What they ended up doing was that they went ahead and put a clause in the bond program which said, "if the rates continue to drop below the rates at which the issuance is done in October 30th we will be allowed to come back at the end of one year and re-establish the rate". This was good planning on the part of the board because the rates still continue to drop. The three lenders that participated in this program were able to issue loans at the beginning of the program at 6.35%. After the 12 months expired, half of the money had gone out or about \$6 million had gone out in one year, but the rates were dropping.

Because this provision was added in the particular sale of the bonds, they were able to come back and re-negotiate the rate and get a lower rate for the citizens of Laredo. The rate was re-established at 5.85% the following year in November. With the new rate they were able to assist more families because the rate was lower and obviously they would be able to purchase more units.

Another significant factor that happened under this transaction was that there was an emergency declaration declaring Webb County as a disaster area. What this declaration did under tax laws, it not only allowed first time homebuyer to purchase residences, but the clause of "first time homebuyers" was eliminated and anyone would be eligible to purchase a home now under this designation.

A second significant thing that it did, was that it gave us flexibility to allow the income levels to increase. Example: A family of two residents to be able to qualify for this program would have to earn around \$51,000. For three or more family members the income level went up to \$60,000. The purchase prizes on what could be bought also went up.

The program is composed of two different markets.

- (1) The targeted area, basically is the CDBG area (low to moderate income areas).
- (2) The non-targeted areas, which is everything outside those areas.

While under the program the purchase prizes for the different units went up in the non-targeted area. The new construction price rose or anyone could purchase a home for up to \$115,765.00 under this program.

In an existing unit, the purchase price went up to \$73,184.00 so this gave the community and the citizens of Laredo a lot of flexibility in what they could do with this particular program and the type of housing that they would be eligible to buy.

Mr. Villarreal quoted for the record, "the program has all...loaned the funds out...the \$12 million have gone out to the community. So all loans are either in the process of closing or have closed. The construction is scattered throughout the city because the designation of the declared Webb County emergency also opened the doors to buying a residence anywhere in the community for any homeowner."

He further explained background as to "who is this buyer" and "who was assisted". The average family size is approximately 3.1. The average income for this particular program is \$27,769. The majority of this money went to first time homebuyers or 100% of it. The average cost per unit or per house is \$69,561.00. About 60% of the loans went FHA, 39% went conventional, and the rest were VA loans. The average principle and interest payment on this particular program is about \$410.00 a month.

He added that 74% were bought in non-targeted areas, the remaining 26% in targeted areas.

Of significance also, he said that we first did this mortgage revenue single family bond program in 1994 under the Housing Finance Corporation. In 1994 the money went out in six months and it helped about 180 families. This issuance helped about 175 families to secure housing. The significance of this is that it bought a lot of confidence to people to be able to purchase these bonds.

The only restriction they had as a Finance Corporation was that when they do an allocation, normally a Finance Corporation cannot come back and apply for at least two years. He added that we did a loop hole in the law, and created the Webb County Housing Finance Corporation to

bring in more money for the citizens and were successful in getting funded.

We got a 1996 allocation, about \$13 million because they used the population numbers including the county's. Shortly after the 1996 allocation, they zeroed out the loop hole and would only allow a community to use the population criteria once. So we went ahead and re-applied in 1996 hoping to get rejected so that we could get in line for an allocation in possibly early 1998. Again, they locked out because as the Finance Corporations lined up to receive funding, there were two or three that did not get funded in the 1997 allocation. It happened that one of the corporations did not take their allocation, and since we were next to them in line we were lucky to get an allocation in 1997 and that benefited everybody here in the community.

The Housing Finance Corporation will be coming back to City Council requesting authorization to go ahead and re-submit an application for this program by June or July. The application for the 1999 series is due in August 31st. The idea is that we have to get rejected to get a higher priority for the 2000 issuance and that application will come in late October.

B. Request by Council member Louis H. Bruni

1. Discussion with possible action on allowing department heads and chairpersons of all commission and committees to make monthly reports before City Council.

Cm. Bruni stated that it would be a good idea, as needed basis, to have department heads come up to council and express and share their concerns.

He reported that there have been some complaints from certain committee members, from different commissions, and committees that feel totally out of the loop because they don't have a chance to word their own agenda items.

