

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

**M99-R-13**

**M I N U T E S**

**MAY 03, 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 called the meeting to order.

**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, April 15, 1999

Motion to approve.

Moved : Cm. Guerra

Second: Cm. Valdez

For: 6

Against: 0

Abstain: 0

(Cw. Moreno and Cm. Alvarado were not present at this time.)

**V. INTRODUCTORY ORDINANCE**

2. Ordinance authorizing the City Manager to execute a lease agreement with LABATA, Inc., for Building 1338 located at the Laredo International Airport.

1. Lease term is for 3 years until April 30, 2002 plus two consecutive one year renewal options with a 120 day notice to terminate during the renewal option period only.
2. Initial monthly rent is \$553.00 plus annual Consumer Price Index rent adjustment.

Ordinance Introduction: City Council

3. Ordinance authorizing the City Manager to execute a Foreign Trade Zone Operators Agreement with H.K. Tronics, Inc., to operate an approximately 120,000 square foot facility within Foreign Trade Zone No. 94-Site 3 located at the Killam Industrial Park for a term of ten (10) years.

Ordinance Introduction: City Council

4. Ordinance authorizing the City Manager to execute a Foreign Trade Zone Operators Agreement with Rafael Quiroz, Jr. d/b/a International Customs Services to operate an approximate 16,000 square foot facility within Foreign Trade Zone No. 94 - Site 1 located at the Laredo International Airport.

Ordinance Introduction: City Council

5. Ordinance amending the City of Laredo's Housing Rehabilitation Program Policies and Procedure Manual which said programs are administered by the Department of Community Development and funded through the U.S. Department of Housing and Urban Development's Community Development Block Grant (CDBG) Program to increase the Housing Rehabilitation Loan Program limit from \$21,000.00 to \$30,000.00 and also, to increase the Emergency Repair Grant from \$5,000.00 to \$8,000.00.
  1. The new Housing Rehabilitation Loan Program would provide for a loan up to \$30,000.00 to rehabilitate and bring to standard condition a single family housing unit, which is owned and occupied by an individual or family of low income (Up to 80% of median income). Up to 43% of the note can be forgiven if a residency requirement is met. A 100% forgivable loan is made available to elderly and/or disabled head of household and very low income households.
  2. The new Emergency Repair Grant limits would provide for grants of up to \$8,000.00 to make repairs exclusively to the roofing, electrical, plumbing systems, and/or other housing components, that if left uncorrected would pose a life threatening hazard to the residing family. The single family unit must be owned and occupied by an individual or family of low income (Up to 80% of median income) and be in such condition that it cannot be rehabilitated and brought to standard condition through the Housing Rehabilitation Loan Program.

Ordinance Introduction: City Council

**VI. FINAL READING**

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

Motion to waive the final reading of ordinances #99-O-117, #99-O-118, #99-O-119, #99-O-120, #99-O-121, #99-O-122, #99-O-123, #99-O-124, #99-O-125, #99-O-126, #99-O-127, #99-O-128, and #99-O-133.

Moved : Cm. Valdez

Second: Cm. Agredano

For: 6

Against: 0

Abstain: 9

6. 99-O-117 Ordinance authorizing the City Manager to execute all necessary documents associated with a public sale to convey "Surface Only" of a 0.8557 acre tract of non-aeronautical use land (approximately 37,274 square feet) being part of Block No. 21-Subdivision Plat of Laredo Airport located at the Laredo International Airport, together with improvements located thereon and subject to that Lease Agreement between the City of Laredo, as Lessor and Mercy Regional Medical Center, as Lessee, for a portion of Lot No. 2 and being more particularly described by metes and bounds to H. Rentals for the purchase price of \$188,000.00. Said tract of land is located at the 100 block of Gust Street. (City Council)

Motion to approve Ordinance #99-O-117.

