

MINUTES
Budget Retreat
City of San Luis
Talking Stick Resort
9800 E. Indian Bend Rd.
Scottsdale, AZ 85256
April 28, 2017 starting at 5:00 p.m.
April 29, 2017 starting at 8:00 a.m.

<p>APPROVED by Council Date: July 12, 2017 Clerk's Office: /s/ S. Cornelio</p>

THE PUBLIC MAY ATTEND AND LISTEN TO THE PROCEEDINGS EITHER AT TALKING STICK RESORT LOCATED AT 9800 E. INDIAN BEND RD., SCOTTSDALE, AZ 85256 OR VIA LIVE STREAMING AT THE CITY COUNCIL CHAMBERS IN CITY HALL LOCATED AT 1090 E. UNION STREET, SAN LUIS, ARIZONA, 85349..

1. **CALL TO ORDER:** Mayor Gerardo Sanchez called the Budget Retreat to order on April 28, 2017 at approximately 5:05 p.m.

PRESENT: Mayor Gerardo Sanchez
Vice Mayor Matias Rosales
Council Member Gloria Torres
Council Member Mario Buchanan Jr. -arrived at approximately 6:20 p.m.
Council Member Africa Luna-Carrasco
Council Member Maria Cecilia Ramos
Council Member Ruben Walshe -arrived at approximately 5:11 p.m.

OTHERS PRESENT: Tadeo De La Hoya, Interim City Manager
Ralph Velez, City Consultant
Sonia Cornelio, City Clerk
Aracely De La Hoya, Senior Services Director
Carlos Cortes, Assistant Finance Director
Christine Hagen, Management Analyst
Craig Higgins, Chief of Police
Derek Dueñas, IT Manager
Eulogio Vera, Public Works Director
Francia Alonso, Administrative Assistant
Hank Green, Fire Chief
Jenny Torres, Community Development Director
Jorge Perez, Utilities Administrative Coordinator
Jose Guzman, Acting Planning & Zoning Director
Kay Macuil, City Attorney
Katie St. Louis, Finance Director
Kristin McManus, Magistrate
Laura Herrera, PIO / Assistant to Mayor and Council
Lizandro Galaviz, Parks & Recreation Director
Manuel Rojas, Assistant Public Works Director
Miguel Ramirez, Accountant
Olivia Jenkins, Human Resources Director

Salvador Sandoval, Lead Mechanic
Yolanda Dueñas, Fleet/Facilities Manager

2. DISCUSSION ITEMS, NO ACTION WILL BE TAKEN

2. A. Discussion on any and all matters regarding the proposed changes to the City of San Luis benefits plan for Fiscal Year 2017-2018 presented by Ms. Susan Posada, City of San Luis Benefits Consultant. (April 28, 2017)

Ms. Susan Posada, City of San Luis Benefits Consultant, made a presentation regarding the City of San Luis benefits plan for Fiscal Year 2017-2018. She informed that this year the claims came down low and for this reason there will be no significant increase on the medical plans. She explained the proposed changes to the plan including Major Fees, SIARMED, and Stop Loss Carrier. She informed that the renewal will increase by 5%, for the US/Mexico Plan there are no changes. Furthermore, she added that the City is currently looking into not passing any increases to the employee. Ms. Posada informed that changes will be made to the Mexico Plan as follows, copay will decrease from \$10 to \$5 per visit; radiology will decrease from \$35 to \$25, prescriptions will decrease from \$5/\$10 to \$3/\$6; emergency room \$250; urgent care from \$35 to \$25. She stated that the reason for the increase is that the trust needs to be kept viable, if it does not have enough funds then these benefits cannot be provided. Ms. Posada informed that there have been no changes on the dental plan but there was an increase of 5%. The Vision Plan had a light increase from \$10.18 to \$10.70. She mentioned that during this year the City added Tele-doctor, the plan pays for all employees. These services are provided 24/7, a prescription will be sent to the pharmacy. Short Term Disability increased by 7.8%; Stop Loss Carrier had an increase of 4.9%, this is what determines how the rates are set. Ms. Posada informed that a contract for three (3) years has been negotiated with SIARMED and not to increase their fees, administrative and provider fees. The network fees increased by 1.61%. On dental insurance there was an increase of 13.83%, in Mexico there was a decrease. The total cost increase estimate will be approximately \$122,646.00, the recommendation is that the City takes over the increase and not pass it on to the employees.

Discussion between Mayor, City Council and Ms. Posada occurred.