Cw. Moreno suggested that perhaps a different group (department or committee) can make a presentation per month. This will give everyone a turn around at least once a year.

Mayor Flores informed that she and Mayor Protem are considering this process to be formalized, and actually

ask the committee members to come and provide committee reports. She concluded by saying that they will come back from the committee with recommendations.

2. Discussion and possible action on status report of all C.I.P. (Capital Improvements Program) for District II for fiscal year 1998-1999.

(Discussed previously under the CIP, item #53.)

3. Status report on all motions made for District II.

Cm. Bruni informed that he received a report from the City Secretary on all the motions made for District II from August 1997 through October 1998. He highlighted those items he feels that have not been acted on. For example there is a motion made on March 2, 1998 that instructed staff to repair the water and sewer lines in a certain block of Milmo Street and to start with the construction of the street within 4 months; we are one year late on this one.

Cm. Bruni submitted a copy of the report to Mr. De Leon, Assistant to the City Manager, and requested from him a brief report on those items that haven't been acted on.

Horacio De Leon, Assistant to the City Manager, reported that out of the 190 identified motions and directives made by Cm. Bruni, 179 have a status of completed. The 11 motions that are not completed, either pending or in progress due to engineering design or rights-of-way issues.

Florencio Pena, City Manger, commented that the function of tracking motions and directives from Councilmembers will be performed by the customer service representative that will be hired.

4. Status report on the Brown and Root Drainage Project Study concerning the property north of Saunders and east of Arkansas, with possible action.

Cm. Bruni stated there were several motions and dialogues which he quoted as follows: "Record #121 of 4/20/98. There was another dialogue prior to this one, and that particular motion read, "motion to start the necessary procedures to start the public hearings process and earmark \$47,000.00 regarding the lack of wastewater

infrastructure on the north side of Highway 59 between Ejido and the entrance of Casa Blanca State Park. There was another motion made on Record #109 on 3/23/98 pertaining to wastewater. This is more along the lines of Brown and Root Drainage Project that was done after the crowning of our particular main runway that caused additional water to drain towards Saunders."

He said that there have been several staff meetings in reference to this issue. He introduced Mr. Garibay who later spoke on this issue. Then asked the City Manager to bring us up to par as to where we are pertaining to this particular problem.

Mr. Ruben Garibay, owner and operator of A-1 Auto Stop, stated that for the last two years, he has been having a problem which mainly started after the airport's runway and the taxiway were improved. He has been voicing his concerns with the runoff. He added that it has been proven in the Brown and Root report which concurs with his concerns. The report suggested four different options to correct the problem. One of them, costing under one million dollars, is to do a drainage easement. But, the cheapest option was to purchase his affected property, which is fine with him because he just wants to get the problem solved. He mentioned that he has another project that's being held up because of this issue. He needs the property in order to take it to the bank for the conclusion of a SBA loan that has been in hold for two years because he is waiting for the city to solidify whatever they are going to do, either the drainage improvements or purchase his property.

He asked the City Council to help him in expediting this issue. They have been approved for two years already, and it has caused him loss in revenue because he has the work, the contracts, but he just can't fulfill the work because he does not have the space. He is being held back by the city's decision.

Cm. Bruni wanted to know from the City Manager if the City has the intention to purchase the piece property that gets flooded.

Florencio Pena, City Manager, responded that the Brown and Root study didn't confirm the run-off as a result of the construction of the airport; however, the construction did increased the amount of run-off that Mr.

Garibay is speaking about. The Brown and Root study did recommend various alternatives addressing the drainage concerns on that property. Part of the recommendation was that it may be cheaper to consider acquisition of the property as opposed to building a structure benefiting that property. Mr. Pena said, "Here is where we are at." He informed that currently no funds have been appropriated to acquire that piece of property, and that our capital improvements process is already completed. Perhaps, funds can be appropriated until the next fiscal year's C.I.P.

Cm. Bruni added that since it is more economic to buy the property, he would like to have the property appraised and then make an offer. Mr. Garibay is willing to receive payment until the next fiscal year, but he needs a commitment letter to take to the bank.