Moved : Cw. Montalvo

Second: Cm. Guerra

For: 6

Against: 0

Abstain: 0

- 99-O-118 Ordinance authorizing the City Manager to execute all necessary documents associated with a public sale to convey "Surface Only" of a 0.6754 acre tract of non-aeronautical use land (approximately 29,420 square feet) known as Lot No. 3 and to convey the "Surface Only" of a 0.5709 acre tract of non-aeronautical use land (approximately 24,868 square feet) known as Lot No. 4, all being part of Block No. 21 - Subdivision Plat of Laredo Airport located at the Laredo International Airport, together with improvements located thereon being more particularly described by metes and bounds to Commerce Bank for the purchase price of \$160,500.00 for Lot No. 3 and \$151,200 for Lot No. 4 for a total of \$311,700.00. Said tracts of









Funding is available in the Community Development 24th Action Year East Hachar Recreation Center.

Cm. Bruni wanted to know if an additional room for a COPS substation was incorporated into the design plans of the East Hachar Recreation Center.

Florencio Pena, City Manager, said that it would be appropriate to have this item deferred until the presentation of the COPS program, which is further in the agenda, so they can present an overview of the COPS status.

Mayor Flores asked if the addition of the extra room for the COPS substation was included?

Rogelio Rivera, City Engineer, answered no. He said there was a directive from council to follow the same plan that they had for the other recreation centers and basically this is the plan in line right now. He understands that LISD made a request for additional area to incorporate the COPS program, but that additional area is not included in this basic plan.

Cm. Bruni asked that this item to be tabled until they see the COPS presentation later in the agenda.

Mayor Flores deferred this item until later on in the meeting.

Note: Cm. Alvarado joined the meeting at 6:50 p.m.

Al Groves, Groves & Associates, presented the recreational center plans to Council. He went over the changes that were made to the original plans. Regarding increasing the storage area, Mr. Groves reported that the school agreed not to increase it because it would take the space of a current building. He also reported that no modifications were made to the plans for them to include a COPS substation.

Mr. Pena added that since it was determined that a COPS substation is required in this area, to go ahead and re-design the construction plans and revise the costs estimates.

Mayor Flores requested Mr. Rivera to come back next Council meeting with recommendations on the modification of the existing design plans to include an additional room for the COPS program and to increase the storage room area.

Motion to table this item until the next City Council Meeting.

Moved : Cm. Bruni

Second: Cm. Alvarado



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

Against: 0                      Abstain: 0

13. Consideration to award a construction contract to Price Construction Inc., to reconstruct a portion of Taxiways "A", "F" and "G" and to reconstruct a portion of the southwest air cargo apron to include new construction of a new section of air cargo apron at the Laredo International Airport. The contract amount is \$4,202,951.32. The FAA is providing 90% of the cost. The other 10% being the local match to the grant is also being provided by the FAA as a partial reimbursement to the City for the 114.77 acre land acquisition project. Award dependent on approval of final reading of Ordinance No. 99-0-133.

Motion to approve.

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

Against: 0                      Abstain: 0

14. Consideration to approve change order 1 to the Hilltop Subdivision Phase II Street Improvements (13 Blocks) with Jimmy Closner and Sons Construction, Inc., a net increase of \$89,749.80. The purpose is to construct the access road approved by council for Mary Help of Christians. A contribution of \$30,000 is to be provided by the school under contract with the City. Funding is available in the Capital Improvement Projects Hilltop Subdivision II.

Motion to approve.

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

Against: 0                      Abstain: 0

15. Consideration to approve change order no. 1 to the Construction of Sidewalks and Handicap Ramps on School Approaches and other streets located within the Community Development Target Areas, approximately 123 blocks with Pete Gallegos Paving, Inc., a net increase of \$27,253.22 and for additional sidewalks construction along Taylor Street, Maryland Avenue, and Eistetter Street in the area of Alma Pierce Elementary School. Funding is available in the Community Development 23rd Action year Sidewalks.

City Manager Pena clarified that this item is funded out of the CIF (Capital Improvement Fund) Account 402-4323-535-4128 instead of Community Development fund.

Motion to approve.

