

**CITY OF LAREDO
CITY COUNCIL MEETING
M-2012-R-11
CITY COUNCIL CHAMBERS
1110 HOUSTON STREET
LAREDO, TEXAS 78040
JUNE 18, 2012
5:30 P.M.**

I. CALL TO ORDER

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

II. PLEDGE OF ALLEGIANCE

Mayor Raul G. Salinas led in the pledge of allegiance.

III. ROLL CALL

In attendance:

Raul G. Salinas,	Mayor
Esteban Rangel,	Council Member, District II
Juan Narvaez,	Council Member, District IV
Johnny Rendon,	Council Member, District V
Charlie San Miguel,	Council Member, District VI
Jorge A. Vera,	Council Member, District VII
Gustavo Guevara, Jr.	City Secretary
Carlos Villarreal,	City Manager
Cynthia Collazo,	Deputy City Manager
Horacio De Leon,	Assistant City Manager
Jesus Olivares,	Assistant City Manager
Raul Casso,	City Attorney

Motion to excuse Cm. Garza, Cm. Perez, Cm. Liendo Espinoza and Cm. San Miguel.

Moved: Cm. Narvaez

Second: Cm. Rangel

For: 4

Against: 0

Abstain: 0

IV. MINUTES

Approval of the minutes of June 4, 2012.

Motion to approve the June 4, 2012 minutes.

Moved: Cm. Rendon

Second: Cm. Vera

For: 4

Against: 0

Abstain: 0

Citizen comments

Richard Geissler, representing Voices in Democratic Action, reported that they had been looking for the Ethics Commission, which did not exist after having been voted for two years ago. He asked for the Commission to be sped up and that it be transparent.

Eva Delgado from Voices in Democratic Action reported that they were seeing issues in the community and the government that were being neglected.

Dr. Hector Farias, representing Voices in Democratic Action, stated that because of corruption issues in the city, a former chief of police had gone to jail for taking bribes. He added that the charter had been revised and the taxpayers had approved the revisions, including an Ethics Commission. He went on to say that the Code of Ethics had not been adopted and the Ethics Commission did not exist; yet, there were serious violations that needed to be addressed. He also mentioned that the city had no policy for naming public facilities. He requested that they establish a policy naming committee and asked that they give serious consideration to this issue.

Armando Cisneros spoke on the subject of law and order. He stated that he was puzzled because he had seen firsthand citizens that were not being protected by the Laredo Police Department. He concluded that he knew that the school districts were within city limits and that he felt that the police department should handle these cases in an unbiased manner rather than the school districts investigating themselves.

Paco Garcia, representing St. Peters Neighborhood Historic Association, announced their first annual Portico Street Festival on Matamoros Street on Saturday, June 23rd from 5-9.

Victor Treviño, Jr. invited the community to a series of events, starting with a reception on Wednesday, June 20th at Aji Seafood Restaurant, Stingray Alley, 6919 Springfield, to meet the Miss Laredo Pageant contestants.

Roel Gonzalez, Director of Miss Laredo Pageant, said that they had been blessed three times to bring the crown home to Laredo.

Clemente Palafox, representing the Bola Americana Youth Football League, said that this organization was nonprofit and volunteer. He added that they had about 500 children practicing this sport in Laredo. He thanked Cm. Narvaez for his support and presented him with a plaque of appreciation.

Juan Avila presented a plaque to Assistant Chief Navarro that was intended for Police Chief Carlos Maldonado. It said, "Lady Hot Shots honors Carlos Maldonado, Laredo Police Chief, in recognition and sincere appreciation of your distinguished service to the youth of our community."

Cm. San Miguel joined the meeting at 6:25 pm.

V. PUBLIC HEARINGS

1. Public hearing and introductory ordinance authorizing the issuance of City of Laredo, Texas Subordinate Waterworks and Sewer System Revenue Bonds, Series 2012, in the principal amount of \$48,750,000, for the purpose of improving and extending the City’s combined Waterworks System and Sewer System, making provisions for the security thereof; authorizing amendment to the City’s budget to appropriate such proceeds for purposes authorized herein; awarding sale of the bonds to the Texas Water Development Board, and ordaining other matters relating to the subject.

Motion to open the public hearing.

Moved: Cm. Rendon

Second: Cm. Vera

For: 5

Against: 0

Abstain: 0

Adrian Galvan, representing Estrada Hinojosa Investment Bankers gave a presentation before Mayor and Council.