Cm. Bruni noted that this is the sixth time he has brought this action before council. All that he's asking for is to appraise the property. If we can buy it, Mr. Garibay will take the money; if we can't buy, then we need to let Mr. Garibay know.

Cynthia Collazo, Community Development Director, informed that the appraisal was completed today, but one thing pending in order to acquire the property is that council needs to declare this as a public necessity. This needs to be done before the city considers going forth with the acquisition process. She added that a resolution is necessary, also she doesn't have directive yet to actually go forth with the acquisition.

Mr. Pena informed that the city cannot commit to purchase the property without a fund appropriation. If the bank is willing to accept a resolution to proceed with the study of the possibility of acquiring that property, then we may do that.

Cw. Moreno suggested to put this item in the next fiscal year's CIP. However, this will not represent an appropriation. It will only be a plan to acquire this property.

Mr. Garibay stated that the bank will not accept a resolution, and gave an explanation on how this piece of property is contingent upon his SBA loan.

the Market Tennis Courts. He explained that the ordinances are reviewed as they are established in the code book. One of the recommendations that staff is planning to make in the near future, is for council to consider rescinding or revoking the use fees for the Market Street Tennis Court facilities. He added that the fees charged, which range from free use to \$1.00, \$2.00, and \$4.00, are nominal and are categorized in sections by adult, juvenile, child, and even senior citizen. Senior citizens are exempt from those fees.

The revenues generated during the previous fiscal year are minimal compared to the \$233.00 of the previous FY. On this fiscal year, as of April 5th, \$365.00 have been collected. The fees are minimal. Because these tennis courts were renovated/reconstructed with CDBG funds and we need to provide the public as much access as possible to the use of the courts, he thinks that staff may recommend council to consider abolishing those fees.

Cm. Galo noted that it was mentioned that the tennis pro may be allowed to charge a court fee and reserve the courts. He said that he does not have a problem with that if the tennis pro will be instructing and maybe reserving one or two courts, but he believes the rest of the courts should be available to the public.

Mr. Vidaurri informed that they are in the process of having their attorney's review some draft contracts for the tennis pro position. Again, he reiterated that since these facilities were renovated with CDBG funds, we must be careful that we comply with the block grant requirements and one of those requirements is that the facility be accessible by the public. He said they will look carefully at different sources of revenues that have been identified as potential revenues to the Tennis Pro. The base salary for the position, on a retainer basis, is \$20,000 per year. There is no fringe benefit package attached to that contract, but they do expect that the pro will operate a pro shop and maintain merchandise for sale to the public. So, there may be additional sources of revenues for the pro to help offset that base retainer fee. He said that through proper scheduling, the tennis pro will be able to provide tennis lessons, run the pro shop as well as the tract tournaments, and in addition play on the Market Street Tennis Courts. Mr. Vidaurri thinks that this can be done in compliance with the block grant requirements.

Mayor Flores asked if there was any stipulation, in the ordinance that sets the fees, that says that we must make it available to a particular group? Whether it's age, schools, etc. or is it on a first come, first serve basis?

Mr. Vidaurri answered that is on a "first come, first serve basis", and the only stipulation in the ordinance itself is that the courts be available for public use.

Cm. Galo asked if a motion to rescind the ordinance could be made right now or if it has to be later until this item is brought up again?

Mr. Vidaurri replied that this item must be brought up with a council communication and a fee rescinding recommendation.

3. Review of proposed contract with the Market Street Tennis Court professional tennis instructor and any fees to be collected, with possible action.

Note: Item was addressed with item #2.

D. Request by Council member Cecilia M. Moreno

1. Status report on assisting J.W. Nixon High School and Buenos Aires School with the traffic congestion.

Roberto Murillo, Traffic Engineer, reported that in regards to Buenos Aires Elementary, they met with the principal, Mr. Saenz, on October 1998. They toured the location and looked at the traffic circulation during the peak periods. Some recommendations on temporary improvements were provided to the principal on November 2, 1999. For example, it was recommended that the head-in parking located at the front of Buenos Aires, be removed or prohibited in that area since plenty of parking space is available in the new parking lot at the back. They were already working on sort of a one-way circulation around the school.

Mr. Murillo added that they provided additional recommendations and some barricades to close the street during the peak periods. A letter of acknowledgment from the school was received. The school has been operating this process since the early part of the year.