Mayor Gerardo Sanchez thanked Ms. Posada for her presentation.

2. B. Discussion and review on any and all matters regarding the proposed City of San Luis Fiscal Year 2017-2018 Budget. (April 28, 2017)

Police Department

Mr. Craig Higgins, Chief of Police made a power point presentation which included the San Luis Police mission statement, services provided by the Police Department, Police Department organization, accomplishments, goals and objectives for FY 17-18,

and FY 17-18 budget requests. A copy of the power point presentation is in file with the complete agenda packet in the City Clerk's Department.

Mayor Gerardo Sanchez stated that the importance of public safety is imperative, adding that services are expensive but it is important that the community receives quality service.

Discussion between the City Council and Mr. Higgins occurred.

City Clerk' Office

Mrs. Sonia Cornelio, City Clerk, explained her requests for fiscal year 2017-2018. (No power point presentation made)

Utilities Department

Mr. Jorge Perez, Utilities Administrative Coordinator, made a power point presentation which included Goals & Objectives, Mission Statement, Billing & Collections Organizational Chart for FY 2017-2018, Promotion Requests, Enhancing Our Customer Service, Electronic Payments, Department Information, and Trainings. A copy of this presentation is in file with the complete agenda packet in the City Clerk's Department.

Discussion between the City Council and Department Heads occurred.

MOTION: Council Member Mario Buchanan Jr. / Council Member Ruben Walshe to recess the meeting recessed at approximately 6:52 p.m. Motion passed unanimously.

MOTION: Council Member M. Buchanan Jr. / Council Member R. Walshe to reconvene the Budget Retreat meeting at approximately 8:16 a.m. on April 29, 2017. Motion passed unanimously.

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

OTHERS PRESENT: Tadeo De La Hoya, Interim City Manager
Ralph Velez, City Consultant
Sonia Cornelio, City Clerk
Aracely De La Hoya, Senior Services Director
Carlos Cortes, Assistant Finance Director
Christine Hagen, Management Analyst
Derek Dueñas, IT Manager

Eulogio Vera, Public Works Director
Francia Alonso, Administrative Assistant
Hank Green, Fire Chief
Jenny Torres, Community Development Director
Jorge Perez, Utilities Administrative Coordinator
Jose De La Vara, City Prosecutor
Jose Guzman, Acting Planning & Zoning Director
Kay Macuil, City Attorney
Ketie St. Louis, Finance Director
Kristin McManus, Magistrate
Laura Herrera, PIO / Assistant to Mayor and Council
Lizandro Galaviz, Parks & Recreation Director
Manuel Rojas, Assistant Public Works Director
Miguel Ramirez, Accountant
Olivia Jenkins, Human Resources Director
Salvador Sandoval, Lead Mechanic
Yolanda Dueñas, Fleet/Facilities Manager

Mayor Gerardo Sanchez asked each Council Member to provide their feedback on department expectations and vision for the future.

Council Member Africa Luna-Carrasco stated that she is very happy with the progress made during the last year. She stated that she understands that many projects need to be accomplished.

Council Member Gloria Torres thanked all employees for their work; she stated that money is an issue but hopes this year will be better than last year.

Council Member Maria Cecilia Ramos stated that she appreciates all departments working together; she thanked everybody for making the City of San Luis the 7th safest city in Arizona. She thanked all city employees for all their hard work.

Vice-Mayor Matias Rosales stated that his vision is to continue growing and working together; he stated that difference can be seen by keeping communication open, continue team work, effort and continue to improve customer services.

Council Member Mario Buchanan Jr. asked everybody to keep up the good work; he stated that the City Council expects a lot from everybody. He asked to continue to treat citizens correct and added that he appreciates everything that has been done by city employees.

Council Member Ruben Walshe encouraged everybody to continue working together and continue to provide an excellent service to the community. He added that he appreciates all employees.

Mayor Gerardo Sanchez stated that it has been a long journey; thanked everybody for all is done and stated that employees need to work in providing great customer service. He stated that he expects more from everybody. He added that the City Council has been working in cleaning issues form 12-15 years ago. He thanked the City Council as without their support the City would not be functioning.

