

MINUTES
Budget Retreat
City of San Luis
Talking Stick Resort
9800 E. Indian Bend Rd.
Scottsdale, AZ 85256

April 15, 2016 starting at 5:00 p.m.
April 16, 2016 starting at 8:00 a.m.

APPROVED by Council

Date: 6.8.2016

Clerks Office: SC

THE PUBLIC MAY ATTEND AND LISTEN TO THE PROCEEDINGS EITHER AT TALKING STICK RESORT LOCATED AT 9800 E. INDIAN BEND RD., SCOTTSDALE, AZ 85256

1. CALL TO ORDER: Mayor Gerardo Sanchez called the Budget Retreat to order on April 15, 2016 at approximately 5:48 p.m.

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 (arrived at approximately 7:37 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
Craig Higgins, Chief of Police
Derek Dueñas, Acting I.T. Manager
Eulogio Vera, Public Works Director
Hank Green, Fire Chief
Jenny Torres, Community Development Director
Joselyn Medina, PIO/ Assistant to Council
John Starkey, Zoning Administrator/ Building and Safety Director
Kay Macuil, City Attorney
Katie St. Louis, Finance Director
Manuel Rojas, Assistant Public Works Director
Marc Holyfield, Assistant Fire Chief
Maria Sabori, Human Resources Senior Analyst
Olivia Jenkins, Utilities Director
Roula Encinas, Accountant
Victor Figueroa, Lieutenant
Yolanda Dueñas, Fleet/Facilities Director

Mayor G. Sanchez thanked everyone for attending.

2. DISCUSSION ITEMS, NO ACTION WILL BE TAKEN

2. A. Discussion and review on any and all matters regarding the proposed City of San Luis Fiscal Year 2016-2017 Budget. (April 15, 2016 from 5:00 p.m. to 7:00 p.m.)

POLICE DEPARTMENT

Mr. Craig Higgins, Chief of Police, explained the services provided, department's organization, accomplishments, goals and objectives of the Police Department.

Mr. Victor Figueroa, Lieutenant, explained the department's 2016-2017 budget requests through a Power Point presentation. Comments, questions, and answers occurred amongst Elected Officials and Staff. (COPY OF THE POWERPOINT PRESENTATION WAS NOT PROVIDED TO THE CITY CLERK'S OFFICE)

FIRE DEPARTMENT

Mr. Hank Green, Fire Chief, presented a Power Point presentation to explain the Department's General Fund and Ambulance Services Enterprise Funds for Fiscal Year 2016-2017. (COPY OF THE POWERPOINT PRESENTATION WAS NOT PROVIDED TO THE CITY CLERK'S OFFICE)

Discussion between Mayor, Council, Interim City Manager, and Mr. Green occurred.

Mayor Gerardo Sanchez commented that he understands the importance of Public Safety, adding that it is getting expensive to provide the services presented.

MOTION: Vice-Mayor Matias Rosales/ Council Member Mario Buchanan Jr. to recess the Budget Retreat at approximately 7:44 p.m. Motion passed unanimously.

BUDGET RETREAT APRIL 16, 2016

ROLL CALL: Mayor Gerardo Sanchez called the Budget Retreat to order and reconvened on April 16, 2016 at 8:20 a.m.

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
Andrea Ruiz, Court Administrator (arrived at approximately 12:20 p.m.)
Aracely De La Hoya, Senior Services Director
Carlos Cortes, Assistant Finance Director
Craig Higgins, Chief of Police
Derek Dueñas, Acting I.T. Manager
Eulogio Vera, Public Works Director
Hank Green, Fire Chief
Jennifer Cisneros, Acting Parks and Recreation Director
Jenny Torres, Community Development Director
Jose de la Vara, City Prosecutor
Joselyn Medina, PIO/ Assistant to Council
John Starkey, Zoning Administrator/ Building and Safety Director
Kay Macuil, City Attorney
Katie St. Louis, Finance Director
Manuel Rojas, Assistant Public Works Director
Marc Holyfield, Assistant Fire Chief
Maria Elena Cruz, Presiding Judge (arrived at approximately 12:20 p.m.)
Maria Sabori, Human Resources Senior Analyst
Olivia Jenkins, Utilities Director
Roula Encinas, Accountant
Victor Figueroa, Lieutenant
Yolanda Dueñas, Fleet/Facilities Director

2. B. Discussion on any and all matters regarding the proposed changes to the City of San Luis benefits plan for Fiscal Year 2016-2017 presented by Ms. Susan Posada, City of San Luis Benefits Consultant. (April 16, 2016 from 8:00 a.m. to 8:30 a.m.)