Cw. Moreno asked if at this point, the street was completely closed by the barricades during the mornings?

Mr. Murillo replied that traffic is only in one direction with proper signalization. The barricade is set out in the morning and then it is removed during the peak periods.

Cw. Moreno said that she understands the school is having problems because the barricades don't close the street completely and there is nothing that says the school has the authority, the schools is having trouble with the people challenging their authority to make the street a one-way street.

Mr. Murillo mentioned that this is a short term solution for the school. There is a study being done in five schools whereby they are trying to establish internal circulation within the school grounds. He said that the only reason for the barricades was because Mr. Saenz showed them what was happening and had already met with the parents/teachers in trying to provide a solution.

Cw. Moreno reiterated that what the school wanted was assistance from the city and all they got were recommendations of what they can do. What did we do to assist? She wants staff to go out there again because the school is still having trouble.

Mr. Murillo said they provided recommendations and barricades, and does not know what assistance, other than that, can be provided.

Mr. Luis Landin asked Cw. Moreno if Mr. Saenz has contacted her stating he has a problem?

Cw. Moreno replied, "No." She added that because the school is having trouble with the fact that people are challenging them as to why they couldn't use the street in the direction they wanted to go because obviously there is nothing that shows the school's authority, she feels there is a problem.

Mr. Landin stated that Mr. Saenz, acknowledged the fact that the recommendation was a good idea, so it was implemented and barricades were provided. He added that as of today, they have not received any complaint from

the school principal stating there are problems with the traffic. He concluded by saying that they will look into this issue because this is the first time that he hears there are problems there.

Cw. Moreno asked if Nixon High School has also requested assistance with the traffic congestion?

Mr. Murillo informed that the request received was to close two streets for through traffic, the 2000 block of Frost and another block from Plum Street, between 7:00 a.m. and 4:30 p.m. on regular school days. However, they have not replied to that request.

He informed that in 1995 they provided something similar to what Buenos Aires has. They went to the school site to see if they could do a pilot plan to implement safety improvements that will alleviate some traffic congestion at four schools. The plan was submitted to LISD for its consideration.

He recommended the school district to hire off-duty police to do some police enforcement because when something such as this is done, normally they don't install parking signs. Unless there is enforcement in the area, there would be problems. They provided a cost estimate of police officers, but they never received a replied so nothing was implemented.

Cw. Moreno mentioned there was additional construction after 1995 that caused more student traffic to go through. She added that Nixon High is a school campus that, in essence, has taken over Plum Street because the students actually walk across that street to get to their next class. She thinks that we need to go back and look at Plum Street and see if we can make a better recommendation; perhaps, the barricades should be left there all-day long since the students walk across that street throughout the day.

Mr. Murillo said that the request was to close the street from 7:00 to 4:30, but one big concern pertains to the local traffic that tries to access Malinche Street. He added that they are trying to work it out just closing the street during certain hours when the majority of students cross.

Cw. Moreno asked that they go back at the possibilities

of closing this from 7:30 a.m. to 4:15 p.m.

Mayor Flores questioned what street is that?

Mr. Murillo replied, Plum Street and Frost Street. He said that basically those streets are between the buildings. He further stated that they do get many requests throughout the district and if they start closing streets like that, that we are going to have to do it for every school. The best alternative would be to go through those traffic studies and try to come out with other alternatives.

Cw. Moreno stated no more studies are needed. What staff needs to do is to go ahead and implement the closing of the streets between 7:30 a.m. and 4:15 p.m.

Mayor Flores questioned, "Where are they going to throw the traffic if you do that? That's the problem, you create problems somewhere else."

Mr. Murillo answered that Frost might not be a problem, but Plum Street could be a problem because it is a major street that carries traffic.

Cw. Moreno asked that they get cooperation from staff on this issue. She wants staff to go back and see if they can come up with something better.

Mr. Pena stated that he will be looking at this issue. They are working with five schools on their drop-off zones. He added that the school district and the city jointly funded the traffic study. Nixon was not included in that project because theirs is not a drop-off issue but a more complicated problem. He added that if council wishes, they will work with the school district. Mr. Pena also noted that there is liability associated with both, the school district and the city, if recommended traffic management changes end up causing problems or accidents. Bottomline, this problem needs a more comprehensive study.