2. C. Discussion and review on any and all matters regarding the proposed City of San Luis Fiscal Year 2017-2018 Budget. (April 29, 2017)

Finance Department

Mr. Carlos Cortes, Assistant Finance Director, made a power point presentation which included Budget Process for Fiscal Year 2017-2018, Revenues, Expenditures, Intergovernmental Allocations, Intergovernmental Services, Budget Statement of Revenues, Expenditures and Change in Fund Balances including General Fund & Ambulance Service and Non Major Funds, San Luis Municipal Court Special Revenue Fund – FY 2017 Actuals Budgeted Statement of Revenues, Expenditures and Change in Fund Balances Special Assessments including Component Units & Non Operational /SLDC, Public Works Divisions and City Wide. This power point presentation also included Revenues over Expenditures and Optional Strategies. A copy of this presentation is in file with the complete agenda packet in the City Clerk's Department.

Discussion between the City Council and Mr. Cortes occurred.

Attorney's Office

Mrs. Kay Marion Macuil, City Attorney, presented her department requests for Fiscal Year 2017-2018. (No power point presentation made)

City Prosecutor's Office

Mr. Jose De La Vara, City Prosecutor, made a power point presentation that included the following: Department's Goals, Long Form Reports, Typical workload, Police Legal Advisor, Advantage of having a second Attorney, Daily duties assigned to Legal Assistant, Advantages of Legal Receptionist, Cost for an Assistant Attorney and Cost of a Legal Secretary. A copy of this presentation is in file with the complete agenda packet in the City Clerk's Department.

Municipal Court

Ms. Kristen McManus, City Magistrate, presented the Court's wants and needs, budget requests including line item increases and building upgrades, legal representation for defendants, attorney's fees, digital audio video system for courtroom, interpreter position, and community outreach and compliance program. (No power point presentation made)

Discussion between the City Council and Ms. McManus occurred.

Parks & Recreation Department

Mr. Lizandro Galaviz, Parks & Recreation Director, his presentation included the following: Goals & Objectives, 2016-2017 Review of Projects and Activities, Special Events 2017-2018, Special Events (New), Special Events (Cultural Center), Special Events (New Recreation), Parks & Recreations Facilities, Recreation, Youth Center Program, Cultural Center Programs, Facilities (Rental Opportunities), Developing Projects, and Water Feature & Pond (Moctezuma Park). A copy of this presentation is in file with the complete agenda packet in the City Clerk's Department.

A break was taken at approximately 10:45 a.m. and resumed the meeting at approximately 11:09 a.m.

Senior Services Department

Mrs. Aracely De La Hoya, Senior Services Director, presented her department requests for Fiscal Year 2017-2018. (No power point presentation made)

Community Development Department

Mrs. Jenny Torres, Community Development Director, made a power point presentation which included, Economic Development Plan, What is a Redevelopment Plan?, What are the objectives of the Redevelopment Plan?, Redevelopment Plan Proposed Area: Downtown, Economic Development Incentive Policy, Grant Writer Positions, and Capital Improvement Projects. A copy of this presentation is in file with the complete agenda packet in the City Clerk's Department.

Discussion between the City Council, Mrs. Torres and staff occurred.

Mr. Ralph Velez, City Consultant, provided details regarding the old Price Center Building, currently occupied by Advanced Call Center Technologies. He explained that the room will need approximately 900 to 1000 sq. yds. of reroofing, it has lots of leaks and needs a lot of work and the investment cost will be approximately \$35,000.00 and \$500,000.00 to rebuild the roof, this is a priority and needs to be done.

Fire Department

Mr. Hank Green, Fire Chief, made a power point presentation which included the following, Fire Administration Division: Fire Suppression Division, and Ambulance Enterprise Division. A copy of this presentation is in file with the complete agenda packet in the City Clerk's Department.

Discussion between the City Council and Mr. Green occurred.

Human Resources Department

Ms. Olivia Jenkins, Human Resources Manager, made a PowerPoint presentation which included the following: HR Goals & Accomplishments, and HR Fiscal Year 2017-2018 and/or Increases, HR Resources-Outlook. A copy of this presentation is in file with the complete agenda packet in the City Clerk's Department.

Mayor Gerardo Sanchez commented on the Salary Survey Classification & Reorganization. He mentioned that this is the second report done during this fiscal year, as on the previous report there were several staff members that did not agree to the results. He stated that with this new report there will be several changes that will affect various departments. He added that this year this classification will have to be implemented. Furthermore, stated that he agrees to the results of the survey.

Mrs. Jenkins informed that the Classification & Reorganization report is finalized and is ready for adoption, the compensation is still pending, staff is still reviewing the report. She mentioned that she believes that the City is not ready to move forward with the compensation as staff needs to budget for these changes.