Ms. Susan Posada, City of San Luis Benefits Consultant, provided a Power Point presentation to Mayor, Council, and City Staff and explained the proposed changes to the plan costs, including Mayo Fees, SSA Mexico Network, Siarmed, Broker fees, BCBS network fees, and ACA fees. A copy of the Power Point presentation can be found in the City of San Luis Clerk's Office.

Mayor Gerardo Sanchez commented that the proposed changes will not have a big impact

2. C. Discussion and review on any and all matters regarding the proposed City of San Luis Fiscal Year 2016-2017 Budget. (April 16, 2016 from 8:30 a.m. to 5:00 p.m.)

FINANCE DEPARTMENT

Ms. Kettie St. Louis, Finance Director, presented a Power Point presentation that explained the Budget Process, Recommended Annual Budget for Fiscal Year 2017, Doing More With Less, Current Conditions and Recommended Strategies, Current Conditions, Recommended Strategies, City Wide Revenue Fiscal Year 2017 Revenues by Fund Type, Economic Recovery, Revenues Comparison, Summary of Expenses by Category, General Fund Revenues, City Sales Tax Revenue History, Major Categories of Comparison, General Fund Revenues Fiscal Year 2017, Personnel Vacancies, Temporary Personnel, City Operations Key Expense Variables, Needs for New Revenues Sources, and Next Steps. A copy of the Power Point presentation is filed with the complete Agenda Packet at the Office of the City Clerk.

Discussion between Mayor, Council, and San Luis Finance Department occurred.

Mayor Gerardo Sanchez stated that the City has been very conservative and the City is back to where it was. Mayor Gerardo Sanchez added that there are twenty (20) more employees and the City needs to continue the trend.

Department Heads, Supervisors and/or staff gave a summary of accomplishments that happened in the past year within their department. Mayor and Council also provided comments and expectations.

A recess break was given at approximately 10:15 a.m.
The Budget Retreat reconvened at approximately 10:25 a.m.

PARKS AND RECREATION DEPARTMENT

Ms. Jennifer Cisneros, Acting Parks and Recreation Director, explained some of their accomplishments, objectives, and requests.

FACILITIES/FLEET DEPARTMENTS

Ms. Yolanda Dueñas, Facilities/Fleet Manager, explained the department's requests for Fleet Services and Facilities.

PUBLIC WORKS DEPARTMENT

Mr. Eulogio Vera, Public Works Director, and Mr. Manuel Rojas, Assistant Public Works Director, went over Water Division, Wastewater Division, Highway User Division, and Solid Waste Division request through a Power Point presentation. (COPY OF THE POWERPOINT PRESENTATION WAS NOT PROVIDED TO THE CITY CLERK'S OFFICE)

CITY PROSECUTOR

Mr. Jose de la Vara, City Prosecutor, provided a Power Point presentation and went over the department's accomplishments. (COPY OF THE POWERPOINT PRESENTATION WAS NOT PROVIDED TO THE CITY CLERK'S OFFICE)

A lunch break was given at approximately 12:48 p.m.
The Budget Retreat reconvened at approximately 1:50 p.m.

MUNICIPAL COURT

Ms. Maria Elena Cruz, Presiding Judge, provided an overview of her relationship in the capacity of Judge with the San Luis Municipal Court.

Ms. Andrea Ruiz, Court Administrator, presented a Power Point Presentation on their accomplishments, Fiscal Year 2016-2017 objectives, and requests.

INFORMATION TECHNOLOGY

Mr. Derek Dueñas, Acting I.T. Manager, explained his budget requests and capital projects.

DEVELOPMENT SERVICES/BUILDING SAFETY DEPARTMENT

Mr. John Starkey, Zoning Administrator/ Building and Safety Director, explained the department's objectives and request.

FINANCE/ RISK MANAGEMENT DEPARTMENT

Ms. Keti St. Louis, Finance Director, explained that there are no major changes in the budgets for Finance and Risk Management.

CITY CLERK

Ms. Sonia Cornelio, City Clerk, explained her requests for Fiscal Year 2016-2017.

CITY ATTORNEY

Ms. Kay Macuil, City Attorney, explained her budget requests for her department.