Mr. Murillo added that the studies being conducted at the other five schools, include more than what we can do with our resources.

Mr. Pena suggested that we need to approach LISD and see what they are proposing to alleviate that particular

problem. LISD has to assume some responsibility to address a problem where they have no room to grow and are impacting the traffic circulation in that area.

Cw. Moreno did not agree with Mr. Pena's statement and asked, "Do you want them to buy the street?". She added that we must come up with a solution for the traffic because traffic is our responsibility.

Mr. Pena concluded by stating that we need a traffic engineer's recommendation for a solution to that problem. We need to see how much it will cost, and both entities should seek the funding.

2. Request for a study on the feasibility of having a turning lane on Park at the intersection of Park and San Eduardo.

Roberto Murillo, Traffic Engineer, reported, after determining that this request was for a dedicated turning lane, that there may not be enough room to align such lane. He explained that in order to align it, whatever is done to one side needs to be done to opposite side. However, he will look into it.

3. Status report on the painting of the Lyon Street tanks.

Fernando Roman, Utilities Director, reported per the contractor's indication that, the contractor will start working on April 18 and probably will complete the job by May 24, 1999. He added that he wants to present a proposal to paint a little more of the tanks because, originally, the contractor was instructed to paint only the vertical walls with the logos. After negotiating with the contractor, Mr. Roman said that a favorable price was reached.

E. Request by Council member Joe A. Guerra

1. Discussion and possible action on the approval of pyrotechnics exhibition with the concurrence of the Fire Department.

Mrs. Meza and Mrs. Flores were present to ask for permission for a pyrotechnics display. The fire department has already approved the site and everything that needs to be covered, like insurance has been looked into.

Eugenio Moncivais, Jr., Fire Marhall, informed that the fire pyrotechnics display was inspected and everything was found to be in compliance. The only thing pending is the date, but if the winds are over 25 mph., the exhibition would be cancelled.

Motion to approve.

Moved : Cm. Guerra

Second: Cm. Valdez

For: 8

Against: 0

Abstain: 0

2. Discussion and possible action on a recreation park in Northeast Laredo.

John Vidaurri, Parks and Recreation Director, stated that over 18 months ago he had a request for new recreational facilities in North Laredo. He informed that Mr. Henry Jewett is currently working on a developmental project, the San Isidro Ranch Development, in North Laredo. Also, back in November 1998, staff contacted both Mr. Jewett and the Planning Department to discuss any plans for additional park sites in Northeast Laredo. Mr. Jewett was asked to come before council to talk about the San Isidro project as well as any other plans there may be for that area.

Cm. Galo had an issue for Mr. Vidaurri. He informed that some people wanted to know what were the city's intentions for a piece of land, located on Andrew Circle, that was donated as parkland. This land has been vacant for a while and some neighbors have complained about it. These people want to know if the city is willing to sell back those lots.

Mr. Vidaurri informed that staff had looked at that particular parcel for parkland. Unfortunately, its uses are very restricted because the parcel is surrounded by R-1 single family housing. So, whatever uses are placed there, need to conform with the R-1 single family zoning of that area. Developing something other than a pocket park might create some problems for the residents in the area of Andrew Circle. Anyway, this parcel is being looked as a potential park site, but the northeast recreation center is something in the larger magnitude since it might include a swimming pool.

Cw. Montalvo mentioned that there is a Parks Board in place that decides how to prioritize the parks. She added that what Cm. Guerra is proposing has to go through the process: waiting list or budget hearings or C.I.P. Is this how this will be done?

Mr. Vidaurri replied that this item will go to the Parks Board for review. Staff will provide input to the board regarding the need for facilities in that particular area of town. Then the Parks Board will make a recommendation to council based on that input from staff.

Harry Jewett representing the Dilworth Family in conjunction with the San Isidro Ranch Development, presented an overall plan of the property which is located along Loop 20, east of I-35. Because the school district needs an elementary school site, the Dilworth Family proposed to join that school site with a 5-acre park site. In a recent discussion with the school district, it was manifested that they still want to implement something like this. Furthermore, a piece of property is being held for that particular use.