Pricing Results

\$48,750,000 Subordinate Waterworks & Sewer System Revenue Bonds, Series 2012 (TWDB)

Reason for pursuing Texas Water Development Board [TWDB] Clean Water SRF Loan

- TWDB is offering City the opportunity to lock in a borrowing a full 222 Basis Points below Open Market transaction. Using Final Pricing #'s for 30-year financing, this translates to a borrowing rate of 1.86% for TWDB loan compared to a 4.08% in today’s Open Market.
- Additionally, the TWDB loan allows the City to borrow debt as a Subordinate Lien debt issue, providing significant advantage to the City when borrowing in the future for parity debt.
- By securing the \$48,750,000 CWSRF Loan through TWDB, the City of Laredo will save approximately \$755,000 per year over 30 years. This translates into \$22,526,231 on a future value basis over the life of the loan or \$17,475,525 on a present value basis.

The rest of this presentation can be viewed at the City Secretary’s Office, 1110 Houston St., Laredo, TX 78040.

Motion to close the public hearing and introduce.

Moved: Cm. Narvaez

Second: Cm. Rangel

For: 5

Against: 0

Abstain: 0

Ordinance Introduction: City Council

2. Public hearing and introductory ordinance amending the Zoning Ordinance (Map) of the City of Laredo by rezoning Lots 47 and 48, El Rancho Subdivision, Unit I, located at 4219 State Highway 359, from R-3 (Mixed Residential District) and B-3 (Community Business District) to B-4 (Highway Commercial District); providing for publication and effective date.

Staff is in support of the zone change and the Planning & Zoning Commission recommends in favor of the request. District II

Motion to open the public hearing.

Moved: Cm. Vera

Second: Cm. Rendon

For: 5

Against: 0

Abstain: 0

There was no public input.

Motion to close the public hearing and introduce.

Moved: Cm. Rangel

Second: Cm. Vera

For: 5

Against: 0

Abstain: 0

Ordinance Introduction: Cm. Rangel

3. Public hearing and introductory ordinance amending the Zoning Ordinance (Map) of the City of Laredo by rezoning Lot 2, Block 1, Westgate Commercial Subdivision, located at 1016 East Calton Road, from B-3 (Community Business District) to B-4 (Highway Commercial District); providing for publication and effective date.

Staff is in support of the zone change and the Planning & Zoning Commission recommends in favor of the request. District V

Motion to open the public hearing.

Moved: Cm. Rangel

Second: Cm. Vera

For: 5

Against: 0

Abstain: 0

Jose Gonzalez II requested approval of this zone change.

Motion to close the public hearing and introduce.

Moved: Cm. Rendon

Second: Cm. Vera

For: 5

Against: 0

Abstain: 0

Ordinance Introduction: Cm. Rendon

4. Public hearing and introductory ordinance amending the Zoning Ordinance (Map) of the City of Laredo by rezoning Lot 1, Block 1, Villas San Agustin, Unit 1 Subdivision; Lot 1, Block 5, Villas San Agustin, Unit 2 Subdivision and Lots 1 thru 3, Block 2, Villas San Agustin, Unit 8 Subdivision, located at 7801 and 7811 W. Bob Bullock Loop, 11210 Atlanta Drive; and 702 and 710 Fasken Boulevard, from R-2 (Multi-Family Residential District) and B-3 (Community Business District) to R-1A (Single Family Reduced Area District); providing for publication and effective date.

Staff is in support of the zone change and the Planning & Zoning Commission recommends in favor of the request. District VII

Motion to open the public hearing.

Moved: Cm. Vera

Second: Cm. Rangel

For: 5

Against: 0

Abstain: 0

Motion to close the public hearing and introduce.

Moved: Cm. Vera

Second: Cm. San Miguel

For: 5

Against: 0

Abstain: 0

Ordinance Introduction: Cm. Vera

5. Public hearing and introductory ordinance amending the Zoning Ordinance (Map) of the City of Laredo by authorizing a Conditional Use Permit for an indoor/outdoor amusement services (batting cages) on Lot 2, Block 4, Hilltop Subdivision Phase II, located at 102 Hilltop Road; providing for publication and effective date.

Staff is in support of the Conditional Use Permit and the Planning & Zoning commission recommends approval of the request. District VII

Motion to open the public hearing.

Moved: Cm. Vera

Second: Cm. Rangel

For: 5

Against: 0

Abstain: 0

Carlos Caballero requested approval of the zone change request.

Motion to close the public hearing and introduce.