COMMUNITY DEVELOPMENT

Ms. Jenny Torres, Community Development Director, provided a Power Point presentation and explained her projects for Fiscal Year 2016-2017. (COPY OF THE

POWERPOINT PRESENTATION WAS NOT PROVIDED TO THE CITY CLERK'S OFFICE)

UTILITIES DEPARTMENT

Ms. Olivia Jenkins, Utilities Director, explained her budget requests for her department.

A recess break was given at approximately 3:30 p.m.
The Budget Retreat reconvened at approximately 3:53 p.m.

SENIOR SERVICES DEPARTMENT

Ms. Aracely De La Hoya, Senior Services Director, explained that she does not have any major changes to her budget requests.

HUMAN RESOURCS DEPARTMENT

Ms. Maria Sabori, Human Resources Senior Analyst, discussed her request for Fiscal Year 2016-2017.

Comments, questions, and answers occurred amongst Elected Officials and Staff.

Mayor Gerardo Sanchez discussed the Salary Survey and stated that one of the things that has always been an issue was the lack of salary increases for City employees. Mayor Gerardo Sanchez continued to explain that when it comes to the standardization, staff should not be the one deciding them; resulting in the City of San Luis hiring an agency to do the re-classifications. He added that there are several complaints about employees losing money because of the re-classification. Mayor Gerardo Sanchez asked Ms. Maria Sabori if any employees lost money with the re-classifications.

Ms. Maria Sabori, Human Resources Senior Analyst, replied that that employees would not be losing or lost any money due to re-classifications. In addition, employees who were over the scale or years of service would keep their salary at the same amount. Ms. Sabori added that no salaries have been reduced.

Mayor Gerardo Sanchez asked if any of the re-classifications were a demotion.

Ms. Sabori replied that here is one (1) or two (2) demotions but are handled as re-classifications and are based on what was completed on their P+Q. As it was what the employee completed to be submitted to the company, the City wants to avoid picking and choosing and wants to remain neutral.

Mayor Gerardo Sanchez asked how many re-classifications were in total.

Ms. Sabori replied that there were approximately sixty (60) re-classifications for a change in the wording of the person's title.

Mayor Gerardo Sanchez commented that there were several employees that thought they were being demoted because of the title change. He added that it concerns him that the City is trying to find ways to increase salaries and to be fair to everyone. As the City of San Luis has never classified employees properly and has created positions that do not exist, there are no standards. The company hired found positions that existed and placed those employees who were re-classified in them. Mayor Gerardo Sanchez added that it was not fair for employees to compare their salaries without looking at the criteria of education, responsibilities and different criteria the City looks at. Mayor Gerardo Sanchez added that he wants to pay his employees more.

Council Member Mario Buchanan Jr. asked who was recommending the changes.

Mayor Gerardo Sanchez replied that there were no changes and added that the City is looking into ways of giving employees raises.

Mr. Ralph Velez, City Consultant, commented that based on Ms. Ketié St. Louis, Finance Director, numbers, the City of San Luis payroll runs \$47,000.00 a day on salary and benefits.

Mayor Gerardo Sanchez commented that residents and people not working for the City of San Luis think their employees are getting paid too much but when looking at different cities, the City of San Luis is getting paid less. Mayor Gerardo Sanchez added that the City is not investing in things that are making money. He added that the City must be proactive and take one (1) step at a time. In addition, Mayor Gerardo Sanchez stated that the City must work and deal with the problems and correct the issues from the past. Mayor Gerardo Sanchez asked staff and Council Members what could be done to make it better for the employees and can the City of San Luis afford to it.

Mr. John Starkey, Zoning Administrator/ Building and Safety Director, stated that his five (5) employees and himself were okay with the salary study.

Mr. Craig Higgins, Chief of Police, concurred with Mr. Starkey's statement.

Ms. Sonia Cornelio, City Clerk, stated that she was in agreement with Mr. Starkey and Chief Higgins. Ms. Cornelio added that her department is all for it and understands that Council has a hard decision to make in regards to the proposed salary changes. She added that it is impossible to make everyone happy.

Mr. Marc Holyfield, Assistant Fire Chief, stated that he has been through different Salary Surveys that have affected employees and something can be done.

Ms. Maria Sabori, Human Resources Senior Analyst, stated that there has been several employees who have approached Human Resources about the status and since it did not go through their morale has gone down as they were hoping for it to go through.

Council Member Gloria Torres commented that when Council Members were approached about the Salary Survey because some of the employees were under paid Council was glad to do it as they wanted employees to have the correct pay. When the Salary Study was made several employees were unsatisfied. She asked why those employees were re-classified when they were comfortable with the position they already hold. Council Member Gloria Torres commented that she had gone to each department and talked to employees and several were not happy. She asked why the re-classification was done when employees are not satisfied.