Activities to develop what is called the southeast quadrant of the property have been started. A master plan with a number of different locations was presented to the P&Z Commission. It includes a 14-acre major neighborhood park that basically will be in the center, that is on the extension of International Blvd. tying in with the San Isidro Park across the Manadas Creek at this location. Also, the master plan for this area calls for a number of subdivision unit parks, where each particular subdivision will have its own park associated with it; however, the Planning Commission and the Parks Department are not much in favor of these unit parks. Currently they are coming across the San Isidro parkway with two sub-divisions. This will be done in conjunction with a large detention pond that's picking up a lot of storm drainage along the Manadas Creek. The outcome will be an open space field type operation that can be used for soccer, baseball and those type of things. Mr. Jewett stated that as they move around to other parts of the development, they will use this detention pond, neighborhood facility and unit park concept in conjunction with all the planning.

He said that they will develop the infrastructure like streets and bring in all the utilities to the side, then

they will dedicate the land to the city. The city in turn will put the park infrastructure based on the plan utilization for that particular location.

Mr. Antonio Sarmiento Jr., a resident from northeast Laredo, spoke in favor of the park. He said that regardless of the political differences there may be, he strongly urged all the parties involved to get together and look after the needs of the residents.

Cm. Valdez asked what was the city's position on dedicated land for parks.

Mr. Vidaurri replied that issue goes through the Parks Board for recommendation. However, staff's recommendation is to stay away from the smaller pocket parks because they are harder and more expensive to maintain.

There was further discussion on the small parks issue. It was addressed whether they benefit the neighborhoods and if the homeowners association fees were sufficient to maintain them. However, it came up that three years ago, the city had to come into maintaining those small parks because some sub-divisions were not maintaining them.

Mr. Pena added that other than the 1993 bond issue, there is not a long-term funding strategy in place for park development besides the community development block grants. This issue needs to be addressed further, but consideration needs to be given to our substantial debt and to the current improvement work being done on many streets.

Cm. Galo stated that we need to look at the ordinance because the sub-division ordinance provides that the developer must donate park space, but it does not state a minimum size requirement. So, if the board wants to develop parks at whatever most feasible size, but the sub-division doesn't meet the requirement or the allocation is not there, then we will take it in money instead of the property.

Mayor Flores manifested that Cm. Galo's recommendation is a great idea and directed Mr. Vidaurri to take this recommendation to the board.

Cw. Moreno added that the small parks provide services for a different age group. Because small parks are

nearby residences, they are used mostly by young children.

3. Status report on the Economic Development Association (EDA) grant at Unitec and seek alternative funding sources for this project. (Co-sponsored Cm. Louis H. Bruni)

Cm. Guerra informed that EDA turned us down on our request for innovated financing with the Unitec Group to build the overpass.

Mayor Flores reported that she met with EDA and asked them to reconsider. She presented to them the recent accidents reports and reported some requests from LDF on companies that want to move into the Unitec Park. She told them that because of the accidents and the lack of solutions for traffic problems at the Unitec Park, we have lost some jobs. EDA's response was that they will look at our request again and consider it for their April funding.

Cm. Guerra mentioned that Cm. Bruni as co-sponsored of this item took the initiative of writing a letter to Senator Phil Gramm. Cm. Guerra wants this letter to be part of the record.

Letter reads as follows:

The Honorable Phil Gramm
United States Senator
Room 370 Russell Senate Office Building
Washington, D.C. 20515

Dear Senator Gramm:

The City of Laredo was recently denied its proposal for a public works grant by the Economic Development Administration. This assistance would have helped to greatly alleviate several severe railroad safety hazards in North Laredo, specifically in the UNITEC Industrial Park area.

Senator Gramm, in light of the recent railroad tragedy which occurred in Illinois, I am greatly concerned that such an incident will repeat itself here in Laredo if nothing is done to address the problem now. The Unitec Park has already been the site of several train/truck collisions, the latest one involving a freight train and an 18-wheeler

truck (where the driver and his daughter were both in the cab.) Although no one was injured, the possibility that a future accident resulting in a fatality or disabling injury does exist. While we cannot prevent all potential accidents, we must do what we can to diminish the likelihood of these events occurring.

