

MINUTES
Work Session
San Luis City Council
San Luis Council Chambers
1090 E. Union Street
June 1, 2016
6:30 p.m.

1. CALL TO ORDER/ROLL CALL

Mayor Gerardo Sanchez called the Work Session to order at approximately 6:35 p.m.

PRESENT: Mayor Gerardo Sanchez
Vice-Mayor Matias Rosales
Council Member Ruben Walshe
Council Member Gloria Torres
Council Member Maria Cecilia Ramos
Council Member Africa Luna-Carrasco
Council Member Mario Buchanan Jr.

OTHERS PRESENT: Tadeo A. De La Hoya, Interim City Manager
Melissa Lopez, Deputy City Clerk
Kay Macuil, City Attorney
Angelica Cifuentes, Procurement & Budget Compliance
Aracely de la Hoya, Senior Services Director
Christine Hagen, Management Analyst
Craig Higgins, Chief of Police
Eulogio Vera, Public Works Director
Francisco Orozco, IT Department
Jenny Torres, Community Development Director
Jeremy Humphrey, Fire Department
John Starkey, Building Safety Director
Jonathan Dumadag, IT Department
Joselyn Medina, Asst. to Mayor and Council/PIO
Katie St. Louis, Finance Director
Olivia Jenkins, Utilities Director
Ralph Velez, City Consultant
Ric Bauermann, Fire Department
Robert Solis, Fire Department
Yolanda Dueñas, Fleet/Facilities Department
Cesar Neyoy, Bajo El Sol
Lucy Lopez, San Luis AZ News

2. AGENDA ITEMS:

2.A. Discussion on any and all matters regarding the proposed City of San Luis Fiscal Year 2016-2017 Budget. (Ketie St. Louis, Finance Director)

Ms. Ketie St. Louis, Finance Director, gave a presentation on the FY 2016-2017 proposed budget. She informed that the tentative budget will be presented by June 15, 2016. She mentioned that during the budget retreat there is a negative balance of \$8.0 million City wide. She added that after some reductions there is a negative balance of \$6.5 million. She stated that this need to be addressed. She informed that the Capital Budget total is approximately \$8.9 million. She asked Council to review the capital items and suggest cuts. Furthermore, Ms. St. Louis informed that the Shared Revenues, the Sales Tax coming from the Department of Revenue increased by 6.25%, Vehicle License Tax increase of 7.1%, and Highway Users Revenue Fund has an increase of 5%.

Ms. St. Louis stated that even though they are considered essential some items can still be postponed for the next fiscal year.

Mayor Gerardo Sanchez asked if department heads already reviewed their projects to see what can wait until next fiscal year.

Ms. St. Louis replied that she will be getting together with department heads to review their requests and ask them to reduce their budgets.

Mayor and Council reviewed the capital items and made some suggestions for cuts. The following were the departments that were questioned about their Capital Project Items.

1. Fire Department
2. Fleet Services
3. Human Resources
4. Information Technology
5. Police Department
6. Public Works
7. Utilities

Ms. Jenny Torres, Community Development Director, informed that staff is looking at some potential tenants for the empty space at the old Price Center building. She stated that some improvements need to be done in the amount of approximately \$400,000.00, but if the agreements do work, then the city will see a return of investment. She

informed that during the next Council meeting an executive session will be held to discuss this item.

Mayor G. Sanchez stated that Ms. St. Louis should get with department heads and bring back to Council the budget with the pertinent cuts and present the tentative budget to Council.

2.B. Discussion on any and all matters regarding the adoption of Resolution No. 1148. A resolution of the Mayor and Council of the City of San Luis, Arizona, authorizing the City Manager to amend the Classification and 2006 Salary Plan of the City of San Luis; create certain positions; and make other personnel and departmental changes to include transfers within the organization, in preparation for fiscal year 2016-2017. (Tadeo De La Hoya, Interim City Manager)

Mr. Tadeo A. De La Hoya, Interim City Manager, informed that this item is back to Council as requested in a previous meeting. He stated that during the budget retreat he was informed that there was a deficit of \$8.4 million and at this time there is deficit of \$3.5 million. He mentioned that the main intention of this resolution is Section 1: A) in which the Development Services Division and the Building Safety Division will be removed from the Public Works Department and will be transferred to the Planning and Zoning Department which will be directly under the City Administration; and B) the City Prosecutor will be a salaried position as part of the Classification and Salary Plan effective August 18, 2016. Mr. De La Hoya stated that the rest of Resolution No. 1148 is a preventive measure in case of a significant reduction in City generated business revenue from the San Luis Regional Detention Center.

Mayor Gerardo Sanchez stated that there will be some saving by having the City Prosecutor under the Classification and Salary Plan of the City.

Council Member Gloria Torres asked Mr. De La Hoya if this change will only be from the Detention Center.

Mr. De La Hoya replied that it is not the City's intent to do layoffs, as this is just a preventive measure.

Mayor Gerardo Sanchez stated that by adopting this resolution it does not mean that layoffs, reductions in force, etc., are going to happen.

Council Member Gloria Torres asked if the Salary Plan mentioned in the resolution is the proposed plan.

Mr. De La Hoya replied that this resolution refers to the current Salary Plan and has nothing to do with the proposed plan.

Council Member Gloria Torres asked if the Human Resources is aware of the changes noted in the resolution.

Mr. De La Hoya replied that the Human Resources Department will be aware if the resolution is adopted and if there will be any changes.

Council Member Gloria Torres asked if the City will be saving money with the layoffs.

Mr. De La Hoya replied that it is not the City's intent to layoff anybody at this time, the language in the resolution is a preventive measure in case the City loses the revenues from the San Luis Regional Detention Center.

Council Member Gloria Torres mentioned that there are some employees that are scared of losing their jobs.

Vice-Mayor Matias Rosales asked if the budget will be affected by making the change in the Building Safety Department.

Mr. De La Hoya replied that there will be no change in the budget as each have their own budget and it would not affect their budgets.

Council Member Maria Ramos asked how the City will be saving money by hiring the City Prosecutor.

Mr. De La Hoya replied that currently the City Prosecutor has been contracted through an outsource company to which the City pays a fee for the contract. He added that by contracting the City Prosecutor the City will not be paying that fee.

3. ADJOURNMENT

MOTION: Council Member Mario Buchanan Jr./Council Member Africa Luna-Carrasco to adjourn the meeting at approximately 7:26 p.m. Motion passed unanimously.