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

Against: 0                      Abstain: 0

16. Consideration to authorize the selection of a consultant and award of a contract in the amount of \$61,975 for the San Bernardo Avenue study. The consultant recommended for selection is Alliance-Texas Engineering Company. The MPO has budgeted \$77,500 under task 5.0 of the 1999 Unified Planning Work Program using PL112 Funds.

Motion to approve.

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

Against: 0                      Abstain: 0

17. Consideration to refund property tax to the following company:  
 a. Enron Oil & Gas Co. (P/P) in the amount of \$1,093.36 due to a clerical error, Section 25.25 of the Texas State Property Tax Code. Relocation of office and vehicles outside the City of Laredo. New location of their office is 1.5 miles east of Loop 20, Highway 359, as per Supplement 3, Cause #99-1094.

Motion to approve.

Moved : Cm. Galo  
 Second: Cm. Agredano  
 For: 7

Against: 0                      Abstain: 0

18. Consideration to authorize the City Manager to execute a Clinical Affiliation Agreement between the City of Laredo Fire Department and Columbia Doctors Hospital.

Motion to approve.

Moved : Cm. Galo  
 Second: Cm. Agredano  
 For: 7

Against: 0                      Abstain: 0

#### **IX. STAFF REPORTS**

19. Status report on the Chacon Creek Interceptor with possible action.

Fernando Roman, Utilities Director, reported that the Chacon Creek Interceptor Environmental document has been approved by EPA. They received the finding of no significant improvement

on Friday. He reported that staff is currently talking to the Texas Water Development Board about designating a review team so that we can get a "green light" for the bidding. They are expecting that by the end of this week, they will submit to them a series of documents having to do with the administration of the project in relation to the EPA grant and they can advertise for bids probably by the latter part of May.

With this in mind, they will advertise for 45 days, will probably be opening bids on July, and will begin construction shortly afterwards.

20. Status report on the Colonias Facility Plan with possible action.

Fernando Roman, Utilities Director, reported that the colonias plan is also moving along. They received from the state a list of things to document (such as financial statements, copies from projects, indication as how much is being allocated from the city and from other sources, and the like). Those documents are being submitted tomorrow. Once this is done, we may be able to ask for a meeting, probably for late May, with the higher staff at the Texas Water Development Board so that they can start talking about the pre-clearance proposal to fund the full sewer system. These issues will be put on the table and they will challenge them to take it.

21. Presentation with possible action regarding the annual Mother's Day Event co-sponsored by the City of Laredo.

John Vidaurri, Parks and Recreation Director, elaborated on the history of this event. He said the city's participation in the event took place as early as 1991, and former Cm. Felipe Cardenas was actively involved in the event coordination efforts during his tenure on City Council. He added that Cm. Alvarado is now actively involved with the coordination efforts of this event.

This event was sponsored by the City of Laredo in 1997 by action of the City Council. In the past, the event has been held in the Laredo Civic Center, but due to scheduling conflicts the event had to be moved. A request to consider holding the event at the Veterans Field was received; however, due to the rate schedule approved by Council and effective May 1st, it appears that a waiver of fees is required in order to hold the concert there.

It has been estimated that approximately \$435 are needed to hold the Mother's Day Concert at the Veterans Field. After breaking out the fees, approximately \$275.00 are for security

services and \$135.00 for lighting expenses. In the past the Parks Department has co-sponsored the event providing setup assistance. The event has also been sponsored by Guerra Communications and a number of vendors that provide free gifts and entertainment to the program. This year the event is proposed for May 6th on Veterans Field from 5:30 to 11:30 p.m. He added that this event is sponsored by numerous groups with different activities. He concluded by saying that this is not a budgeted item, the cost estimate is \$435.00, and added that Veterans Field is a separate fund.

Motion that this be a city sponsored event.

Moved : Cm. Galo

Second: Cm. Guerra

For: 7

Against: 0

Abstain: 0

22. Presentation to City Council on the status of the City's Worker's Compensation Self-Retention Insurance Program implemented October 1, 1996.