And that is where we need your assistance. Enclosed please find supportive documentation that my office has assembled from both the City of Laredo and the owners of UNITEC Park, Royal Joint Venture (RJV). Included in this package is correspondence from the EDA. RJV has proposed contributing \$1,000,000.00 to help improve railroad safety in the area. But, the City of Laredo needs financial assistance to help complete this project. The City needs your intervention. Although the City of Laredo was rejected by the EDA, I sincerely believe that as the busiest in-land port in the nation, this area does warrant the kind of assistance the City is seeking. We cannot have another Illinois-type train accident happen here, nor in any other part of the country, for that matter. But, in order to keep that from happening, everyone must work together: private industry, and local and federal officials.

Senator Gramm, I cannot overly stress nor underscore the need for enhanced rail safety for the City of Laredo. There is not a month that goes by where the City does not see an accident involving a train and a vehicle. Private industry, local officials, and residents are all extremely concerned about this issue. And, with even more growth projected for the northern area of town, the safety concerns are greatly magnified. We need to take care of this situation now before another accidents occurs.

Should you have any questions concerning this request, please feel free to contact me at (956) 725-4038. I look forward to working with you and your office so that we can expedite an effective and efficient resolution to this problem.

Sincerely,

Louis H. Bruni

Cw. Montalvo said, "We were not supposed to get involved, I don't want to be negative about this project, but we said that we weren't going to get involved because this is a private business. If they want to get their grant on their own, that's fine, but I don't think that the city can help them out."

Mayor Flores said that is what Mr. Garza knows, that the

city is not going to use any funds for this. It was completely a private sector initiative along with an EDA Grant.

Cm. Guerra said that in that case, if EDA decides not to help us out on this matter, we should pursue the other funding source through the House Appropriations Committee.

Cm. Bruni added that in terms of other alternative funding, he was told that TxDot has some funding called off-system funding and maybe staff can send a letter to TxDot and inquire about this funding for off-system projects. He asked that staff also look at other alternative funding sources, that would not necessarily come out of the general fund or the budget.

He said this is a \$2.5 million project, the private sector will participate with \$1 million and hopefully get EDA monies for the balance. He concluded by saying that we do not need more tragedies such as the one in Illinois and since this is part of the city now, we should meet with the railroad representatives and make sure they put their crossing guards there and maybe that would eliminate some of the accidents from happening.

Cm. Guerra said that Assistant City Manager Dovalina is knowledgeable about the project with the railroads in reference to putting up those crossing arms and asked a report from him in this regard for the next meeting.

F. Request by Council member Mario G. Alvarado

1. Status Report on the Farias School Drop Off Project with possible action.

Cm. Alvarado reported there has been great participation from city staff on this project. He commended Public Works staff and the Traffic Department for the great job done. He said most of the project has been completed and wants a status of where it is right now and the completion date.

Oscar Medina, Assistant Director of Public Works, showed a video update on the project and reported that the third phase (25% of the project) will be constructed in June mainly so that they work in other projects such as Project 60. They can do it after school and there will

less traffic. It has several islands to the direct traffic in the right way, then it isolates the parking away from the school buses as they go through.

So far they spent approximately \$137,000.00. The project has about \$250,000.00 budgeted so they will be within budget. They added one handicap access that was requested.

On Chicago Street they will put a high curb to keep people from parking head-in and then improve the parking lot at the end closer to the railroad track.

G. Request by Council member Consuelo "Chelo" Montalvo

1. Status report on River Road to San Francisco Javier.

Rogelio Rivera, Engineering Director, reported that they have worked on several alternatives such as Eagle Pass going down strait to the River Road that was constructed by the Corps of Engineers. They were looking at a very large drainage problem with this one.

They have looked at another one going on Water Street and coming down to the road way that is now being used by the border patrol. There are some problems with this one too.

They are now exploring the idea of coming on to Pedregal using that existing road. Coming on down and going under the bridge and coming unto Santa Cleotilde.

At the present time, they submitted the plan to CD for the property ownership and staff is working on the cost estimate.

Cw. Montalvo asked, "what about Tex-Mex, are they willing to give or donate that piece of land?"

Cynthia Collazo, Community Development Director, stated that they just sent the "Request for title information" last week and as soon as they receive it, they will verify that it does belong them. They will then pursue that because they did indicate that they would donate it.