Moved: Cm. Vera

Second: Cm. Narvaez

For: 5

Against: 0

Abstain: 0

Ordinance Introduction: Cm. Vera

6. Public hearing and introductory ordinance amending the Zoning Ordinance (Map) of the City of Laredo by rezoning Lot 8, Block 1930, Eastern Division, located at 3102 Jaime Zapata Memorial Highway, from R-2 (Multi-family Residential District) to B-4 (Highway Commercial District); providing for publication and effective date.

Staff does not support the zone change and the Planning & Zoning Commission recommends in favor of the request. District II

Motion to open the public hearing.

Moved: Cm. Rangel

Second: Cm. Vera

For: 5

Against: 0

Abstain: 0

Motion to close the public hearing and introduce.

Moved: Cm. Rendon

Second: Cm. Rangel

For: 5

Against: 0

Abstain: 0

Ordinance Introduction: Cm. Rangel

VI. INTRODUCTORY ORDINANCES

7. Authorizing the City Manager to amend Ordinance no. 92-O-118 and grant the U. S. International Boundary & Water Commission (USIBWC) permission to install approximately 800 feet of conduit and wiring from the USIBWC gauge house to the center of the bridge to upgrade the current pressure based water level sensor to a modern radar water level sensor at the Colombia Solidarity Bridge. USIBWC will be responsible for all expenses related to design, installation and maintenance associated with this upgrade.

Ordinance Introduction: City Council

8. Authorizing the City Manager to execute a lease with Full Service Auto Parts of San Antonio, Inc., for approximately 7,220 square feet of building space with associated land located at 1605 E. Hillside at the Laredo International Airport, Block 24, Lot No.1. The initial monthly rent shall be \$4,852.05 and will be adjusted annually according to changes in the Consumer Price Index. The term shall commence on the first day of June 2012 and shall terminate on the thirty-first day of April, 2014 plus two (2) five-year renewal options until April 30, 2019, and April 30, 2024, providing for rent adjustment in accordance with LESSOR'S appraised value effective May 1, 2014; providing for an effective date. (Approved by the Finance Committee)

Ordinance Introduction: City Council

9. Authorizing the City Manager to execute a lease with Border Med Solutions, for approximately 5,500 square feet of building space with associated land located at

1605 E. Hillside at the Laredo International Airport, Block 24, Lot No.1. Lease term shall commence June 1, 2012 and end on April 30, 2013, and may be extended for two (2) terms of one (1) year each ending on May 31, 2014 and May 31, 2015. Initial monthly rent shall be \$4,644.00 and will be adjusted annually according to changes in the Consumer Price Index; providing for an effective date. (Approved by the Finance Committee)

Ordinance Introduction: City Council

VII. FINAL READING OF ORDINANCES

Motion to waive the final reading of Ordinances 2012-O-081, 2012-O-082, 2012-O-083, 2012-O-084, 2012-O-085, 2012-O-086, and 2012-O-087.

Moved: Cm. Rendon

Second: Cm. Vera

For: 5

Against: 0

Abstain: 0

10. 2012-O-081 Amending Article VI [Investment Policy] of Chapter 2 [Administration] of the Code of Ordinances in order to:

1. Insert new requirements due to Legislative changes in the Public Funds Investment Act;
2. Correct and insert minor punctuation and typing edits; and providing for effective date.

Motion to adopt Ordinance 2012-O-081.

Moved: Cm. Rendon

Second: Cm. Vera

For: 5

Against: 0

Abstain: 0

2012-O-082 Amending the City of Laredo's FY 2012 Laredo Conventions and Visitors Bureau operating budget by appropriating revenues and expenditures in the amount of \$300,000.00. Funding is available in the Hotel Motel Fund.

Motion to adopt Ordinance 2012-O-082.

Moved: Cm. Rendon

Second: Cm. Vera

For: 5

Against: 0

Abstain: 0

2012-O-083 Authorizing the City Manager to execute termination of Advanced Funding Agreement with the Texas Department of Transportation for the design of a proposed railroad grade separation over the Kansas City Southern Railroad Crossing on Arkansas Avenue, between Guadalupe and Chihuahua Streets, and amending the FY 2011-2012 Capital Grants fund by decreasing revenues in the

amount of \$812,016.00, and transferring in \$93,540.00, for a total decrease in expenses of \$905,556.00. TxDOT and the City mutually agree to terminate the agreement, and proceed no further with the project due to significant adverse public response. The City will not be required to reimburse the \$310,000.00 in federal funds already expended on the project.

Motion to adopt Ordinance 2012-O-083.