Mayor Gerardo Sanchez asked how much was spent on the survey.

Ms. Sabori replied approximately \$15,000.00 to \$20,000.00.

Mayor Gerardo Sanchez commented that another solution would be to hire another agency and spend \$15,000.00 to \$20,000.00 to perform another Salary Survey. Mayor Gerardo Sanchez added that when the agency asks employees to fill out the survey they must do it correctly and take it seriously.

Ms. Kay Macuil, City Attorney, commented that employees filled out the forms and when the results came back there was no input from employees, apart from the one (1) on one (1) meetings with Human Resources, and went straight to Council.

Mayor Gerardo Sanchez stated that for a fact, some were being told the survey results and kept saying no, no, no. The moment someone is re-classified it is a demotion in their mindset.

Mr. Eulogio Vera, Public Works Director, stated that the majority of the employees did benefit from the Salary Survey. Mr. Vera added that there are a couple that were impacted in a way that they believe that if they were to filled out the application correctly, due to staffing they would get impacted negatively.

Mr. Hank Green, Fire Chief, commented that the 2006 Salary Survey was done by the same company and their recommendation was not to assign pay when it came to paramedics and in the 2016 survey reflected on assigned pay. While he does agree with assigned pay, as it makes things less complicated in recruitment and promotions. Mr. Green wants to know how the company said one (1) thing and ten (10) years later said something else.

Mr. Ralph Velez, City Consultant, replied that while that did happen the numbers were not the same. While they are making the same recommendations one was never implemented.

Mr. Green continued to say that the City of San Luis cannot deal with bruised egos when it comes to the name change. He added that his personnel and he when looking at the document there are some things that raised questions. One of them being not finding "firefighter" in the 95% of the 2016 Salary Survey.

Ms. Sabori commented that the word "firefighter" was located on grid sixty (60).

Mr. Velez commented that several moving parts to the Salary Survey. Mr. Velez added that because of the employee confidential part, they had to do one on one meetings with the employees and employees had to acknowledge a form that stated that employees were not allowed to talk about the survey in a public meeting and that their titles were going to be discussed. He clarified that it was just a public notice for the individual. He also stated that if there was a title change, that was not explained properly it was on them and salaries cannot be reduced as it is illegal.

Ms. Sabori read the email she received in regards to Directors and Managers. She stated that was their reasoning to changing some Department Directors to Managers.

Ms. Olivia Jenkins, Utilities Director, stated that the problem she sees is that there is no motivation to push forward as they were the same pay as different departments that have different levels of accountability. She commented that it is not the money or the title that affects her, it is just the accountability of her work. Ms. Jenkins added that that when the company did the Salary Surveys ten (10) years ago, representatives from the company were there to go over the PFQs. While there were meetings, they were not very clear, she believes representatives should have been in the meetings to answer questions as Mr. De La Hoya or Ms. Sabori could not answered. Ms. Jenkins added that the company may have the experience but believes the company may have cut corners on the survey.

Ms. Jenny Torres, Community Development Director, stated that her department employees are okay with the Salary Survey. When it comes to her title that was changed from Director to Administrator she benefits from it but it also brought up some concerns.

Ms. Kay Macuil, City Attorney, apologized if they messed up by not including a representative from the company as they were trying to be sensitive. She added that she agrees that the company should have been there.

Mayor Gerardo Sanchez called for a new Salary Study to be done with a different company. Mayor Gerardo Sanchez added that every department would be paying a piece of the total.

Mr. Tadeo De La Hoya, Interim City Manager, asked what would happen if the new survey came back with the same results.

Mayor Gerardo Sanchez replied that the City will pinpoint and be more specific. Mayor Gerardo Sanchez added that if two (2) company's come back with the same results the City has a problem.

Council Member Mario Buchanan Jr. asked supervisors to prepare their employees.

Ms. Sonia Cornelio, City Clerk, asked what if the next study results are less likable and asked if it would take a year to complete.

Mayor Gerardo Sanchez replied that the City would specify with the company on how long they will take but would most likely cost more. He added that if it is unfavorable everything would be taken care of and make it as efficient as possible.

Mr. Tadeo De La Hoya clarified that it took more than a year to complete the Salary Survey because a couple of departments did not agree with it.

Mayor Gerardo Sanchez commented that all departments will agree with the Salary Survey and if any department does not meet the deadlines there will be issues.