XII. PUBLIC HEARINGS

59. Public hearing amending the City of Laredo Fire Department FY

Motion to close the public hearing and introduce.

Moved : Cm. Galo

Second: Cw. Moreno

For: 8

Against: 0

Abstain: 0

Ordinance Introduction: City Council

61. Public hearing amending the City of Laredo 1998-99 annual budget in the amount of \$121,048 to appropriate lease proceeds for the purchase of a combination sewer/catch basin cleaner (VAC) truck, through the Houston-Galveston Area Council of Governments (HGAC) Cooperative Purchasing Program (total cost of \$171,048.49).

INTRODUCTION OF AN ORDINANCE

Ordinance amending the City of Laredo 1998-99 annual budget in the amount of \$121,048 to appropriate lease proceeds for the purchase of a combination sewer/catch basin cleaner (VAC) truck, through the Houston-Galveston Area Council of Governments (HGAC) Cooperative Purchasing Program (total cost of \$171,048.49).

Motion to open the public hearing.

Moved : Cm. Guerra

Second: Cw. Moreno

For: 8

Against: 0

Abstain: 0

There was no public input.

Motion to close the public hearing and introduce.

Moved : Cm. Galo

Second: Cm. Alvarado

For: 8

Against: 0

Abstain: 0

Ordinance Introduction: City Council

62. Public hearing to grant tax relief for the Certified Historic Rehabilitation Project at:
 Location: N61.51' of Lot 1;
 N52.56' of the S63.56' of the E38.61' of Lot 1;
 S11' of E49.06' of Lot 1;
 All of Lot 10;
 N61.51' of W35.5' of Lot 2;
 W35.5' of Lot 9, Block 73 WD

Commonly known as: 815 Salinas, Locally Significant Historic Landmark.

Petitioner: Bill Skeen, Hamilton Housing Partners, LTD.

The total amount of taxes to be exempt over the four year period is \$14,415.27. This will be followed by a four year period in which the taxes on the enhanced value of the property are exempt and will remain at \$14,415.27 for that four year period.

Motion to open the public hearing.

Moved : Cm. Galo

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. Alvarado

For: 8

Against: 0

Abstain: 0

Ordinance Introduction: Cw. Montalvo

XIII. MOTION TO RECESS AND CONVENE AS LAREDO MUNICIPAL HOUSING CORPORATION

Motion to recess as City Council and convene as Laredo Municipal Housing Corporation.

Moved : Cm. Galo

Second: Cw. Moreno

For: 8

Against: 0

Abstain: 0

63. Authorization to terminate the construction contract with Mr. Manfredo Salinas d/b/a/ Manfred Homes to provide the paint work for the homes under the Lease/Purchase Program due to abandonment of work. Laredo Municipal Housing Corporation (LMHC) has provided Manfred Homes several opportunities to continue with the paint work, but has shown no interest nor has made any attempt to continue with his obligation to paint the homes. To avoid any further delays in the project and substantial increases in the construction cost, authorization is further requested to hire employees through an employment agency to complete the necessary paint work. This labor cost is estimated to be approximately \$30,555.00.

Motion to approve.

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

Against: 0 Abstain: 0

Motion to adjourn as the Laredo Municipal Housing and convene as the City Council.

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

Against: 0 Abstain: 0

XII. ADJOURNMENT

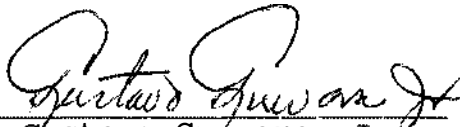
Motion to adjourn.

Adjournment time: 10:00 p.m.

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

Against: 0 Abstain: 0

I HEREBY CERTIFY THAT THE ABOVE MINUTES HELD CONTAINED IN PAGES 01 TO 71 ARE TRUE, COMPLETE, AND CORRECT PROCEEDINGS OF THE CITY COUNCIL MEETING HELD ON THE 5TH DAY OF APRIL, 1999. A CERTIFIED COPY IS ON FILE AT THE CITY SECRETARY'S OFFICE.



Gustavo Guevara, Jr.
City Secretary

Minutes approved: May 3, 1999