Moved: Cm. Rendon

Second: Cm. Vera

For: 5

Against: 0

Abstain: 0

2012-O-084 Amending the Zoning Ordinance (Map) of the City of Laredo by amending Ordinance No. 2010-O-019 authorizing the issuance of a Conditional Use Permit for an oriental grocery store and professional offices on Lot 4, Block 666, Eastern Division, located at 1219 East Bustamante Street, by removing the expiration date; providing for publication and effective date.

Motion to adopt Ordinance 2012-O-084.

Moved: Cm. Rendon

Second: Cm. Vera

For: 5

Against: 0

Abstain: 0

2012-O-085 Amending the Zoning Ordinance (Map) of the City of Laredo by rezoning Lots 2 and 3, Block 2, San Isidro Business Park, located at 301 and 309 Crossroads Street, from B-4 (Highway Commercial District) to M-1 (Light Manufacturing District); providing for publication and effective date.

Motion to adopt Ordinance 2012-O-085.

Moved: Cm. Rendon

Second: Cm. Vera

For: 5

Against: 0

Abstain: 0

2012-O-086 Amending the Zoning Ordinance (Map) of the City of Laredo by rezoning Lots 3 and 4, Block 1, San Isidro Business Park, located at 310 and 318 Crossroads Street, from B-4 (Highway Commercial District) to M-1 (Light Manufacturing District); providing for publication and effective date.

Motion to adopt Ordinance 2012-O-086.

Moved: Cm. Rendon

Second: Cm. Vera

For: 5

Against: 0

Abstain: 0

2012-O-087 Amending the Zoning Ordinance (Map) of the City of Laredo by authorizing a Conditional Use Permit for a thrift shop on Lot 1, Block 569, Western Division, located at 2619 Salinas Avenue; providing for effective date and publication.

Motion to adopt Ordinance 2012-O-087.

Moved: Cm. Rendon

Second: Cm. Vera

For: 5

Against: 0

Abstain: 0

VIII. RESOLUTIONS

11. 2012-R-051 Authorizing the City Manager to accept round 14 of the Universal Service Program Grant (e-rate) from the Schools & Libraries Division / Universal Services Administrative Company / FCC in the total amount of \$107,872.80, which includes the City's 10% match of \$10,787.28. (Approved by the Finance Committee)

Motion to approve Resolution 2012-R-051.

Moved: Cm. Rendon

Second: Cm. Vera

For: 5

Against: 0

Abstain: 0

IX. MOTIONS

12. Authorizing the City Manager to grant a public fireworks display permit for the July 4th, 2012, Independence Day Celebration at the Laredo Country Club located at 1415 Country Club Drive at 9:15 p.m. The technician for the display will be Atlas Enterprises Incorporated.

Motion to approve.

Moved: Cm. Rendon

Second: Cm. Rangel

For: 5

Against: 0

Abstain: 0

13. Consideration for approval to advance from Stage 1 of the Water Conservation and Drought Contingency Ordinance to Stage 3 and declare it effective on July 1, 2012 for approximately three (3) months. A Stage 1 is voluntary water conservation, and Stage 3 is mandatory water conservation. Stage 3 requires customers to irrigate their lawn using a hose-end sprinkler or automatic sprinkler system only three (3) days per week. Addresses ending in even numbers can only water on Mondays, Wednesdays, and Fridays, and addresses ending in odd numbers can only water Tuesdays, Thursdays, and Saturdays. Watering Sundays is strictly prohibited. The watering times are only before 8:00 a.m. or after 8:00 p.m. on the assigned days. This schedule also applies to the washing of vehicles and refilling of swimming pools. Hand-watering or using a drip irrigation system is allowed at any time.

Motion to approve.

Moved: Cm. Rendon

Second: Cm. Rangel

For: 5

Against: 0

Abstain: 0

14. Consideration for acceptance, final payment and release of remaining retainage in the amount of \$277,963.56 and approval of final change order no. 2, a credit in the amount of \$145,878.34 reducing the contract amount from \$13,873,460.00 to \$13,727,581.66 to CSA Construction, Inc., Houston, Texas, for the North Laredo Wastewater Treatment 3MGD Plant. Funding is available in the 2000, 2004, 2005 and 2008 Sanitary Sewer Bond Accounts. (Approved by the Finance Committee)

Motion to approve.