Dan Migura, Administrative Services Director, opened the presentation by elaborating on background information. He added that since October 1, 1996 the city implemented a self-retention insurance program in an attempt to decrease the number of claims and achieve cost savings. He showed video slides and reported on the Worker's Compensation claims filed with Risk Management during the period of 1995 to 1999. He added that they tracked lost time, medicals, and incidents.

- 1) The lost time represents those occurrences that exceed eight (8) days.
- 2) Medicals include anything that requires medical treatment. There is a cost associated with that.
- 3) Incidents may be something where someone just bumps his or her knee and is just reporting it. These are just reportable types of things.

WORKERS' COMPENSATION CLAIMS FILED  
WITH RISK MANAGEMENT

	FY 95/96	FY 96/97	FY 97/98	FY 98/99
Lost time:	126	155	119	48
Medicals:	244	209	309	105
Incidents:	136	147	139	97

Total	506	511	467	250
-------	-----	-----	-----	-----

## NUMBER OF WORKERS' COMPENSATION CLAIMS AS PER TML

1995/1996	1996/1997	1997/1998	1998/1999
480	482	450	143

FY 1997/98 TOP FOUR DEPARTMENTS  
WITH HIGHEST NUMBER OF INJURIES

	Fire	Police	PWorks	Utilities
Lost time:	15	36	30	15
Medicals:	30	51	44	24
Incidents:	27	41	1	27

FY 1997/98 YTD TOP FOUR DEPARTMENTS  
WITH HIGHEST NUMBER OF INJURIES

	Fire	Police	PWorks	Utilities
Lost time:	4	11	11	9
Medicals:	18	33	21	4
Incidents:	27	31	6	14

## TOTAL PAID BY FISCAL YEAR

FY 95/96	FY 96/97	FY 97/98	FY 98/99
\$1,198,906	\$1,091,681	\$701,496	\$65,999

TOTAL AMOUNT INCURRED  
(PAID + RESERVES)

FY 95/96	FY 96/97	FY 97/98	FY 98/99
\$1,266,389	\$1,257,736	\$994,918	\$267,236

## AVERAGE COST PER CLAIM

FY94/95	FY 95/96	FY 96/97	FY 97/98
3032	2626	2575	2118

Programs Implemented to Assist in  
Reducing Claim Frequency and Cost

- \* In House Database Tracking System
- \* Aggressive Claims Handling Procedures
- \* Case Management
- \* Increased Safety Personnel
- \* Expanded and Enhanced Safety Training
- \* Enforcement of City Safety Policies and Adherence to State and Federal Mandates
- \* Return to Work Program
- \* Drug and Alcohol Program

23. Presentation and discussion regarding the expansion of the Community Oriented Police Service (COPs). The presentation will include the status of our existing and the possibility of one additional station by July 1999 and plans to expand in the year 2000.

Agustin Dovalina, Police Chief, gave a chronological summary of the COPs Program.

In 1995, the Laredo Police Department incorporated the community-oriented policing services philosophy (COPs) into its field operations. The creation of El Azteca community policing services work station was brought forth through a grant by the Department of Justice Office of Community Oriented Policing Services. Because El Azteca sub-station was very successful, additional community policing work stations were developed. In 1996 the following sub-stations were implemented: Downtown (Police District 5), Library (Police District 6), and the Colonia Guadalupe (Police District 7). In early 1997, the Laredo Police Department began to prepare for the expansion of the COPs Program in Laredo. The following is a time line explaining the sequence of events that have led to the implementation of COPs:

January 8, 1997

The Laredo Police Department reactivated its Community-Oriented Policing Task Force to prepare for the expansion of the COPs philosophy within the City.

April 21, 1997

Cm. Jose R. Perez, Jr. requested an up-date on the COPs philosophy. The Laredo Police Department was in the process of putting together a workshop for the council members.

June 16, 1997

There was to be a presentation with possible action regarding COPS at this date City Council Meeting. However, there was a motion to re-schedule a workshop for July 10, 1997.