Ms. Keti St. Louis, Finance Director, suggested that the correspondence from the company should not be with just Human Resources or Mr. De La Hoya. Any feedback or questions should be received by every department. She added that she has staff that believes some positions are over looked by the company.

Council Member Ruben Walshe commented that one of the reasons the City is having issues right now is because there is no Human Resource Director. Council Member Ruben Walshe suggested that the City hire a Human Resource Director.

Mayor Gerardo Sanchez commented that he expects Ms. Sabori to ask a lot of questions when the new company comes for the employees. Mayor Gerardo Sanchez concluded the Budget Retreat by thanking employees for attending.

3. Adjournment

MOTION: Council Member Mario Buchanan Jr./ Council Member Ruben Walshe to adjourn the Budget Retreat on April 16, 2016 at approximately 5:17 p.m. Motion passed unanimously.



AGENDA
Budget Retreat
City of San Luis
9800 E. Indian Bend Road
Scottsdale, Arizona 85256
April 15, 2016 at 5:00 p.m.
April 16, 2016 at 8:00 a.m.

MEMBERS OF THE CITY COUNCIL WILL ATTEND EITHER IN PERSON, TELEPHONE, OR VIDEO CONFERENCE COMMUNICATION; ALSO THE PUBLIC MAY ATTEND AND LISTEN TO THE PROCEEDINGS EITHER AT 9800 E. INDIAN BEND ROAD, SCOTTSDALE, ARIZONA, 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/ROLL CALL**
- 2. DISCUSSION ITEMS. NO ACTION WILL BE TAKEN**
 - 2. A.** Discussion and review on any and all matters regarding the proposed City of San Luis Fiscal Year 2016-2017 Budget. **(April 15, 2016 from 5:00 p.m. to 7:00 p.m.)**
 - 2. B.** Discussion on any and all matters regarding the proposed changes to the City of San Luis benefits plan for Fiscal Year 2016-2017 presented by Ms. Susan Posada, City of San Luis Benefits Consultant. **(April 16, 2016 from 8:00 a.m.-8:30 a.m.)**
 - 2. C.** Discussion and review on any and all matters regarding the proposed City of San Luis Fiscal Year 2016-2017 Budget. **(April 16, 2016 from 8:30 a.m. to 5:00 p.m.)**
- 3. ADJOURNMENT**



DISCUSSION ITEM

Budget Retreat

2. B.

Meeting Date: 04/15/2016

Department Head: Sonia Cornelio, City Clerk, Office of the City Clerk

Submitted By: Sonia Cornelio, City Clerk, Office of the City Clerk

ITEM:

Discussion on any and all matters regarding the proposed changes to the City of San Luis benefits plan for Fiscal Year 2016-2017 presented by Ms. Susan Posada, City of San Luis Benefits Consultant. **(April 16, 2016 from 8:00 a.m.-8:30 a.m.)**

SUMMARY:

Ms. Susan Posada, City of San Luis Benefits Consultant, will be providing a presentation on any and all matters regarding the proposed changes to the City of San Luis benefits plan for Fiscal Year 2016-2017.

SUPPORTING INFORMATION:

DISCUSSION ONLY, NO ACTION.

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM: N/A

CITY/STATE/FEDERAL FUNDS: N/A

TOTAL: N/A

BUDGETED: N/A

AVAILABLE TO TRANSFER: N/A

ACCOUNT #/REMAINING BALANCE: N/A

FISCAL IMPACT STATEMENT:

Discussion only regarding the Employee's Benefit Trust.

**Agenda Item Routing Status, Form: 484
04/15/2016 Budget Retreat (BR)**

STATUS	INBOX	ARRIVAL DATE	SUBMIT/APPROVAL DATE & TIME	DAYS IN INBOX	APPROVED BY	VARIABLE INBOX?	ADDED BY	ADDED ON
Created			04/07/2016 09:59 AM		scornello			
APRV	Sonia Cornelio (Originator)		04/07/2016 11:42 AM		scornello			
ALTERMAP	Stop has been removed		04/07/2016 11:45 AM		scornello			
APRV	City Attorney		04/09/2016 06:53 AM		Kmacuil			
APRV	Finance Director		04/11/2016 09:04 AM		Kstlouis	Yes	scornello	04/07/2016
APRV	City Manager		04/11/2016 10:46 AM		Tdelahoya			
FNL APRV			04/11/2016 10:46 AM		Tdelahoya			