Moved: Cm. Rendon

Second: Cm. Rangel

For: 5

Against: 0

Abstain: 0

15. Consideration to renew contract FY10-057 to Delta House Electric and Motor Rewind, Freer, Texas, in the amount of \$300,000.00 to provide electric motor repair service for the Utilities Department Repairs for motors with horsepower ratings from 1/8 HP to 400 HP that are used in the water and wastewater operations. This is the second of three (3) extension periods for this contract. Funding is available in the Utilities Department Fund. (Approved by the Finance Committee)

Motion to approve.

Moved: Cm. Rendon

Second: Cm. Rangel

For: 5

Against: 0

Abstain: 0

16. Consideration to award contract number FY12-058 to Test America Laboratories, North Canton, Ohio, in the estimated annual amount of \$150,000.00, for providing laboratory analytical services for water and wastewater samples in accordance to Environmental Protection Agency (EPA) approved standard methods. The testing laboratory will be responsible for sample handling, analysis, and reporting for a wide range of environmental parameters in soil, water, and sludge samples for both water and wastewater applications. Funding is available in the Utilities Department Budget, Water Pollution Control Division. (Approved by the Finance Committee)

Motion to approve.

Moved: Cm. Rendon

Second: Cm. Rangel

For: 5

Against: 0

Abstain: 0

17. Consideration to award annual supply contract number FY12-062 for the purchase of materials required for all city paving and construction projects to the following low bidders:

1. Anderson Columbia, Lake City, Florida, in the estimated amount of \$952,810.00, for the purchase of asphalt cold laid material, sand (F.O.B. plant), gravel, 3/8" pea gravel, flexible base, type D (crushed concrete site delivered);, and
2. Brothers Materials, Laredo, Texas, in the estimated amount of \$1,650,720.00, for the purchase of black base, flexible base caliche, flexible base type A, flexible base type B and sand (site delivered).

The term of this contract is for a one (1) year period and is subject to the availability of funds. All materials are purchased on an as needed basis utilizing the Public Works Department, Utilities Department, and construction project budgets. (Approved by the Finance Committee)

Motion to approve.

Moved: Cm. Rendon

Second: Cm. Rangel

For: 5

Against: 0

Abstain: 0

18. Consideration to award contract FY12-061 to the following bidders to provide automotive body repair services for the fleet operation to:

1. Lozano Body Shop, Laredo, Texas, for passenger cars, light, medium, and heavy duty trucks; and
2. Paul Young Chevrolet, Inc., Laredo, Texas, for passenger cars, light, medium, and heavy duty trucks.

All automotive body repairs services will be secured on an as needed basis. The estimated contract amount is \$225,000.00. Staff is recommending that these contracts be awarded to these two (2) qualified vendors and to allow staff to secure repair estimates from both vendors to get the best pricing for the needed repairs. Funding is available in the Fleet Maintenance budget. (As amended and approved by the Finance Committee)

Motion to approve as amended by extending the contract for three years rather than a one-year contract with renewals.

Moved: Cm. Narvaez

Second: Cm. Rangel

For: 5

Against: 0

Abstain: 0

19. Consideration for approval of change order no. 1, an increase of \$36,877.80 to the construction contract with Reim Construction, Inc., Mission, Texas, for the Canal Street Drainage Improvements Phase III, for additional water, sanitary sewer and

drainage improvements as requested by City Staff and to add twenty-six (26) working days to the construction contract time. Current construction contract amount with this change order is \$733,843.15. Current construction contract time with this change order is two hundred six (206) working days. Completion date for the project is scheduled for January 2013. Funding is available in the HMGP (Hazard Mitigation Grant Program) from the Texas Governor's Division of Emergency Management (DEM) and the Utilities 2011 Revenue Bond.

Motion to approve.

Moved: Cm. Rangel

Second: Cm. Vera

For: 5

Against: 0

Abstain: 0

20. Consideration to authorize the purchase of three (3) super cab trucks with flatbeds from Caldwell Country, Caldwell, Texas, in the amount of \$83,532.00 through the BuyBoard Cooperative Purchasing Contract pricing. Funding for the purchase of these trucks is available in the Capital Improvement Fund. (Approved by the Finance Committee)

Motion to approve.

Moved: Cm. Rangel

Second: Cm. Vera

For: 5

Against: 0

Abstain: 0

21. Authorizing the City Manager to amend the existing Memorandum of Understanding Agreement between the City of Laredo Health Department and Laredo Medical Center Cancer Institute for an additional \$60,000.00 to conduct diagnostic procedures as part of the Cancer Prevention Institute of Texas (CPRIT) Project. Funding is available in the Health Department budget through the CPRIT grant. (Approved by the Finance Committee)

Motion to approve.