July 10, 1997

The Laredo Police Department held a workshop with City Council. At this meeting, the Laredo Police Department recommended the addition of four new COPS districts which were: Southside (Police District 15), Mall Del North (Police District 9), K. Tarver (Police District 4), and the National Armory (Police District 3). These districts were selected based on crime statistics. It was also discussed, at this workshop, that Police District 8 would be the next district to be considered for Community Policing.

November 11, 1998

The Laredo Police Department created another COPS sub-station located at the Norwest Boys and Girls Club to serve the Westside of Laredo (Police District 8).

December 7, 1998

Cw. Moreno requested a COPS station to serve both Council District II and IV. Council requested the Laredo Police Department to prepare a presentation on the method of selection of future COPS districts.

Chief Dovalina mentioned that another analysis based on crime statistics for 1998 was conducted. The statistics used were crimes reported to the police from January 1, 1998 to November 30, 1999. From these reports, only F.B.I.'s Part I offenses were counted. The F.B.I. has identified eight crimes which are of most concern to the public. These crimes are murder, robbery, rape, aggravated assault, burglary, theft, motor vehicle theft and arson.

Based on the statistical analysis, Chief Dovalina recommended the following 4 areas as priorities:

- Priority 1: encompasses Council District II
- Priority 2: encompasses Council District VII
- Priority 3: encompasses Council District I
- Priority 4: encompasses Council District VI

Also, using the 1998 analysis data, the following Police Districts were ranked by priority as having the highest number of Part I offenses:

- 1) District 12 (Wal-Mart area)
- 2) District 2 (Chacon area)
- 3) District 1 (The Base area)

- 4) District 14 (Mines Rd. area)
- 5) District 13 (Santo Nino area)
- 6) District 11 (North of Del Mar area)
- 7) District 10 (Del Mar C area)

Mayor Flores recommended Chief Dovalina to set up meetings, before the budget hearings, with each individual Councilmember and show them the statistics on their own particular Council District. However, it was agreed to have a workshop arranged.

Chief Dovalina stated there are enough human resources to extend to one COPs work station by July 1999, maybe another one by December 1999, and perhaps two more by mid-year 2000, but equipment needs to be considered. He added that during the budget hearings, he will aggressively seek additional funding for the Police Department.

In order to address concerns by Councilmembers, Chief Dovalina proposed to have the Police Districts reorganized. This action will affect the configuration of the stats and the priorities areas will change. It was determined that the current Police Districts need to be organized considering population density, area size, and accessibility.

Officer Dovalina, President of Laredo's Police Officers Association, reminded City Council that equipment needs to be addressed and added that there are different programs that can be targeted to obtain additional funds for crime control and prevention.

24. Announcing the completion of the Santa Isabel Water Point and requesting a date for inauguration.

Fernando Roman, Utilities Directors, said they finally got TNRCC to give them a letter approving the facility. He explained the three things they needed to comply with and said they have been resolved. They have the letter and are now ready to begin using it as a community supply. He asked Cm. Alvarado what would be a feasible date to schedule something at the facility, so that our counterparts in the county be advised.

Cm. Alvarado said he will check his calendar and then will let him know.

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

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

Moved : Cm. Bruni

Second: Cm. Alvarado

For: 8

Against: 0

Abstain: 0

After executive session Mayor Flores announced that no formal action was taken.

#### **X. COMMUNICATIONS**

Mayor Flores thanked and congratulated the Laredo Sports Journal for its tabloid edition on the good things our local youth are doing in sport events.

#### **XI. CITY COUNCIL PRESENTATION AND DISCUSSION**

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

A. Request by Council member Louis H. Bruni

1. Status report on the pending lease agreements between the City of Laredo, Laredo International Airport, American Eagle Airlines and Continental Express, with possible action.