Mayor Gerardo Sanchez stated that Mrs. Jenkins point about budgeting for this year to happen is a must. He indicated that even though this is not budgeted for next fiscal year, staff will need to be aware of the outcome to see what can be done.

Mrs. Jenkins informed that the same recommendation done in the first study is the same that came out on this second study.

Discussion between the City Council and Mrs. Jenkins occurred.

Public Works Department

Mr. Eulogio Vera, Public Works Director, made a power point presentation that included the following: Public Works Department, Projects done in Fiscal Year 2016-2017 by the Highway Users, Solid Waste, Waste Water and Water Divisions, Pavement Preservation Project, and Sweeper Activity. A copy of this presentation is in file with the complete agenda packet in the City Clerk's Department.

Discussion between the City Council, Mr. Vera and staff occurred.

Planning & Zoning Department

Mr. Jose Guzman, Acting Planning & Zoning Department, made a power point presentation that included the following: Goals, Permits Issued – Since July 1, 2016, Residential Permits Issued by Fiscal Year, Building Safety Division Budget Requests Increases, New Position Request – Permit Technician, New Position Request – Code Enforcement Officer,

and New Vehicle Request. A copy of this presentation is in file with the complete agenda packet in the City Clerk's Department.

Discussion between the City Council and Mr. Guzman occurred.

Facilities Department

Mrs. Yolanda Dueñas, Facilities Office Manager, presented her department requests for Fiscal Year 2017-2018. (No power point presentation made)

Discussion between the City Council, Mrs. Dueñas and staff occurred.

A break was taken at approximately 3:40 p.m. and resumed the meeting at approximately 4:02 p.m.

Fleet Department

Mr. Salvador Sandoval, Lead Mechanic, presented his department requests for Fiscal Year 2017-2018. (No power point presentation made)

Discussion between the City Council, Mr. Sandoval and staff occurred.

Mayor Gerardo Sanchez stated that the City Council's, Administration and IT budgets and Capital Improvement Project will be discussed during a Work Session meeting.

Ms. Keti St. Louis informed that she is planning in presenting the tentative budget during the first meeting in June and the final budget will be adopted on the second meeting that same month.

Mayor Gerardo Sanchez thanked everybody for making their presentations. He asked Mrs. Laura Herrera, Assistant to Mayor and Council/Public Information Officer to make a presentation as to what are her plans for the future.

Mrs. Laura Herrera thanked everybody for the support given throughout this time. She stated that working for the City of San Luis has been the greatest thing that could of have happen to her when she moved to San Luis, AZ. She added that she has been doing her best to keep everybody happy. Furthermore, she added that her plan is to work together with all departments and staff; her plans are to promote the City of San Luis as a great place to live. She thanked the City Council and staff for the support she has received from everybody. Mrs. Herrera informed that her plans for the City Council is to continue to support all Councilmembers. She asked the City Council their expectations are from her.

Vice-Mayor Matias Rosales stated that the City Council would like to see more City promotion in the different meetings as well as in the City's website. He mentioned that he would like to see a video marketing the community.

Ms. Jenny Torres, Community Development Director, stated that her job is to promote the City to outside agencies and added that a video will be coming out in the following weeks. She commented that she believes that Mrs. Herrera's responsibility is to promote the Mayor and City Council to the residents and region about the work that is being done in the community.

Council Member Maria Cecilia Ramos commented that if the City Council and staff continue to work united, San Luis will be a greater city. She stated that when Mayor Gerardo Sanchez makes his presentations during various event you can see that he shows that he is passionate of what he does for the community; she mentioned that she would like to show the community that the Mayor and the City Council love their community and they work together to make San Luis a great place to live and work.

Mayor Gerardo Sanchez stated that he loves his community and represents it with pride.

Mrs. Herrera stated that she agrees with Councilmember Maria Cecilia Ramos and added that she will work to promote the City as a whole.

Mayor Gerardo Sanchez thanked everybody for being present during this budget retreat and for making their presentations. He asked everybody to make San Luis a great City.

3. ADJOURNMENT

MOTION: Council Member Mario Buchanan Jr. / Council Member Ruben Walshe to adjourn the Budget Retreat at approximately 4:34 p.m. Motion passed unanimously.



Certification of Council Minutes

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Budget Retreat meeting of the San Luis City Council held on April 28-29, 2017. I further certify the meeting was dully called and held and that the quorum was present and that the City Council approved these minutes at their Regular Council meeting held on July 12, 2017.

Dated this 31st day of July 2017.

/s/ Sonia Cornelio, City Clerk