Moved: Cm. Rangel

Second: Cm. Vera

For: 5

Against: 0

Abstain: 0

22. Consideration to authorize the purchase of a portable basketball floor system for the Laredo Energy Arena (LEA) from NAH Inc., Houston, Texas, in the amount of \$98,350.00 utilizing BuyBoard Cooperative Purchasing Contract pricing. Funding for this purchase is available in the Sports Venue Fund. (Approved by the Finance Committee)

Motion to approve.

Moved: Cm. Rangel

Second: Cm. Vera

For: 5

Against: 0

Abstain: 0

Motion to revisit item 22.

Moved: Cm. Rendon

Second: Cm. Vera

For: 5

Against: 0

Abstain: 0

Cm. Rendon stated that he wanted to make sure that all markings for volleyball and basketball were within UIL guidelines.

City Manager Carlos Villarreal replied that this came from the sports venue tax which could not be used for any other purpose. He went on to say that they could not balance the budget with these funds so that the taxpayers would understand how the funds were being used. He concluded that the court would fit NBA standards.

23. Approving monthly adjustments to the tax roll. The amounts to be adjusted for the month of May 2012, represent a decrease of \$8,181.52. These adjustments are determined by the Webb County Appraisal District and by court orders.

Motion to approve.

Moved: Cm. Rangel

Second: Cm. Vera

For: 5

Against: 0

Abstain: 0

24. Refund of property tax in the amount of \$567.57 payable to Luna & Luna, L.L.P., due to an erroneous payment.

Motion to approve.

Moved: Cm. Rangel

Second: Cm. Vera

For: 5

Against: 0

Abstain: 0

X. GENERAL COUNCIL DISCUSSIONS AND PRESENTATIONS

25. A. Request by Council Member Esteban Rangel
1. Discussion with possible action on looking for a minimum of 100 acres for a sports venue/complex.

Cm. Rangel reported that he knew that they had an offering by the new golf course. He had also heard from others who were interested in donating acres. He wanted to start looking into what other landowners would donate property for the sports complex.

Motion to go out and look for other property owners who are willing to donate at least 100 acres for a sports venue/complex.

Moved: Cm. Rangel

Second: Cm. San Miguel

For: 7

Against: 0

Abstain: 0

B. Request by Council Member Johnny Rendon

1. Discussion with possible action to purchase and install playground equipment at the Uni-Trade Baseball Stadium not to exceed \$200,000.00 utilizing BuyBoard Cooperative Contract pricing. Funding for this purchase is available through District Discretionary funds. (Co-Sponsored by Council Member Alejandro "Alex" Perez & Council Member Juan Narvaez)

Motion to approve.

Moved: Cm. Vera

Second: Cm. Narvaez

For: 5

Against: 0

Abstain: 0

2. Status report on the Eistetter Park playground shade, with possible action.

Parks Director Osbaldo Guzman reported that it was in the works. He explained that plans were submitted to Engineering last week, and once they were approved they would be looking at 45-60 days for the project to be completed.

C. Request by Council Member Charlie San Miguel

1. Naming the trail head facility at North Central Park after the Honorable Congressman Henry Cuellar, with possible action.

Motion to approve.

Moved: Cm. San Miguel

Second: Cm. Rangel

For: 5

Against: 0

Abstain: 0

2. Naming the pond at the North Central Park in memory of Abigail Dominguez, with possible action.

Motion to approve.

Moved: Cm. San Miguel

Second: Cm. Vera

For: 5

Against: 0

Abstain: 0

3. Status report on the Drug and Alcohol Commission.

Dr. Hector Gonzalez reported that they would be getting together to revisit the Drug and Alcohol Commission to make sure that they would coordinate between the Police and the Health Departments and other organizations that are working with the appointees so as to get the commission going.

D. Request by Council Member Jorge A. Vera

1. Discussion with possible action to redirect funding previously budgeted for the Farias Pedestrian Bridge for other significant projects in District VII.

Cm. Vera reported that he was bringing this forward because they had run into some problems with the entities regarding donation. He said that he had directed Community Development Director Ronnie Acosta that she return funds that had been borrowed from other districts to their proper districts. He concluded that they needed to put this on the back burner and redirect the funds to other projects in the meantime.

Motion to approve.

Moved: Cm. Vera

Second: Cm. Narvaez

For: 5

Against: 0

Abstain: 0

XI. EXECUTIVE SESSION

26. Request for executive session pursuant to Texas Government Code Section 551.071(1)(A) to consult with attorney on contemplated litigation with a return to open session for possible action: regarding Hanover Insurance Company as surety; Modern Construction, Inc., as principal; and, the City of Laredo as obligee. Projects implicated are the South Laredo Library and Northwest Community Center; performance bond nos. 1977770 and 1977772.