Jose Luis Flores, Airport Director, reported that it has been a little over a year since they first submitted the original proposal to the airlines. Since then, the proposal has been amended twice. Each time it was made more attractive and favorable to the airlines for them to sign it. Back in December 1998, American Eagle had scheduled a visit with our City Manager to discuss our charges, but American Eagle cancelled the meeting two days prior to its date and never re-scheduled it again. In February 1999, a visit to discuss different matters was made to Continental Airlines in Houston. As of today, Continental Airlines hasn't decide upon a lease agreement with us.

Mr. Flores mentioned that the City of Laredo has always provided a subsidy, that comes from airport revenues, to

the airlines. The intent is to help the airlines keep their costs down so that they develop our market. Mr. Flores then proceeded with the following presentation.

NEW PASSENGER TERMINAL AND AIRFIELD  
REVENUE COMPARISON TO EXPENDITURE  
JUNE 1998

<b>REVENUES</b>	<b>ANNUAL</b>
Airlines:	\$ 65,121
Exclusive Use	139,673
Non-Exclusive Use (12,252 Sq. Ft. x .95 x 12)	
Landing Fee (\$0.40)	40,000
	-----
Subtotal	\$244,794
 Terminal Concession:	
Car Rental	\$ 73,440
Gift Shop	8,440
Duty Free	25,000
Restaurant	16,800
Advertising	20,000
ATM	1,200
Travel Agency	6,000
Public Phones	2,000
	-----
Subtotal	\$142,840
<b>TOTAL REVENUES</b>	<b>\$387,637</b>
 <b>EXPENDITURES</b>	<b>ANNUAL</b>
Administration:	
Personnel (7) Management (\$322,316 x 10%)	\$ 32,231
(9) Security (\$309,260 x 70%)	216,482
(4.5) Custodians (\$106,365 x 90%)	95,728
Materials & Supplies (\$55,324 x 50%)	27,662
Contractual Services	
-Water	6,000
-Electricity	180,000
-Airport Rescue & Fire (\$572,669 x 50%)	286,335
Building Maintenance (Terminal and Airfield):	
Personnel (\$361,987 x 25%)	90,497
Materials & Supplies (\$60,554 x 25%)	15,138

Contractual Services (\$91,633 x 25%)		22,908
Grounds Maintenance (Airfield):		
Personnel (\$256,399 x 30%)		76,919
Materials & Supplies (\$47,595 x 30%)		14,385
Contractual Services (\$87,027 x 30%)		26,108
Tower: FAA Grant	\$227,544	
Actual	<u>295,374</u>	
Difference	\$ 67,544 (\$67,544 x 50%)	33,915
<b>TOTAL EXPENDITURES (PAX Terminal and A.O.A.)</b>		<b>\$1,124,308</b>
Variance: Revenues	\$ 387,634	
Expenditures	<u>1,124,308</u>	
Variance	(\$ 736,674)	

Variance is equal to annual subsidy to the airlines.

After the presentation, Mr. Flores said there have been economic benefits to the City of Laredo for having airplane services. He pointed out that our landing fees are very competitive, so he is looking at making a recommendation to increase them. However, compared to area airports, we have the highest rent based on a per passenger cost to the airline, although our per square foot rent is very reasonable. He mentioned that the airlines have not been in a long term lease agreement since April 30, 1994.

Cm. Bruni remarked, "We have the lowest landing fees and reasonable per square foot rent, but the airlines won't even bring to the table to negotiate a lease with us." He added, "Airlines have a very lucrative market with high fares here in Laredo. However, if the airlines decide to go somewhere else, we should have a contingency plan on what we could do."

Cm. Galo asked about the contingency plan for the budgeted income that the airport has not received. He quoted what Mr. Flores said during last year's budget hearings: "Whatever agreement we reach with the airlines would be retroactive and the airlines would pay the back rent."

Mr. Flores replied that vacant positions are not being filled and some savings have been achieved, but he has many pressures to spend money.

Cm. Alvarado said that he approves the subsidy if it is helping the community, but Laredo has the highest air fares. That needs to be equated into the overall package and needs to be considered with the amount of subsidy being provided to airlines. He expressed concerns regarding the airport's marketing position not being filled because it is a position that will bring additional revenues to the City. He added that revenues are needed to provide matching funds for the federal grants that we are getting.

Mayor Flores stated that we cannot subsidize for very much longer unless balances are generated in the airport's budget.

Cm. Bruni commented that it's not acceptable that the airlines are paying \$900 per month when they are supposed to pay \$7000. Airlines should pay the fair market value. He thinks these airlines are not dealing with us in good faith; therefore, they should sign a lease agreement.

Charles Martens, from the Airport Advisory Board, spoke on his behalf, not as a board member. He said that the markets of American and Continental Airlines are very diverse and very separate; therefore, the airlines don't negotiate with us with a competitive spirit. The #1 and #2 destinations from Laredo, as well as from San Antonio, are Dallas and Houston. Another fact is that both airlines have better prices going further away. He informed that a recent study reflected that the airline users preferred American and not Continental, probably because of ticket prices. Also, Laredo's top 20 destinations were identified and 18 out of the 20 were American destinations.

Houston is a one stop shop for the Laredo traveler; however, Continental recently entered into a contract with Monterrey, Mexico for a direct Monterrey-Houston flight. Mr. Martens thinks this is an effort by Continental to capture some of our growth market. He pointed the fact of not having a contract can be in our advantage. It allows us to go out and negotiate with another airline carrier because Laredo has an attractive 15-20% growing air traveling market.

Mr. Roberto Trevino, Airport Advisory Member, stated that one important thing to remember is that as long as we are negotiating, we are negotiating from a position of weakness. There is nothing we can do about the fact that Continental nor American are not willing to sign a

contract. There is nothing to hold them. It is also important, as a matter of principle, that we get them to pay us. We are subsidizing the airport to the tune of \$1.1 million. Even if American and Continental Airlines pay us what we would like them to pay, we will still be subsidizing \$736,000.

Motion to instruct the City Manager to place an item on the next City Council Meeting for executive session deliberation on the pending lease agreements with American Eagle Airline and Continental Express pursuant to Section 551.072 of the Open Meetings Act and for action to be taken in open session regarding these leases.

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

Against: 0

Abstain: 0

B. Request by Council member Joe A. Guerra

1. Initiate an amendment to the Ordinance (93-O-177) extending the 60 day application fee waiver on newly annexed property to 180 days.

Keith Selman, Planning Director, made the presentation.

Motion to initiate amendment to ordinance #93-O-177 extending the 60 day application fee waiver on newly annexed property to 180 days.

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

Against: 0

Abstain: 0

2. Requesting change orders on various sidewalks under construction in District VI.

Rogelio Rivera, City Engineer, reported there are two areas of concern that were brought forth for them to look at and to figure cost estimates.

First, the approach to St. Patrick's Church where there is no sidewalk nor ramps. They estimated a preliminary cost of \$7,730 based on current prices from the contract that Pete Gallegos is working on in the Trautmann School area.

The second area is for a sidewalk and ramps on Lindenwood. These would be the approaches by the UISD

administration building taking into the Day Care School that is adjacent to it. This area has some sidewalks already, but they are in very bad shape and unsafe.

In working with the cost estimate on that stretch, they have a cost of about \$17,340 based on current prices from the Pete Gallegos contract.

These projects are not included in the CIP nor in the program that was done for the Trautmann Elementary School. Also, there is no funding identified.

Cm. Guerra said that the reason this item was placed on the agenda is that we do have a contractor working on sidewalks in that area and it would be a good thing if we could utilize him and his equipment at this time.

City Manager Pena explained that our CO budget has zero reserve, and in our CIF there is about \$30,000 or \$40,000 reserve for about \$4 million annual appropriations. He said that the \$7,000 for the portion near St. Patrick's will not break the budget of CIF, but in the future, we need to have a quarterly process whereby council will consider projects on a more "quarterly basis" based on a review of the reserve. He thinks that what Cm. Guerra is saying is that the contractor (Pete Gallegos) is working that area right now. Mr. Pena added that the general fund has a reserve of about \$300,000, and the general fund budget is \$65 million, so it is a small amount in the event some contingencies occur. The fund that has a reserve of about \$50,000 is the CIF and \$7,000 could come out of it, but of course, there is the concern of Cm. Bruni regarding the possibility of a police substation which will require another appropriation that hopefully would come out of CD funds, balances are found there.