Motion to go into executive session pursuant to Texas Government Code Section 551.071(1)(A) to consult with attorney on contemplated litigation with a return to open session for possible action: regarding Hanover Insurance Company as surety; Modern Construction, Inc., as principal; and, the City of Laredo as obligee. Projects implicated are the South Laredo Library and Northwest Community Center; performance bond nos. 1977770 and 1977772.

Moved: Cm. Rangel

Second: Cm. San Miguel

For: 5

Against: 0

Abstain: 0

After Executive Session, Mayor Salinas announced that no formal action was taken.

Motion to instruct staff to continue negotiations with Hanover Insurance Company.

Moved: Cm. Rangel

Second: Cm. Vera

For: 5

Against: 0

Abstain: 0

XII. RECESS AS THE LAREDO CITY COUNCIL AND CONVENE AS THE LAREDO MASS TRANSIT BOARD

Motion to recess as the Laredo City Council and convene as the Laredo Mass Transit Board.

Moved: Cm. Rangel

Second: Cm. San Miguel

For: 5 Against: 0 Abstain: 0

27. Motion to approve free bus rides on all El Metro routes on Thursday, June 21, 2012, in conjunction with the Seventh Annual American Public Transportation Association’s National Dump the Pump Day.

Motion to approve.

Moved: Cm. Rangel

Second: Cm. Vera

For: 5 Against: 0 Abstain: 0

XIII. ADJOURN AS THE LAREDO MASS TRANSIT BOARD AND RECONVENE AS THE LAREDO CITY COUNCIL AND ADJOURN

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

Moved: Cm. Vera

Second: Cm. San Miguel

For: 5 Against: 0 Abstain: 0

Motion to adjourn.

Moved: Cm. Rangel

Second: Cm. Vera

For: 5 Against: 0 Abstain: 0

I, Gustavo Guevara, Jr., City Secretary, do hereby certify that the above and foregoing is a true and correct copy of the minutes contained in pages 01 to 16 and they are true, complete, and correct proceedings of the City Council meeting held on June 18, 2012.

Gustavo Guevara, Jr.
City Secretary

City of Laredo



PRICING RESULTS

\$48,750,000 Subordinate Waterworks & Sewer System Revenue Bonds, Series 2012
[TWDB]

ESTRADA • HINOJOSA
INVESTMENT BANKERS

Reason for pursuing Texas Water Development Board [TWDB] Clean Water SRF Loan

- TWDB is offering City the opportunity to lock in a borrowing a full 222 Basis Points below Open Market transaction. Using Final Pricing #'s for 30-year financing, this translates to a borrowing rate of 1.86% for TWDB loan compared to a 4.08% in today's Open Market.
- Additionally, the TWDB loan allows the City to borrow debt as a Subordinate Lien debt issue, providing significant advantage to the City when borrowing in the future for parity debt.
- By securing the \$48,750,000 CWSRF Loan through TWDB, the City of Laredo will save approximately \$755,000 per year over 30 years. This translates into \$22,526,231 on a future value basis over the life of the loan or \$17,475,525 on a present value basis.

CITY OF LAREDO, TX

POST-2012 TWDB

Waterworks System and Sewer System Debt Service Requirements

% Increase

Net Revenue Available for Debt Service [FYE 09/30/2011]: \$ **32,888,519** 45.19%

Fiscal Year Ended 9/30	Total Combined Waterworks System & Sewer System First Lien Revenue Debt	Coverage Ratio ⁽¹⁾	\$ 48,750,000 1.86% FINAL #s 2012 TWDB			Total Combined Waterworks System & Sewer System First Lien Revenue Debt	Coverage Ratio ⁽¹⁾	Plus: Combined Waterworks System & Sewer System Self-Supporting Debt ⁽²⁾	Grand Total Debt Service	Coverage Ratio ⁽¹⁾	Fiscal Year Ended 9/30
			Combined Waterworks System & Sewer System Subordinate Lien Revenue Debt	Subordinate Waterworks System Revenue Bonds Debt	Total Combined Waterworks System & Sewer System Subordinate Lien Revenue Debt						
2012	\$ 10,448,657	3.15x	\$ 573,479		\$ 573,479	2.98x	\$ 12,741,623	\$ 23,763,759	1.38x	2012	
2013	10,626,169	3.10x	572,091	2,088,908	2,661,000	2.48x	12,757,231	26,044,400	1.26x	2013	
2014	10,624,526	3.10x	573,443	2,090,067	2,663,510	2.48x	11,829,980	25,118,017	1.31x	2014	
2015	10,619,954	3.10x	573,414	2,090,067	2,663,481	2.48x	8,354,627	21,638,062	1.52x	2015	
2016	10,620,579	3.10x	573,075	2,090,067	2,663,142	2.48x	8,361,582	21,645,303	1.52x	2016	
2017	10,616,315	3.10x	574,297	2,085,067	2,659,364	2.48x	8,366,212	21,641,890	1.52x	2017	
2018	10,618,895	3.10x	574,070	2,085,067	2,659,137	2.48x	7,946,253	21,224,284	1.55x	2018	
2019	10,606,632	3.10x	573,404	2,088,280	2,661,684	2.48x	7,423,128	20,691,444	1.59x	2019	
2020	10,612,901	3.10x	574,301	2,087,761	2,662,062	2.48x	7,110,400	20,385,363	1.61x	2020	
2021	10,616,846	3.10x	572,645	2,088,611	2,661,257	2.48x	6,736,953	20,015,055	1.64x	2021	
2022	10,617,721	3.10x	573,576	2,086,572	2,660,148	2.48x	6,735,683	20,013,552	1.64x	2022	
2023	10,624,344	3.10x	572,971	2,087,161	2,660,132	2.48x	6,462,734	19,747,209	1.67x	2023	
2024	10,611,769	3.10x	572,809	2,085,386	2,658,195	2.48x	6,187,676	19,457,640	1.69x	2024	
2025	10,034,290	3.28x	452,056	2,086,393	2,538,449	2.62x	6,184,288	18,757,027	1.75x	2025	
2026	9,565,873	3.44x	451,866	2,085,558	2,537,424	2.72x	6,186,691	18,289,987	1.80x	2026	
2027	8,533,079	3.85x	447,480	2,088,105	2,535,585	2.97x	6,185,499	17,254,163	1.91x	2027	
2028	7,190,841	4.57x	447,867	2,089,116	2,536,984	3.38x	6,191,413	15,919,237	2.07x	2028	
2029	7,184,954	4.58x	380,000	2,088,713	2,468,713	3.41x	6,188,162	15,841,828	2.08x	2029	
2030	7,188,290	4.58x	-	2,086,860	2,086,860	3.55x	6,189,228	15,464,378	2.13x	2030	
2031	7,190,160	4.57x	-	2,088,484	2,088,484	3.54x	6,185,040	15,463,684	2.13x	2031	
2032	7,186,319	4.58x	-	2,088,586	2,088,586	3.55x	6,190,012	15,464,917	2.13x	2032	
2033	7,186,375	4.58x	-	2,087,217	2,087,217	3.55x	6,188,555	15,462,147	2.13x	2033	
2034	7,186,669	4.58x	-	2,089,295	2,089,295	3.55x	3,021,436	12,297,399	2.67x	2034	
2035	7,186,825	4.58x	-	2,089,646	2,089,646	3.55x	3,022,192	12,298,664	2.67x	2035	
2036	7,190,169	4.57x	-	2,088,231	2,088,231	3.54x	3,018,468	12,296,867	2.67x	2036	
2037	7,192,363	4.57x	-	2,085,191	2,085,191	3.54x	3,020,048	12,297,601	2.67x	2037	
2038	7,190,556	4.57x	-	2,085,814	2,085,814	3.55x	3,021,614	12,297,984	2.67x	2038	
2039	7,187,500	4.58x	-	2,085,311	2,085,311	3.55x	3,018,058	12,290,869	2.68x	2039	
2040	7,187,281	4.58x	-	2,088,713	2,088,713	3.55x	-	9,275,994	3.55x	2040	
2041	1,850,125	17.78x	-	2,086,012	2,086,012	8.36x	-	3,936,137	8.36x	2041	
2042	-	-	-	2,087,199	2,087,199	15.76x	-	2,087,199	15.76x	2042	
	<u>\$ 261,296,975</u>		<u>\$ 9,632,845</u>	<u>\$ 62,627,454</u>	<u>\$ 72,260,300</u>		<u>\$ 184,824,784</u>	<u>\$ 518,382,059</u>			

(1) Coverage Ratio Calculation based on Net Revenue Available for Debt Service [FYE 2011] figure of \$32,888,519.

(2) Represents amount of general obligation debt that is paid for through the revenues of the WW & Sewer System.

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