The advantage of this project is that Pete Gallegos is working in that area now, it fronts Del Mar, and it's a completion of that area.

Motion to appropriate \$7,000 for sidewalks for the approach to St. Patrick's Church where there is no sidewalk or ramps.

Moved : Cm. Guerra

Second: Cm. Bruni

For: 8

Against: 0

Abstain: 0

**XII. PUBLIC HEARINGS**

27. Public hearing for closing the hearing on the Paving Assessment Street Improvements Project 61 and fixing a lien and charge.

## INTRODUCTION OF AN ORDINANCE

Ordinance for closing the hearing on the Paving Assessment Street Improvements Project 61 and fixing a lien and charge.

Motion to open the public hearing.

Moved : Cm. Bruni

Second: Cm. Galo

For: 8

Against: 0

Abstain: 0

Rogelio Rivera, City Engineer, made the presentation.

Francis Villarreal, State Certified Appraiser, determined the assessed values were enhanced by values assessed except for three parcels (29, 30, and 31) which she feels are not enhanced. These three parcels have the Missouri Pacific railroad on the east side and on the west side is Santa Rita Street. In some instances the beginning of the lot was only like 10 feet between the railroad easement and the street.

There was not public input.

Motion to close the public hearing and introduce.

Moved : Cm. Bruni

Second: Cm. Agredano

For: 8

Against: 0

Abstain: 0

Ordinance Introduction: City Council

28. Public hearing amending the City of Laredo FY 1998-99 General Fund and Capital Improvements Funds annual budget by appropriation revenues and expenditures in the amount of \$146,601 and \$181,525 respectively for revenues expected to be received from the Federal Emergency Management Agency for repairs and/or improvements to the Anna Truck Route, McNaboe Park and Los Dos Laredos Park.

## INTRODUCTION OF AN ORDINANCE

Ordinance amending the City of Laredo FY 1998-99 General Fund and Capital Improvements Funds annual budget by appropriation revenues and expenditures in the amount of \$146,601 and \$181,525 respectively for revenues expected to be received from the Federal Emergency Management Agency for repairs and/or



Ordinance Introduction: City Council

SUPPLEMENTAL AGENDA

**X. COMMUNICATIONS**

- a) Certificate of Recognition for Tejano Music Star, Javier Molina.

Mayor Flores presented Javier Molina Tejano Music Star with a the Seven Flags Recognition.

- b) Presentation by the Streets of Laredo Urban Association on the "Jamboozie Festival.

Mr. Roberto Gonzalez, Representing the Streets of Laredo Urban Association, publicly invited the Mayor and the City Council to the Jamboozie Festival event on Saturday May 8, 1999 from noon to midnight with a ceremony at 2:00 p.m. at 1315 Iturbide.

**IX. STAFF REPORTS**

Consideration with possible action of a request from the City of El Cenizo to sell a City garbage truck in the amount of \$6,000.00.

Motion to approve.

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

Against: 0                      Abstain: 0

**XIII. ADJOURNMENT**

Motion to adjourn.

Adjournment time: 8:20 P.M.

Moved : Cm. Alvarado

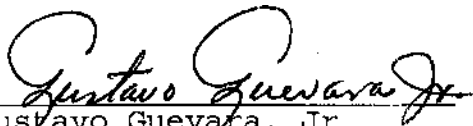
Second: Cm. Agredano

For: 7

Against: 0

Abstain: 0

I hereby certify that the above Minutes contained in pages 01 to 27 are true, complete, and correct proceedings of the City Council Meeting held on the 3rd day of May, 1999. A certified copy is on file at the City Secretary's Office.

  
Gustavo Guevara, Jr.  
City Secretary

**Minutes approved: May 24, 1999**