

MINUTES
Budget Retreat
City of San Luis
Talking Stick Resort
9800 E. Indian Bend Rd.
Scottsdale, AZ 85256
May 4, 2018 starting at 5:00 p.m.
May 5, 2018 starting at 8:00 a.m.

APPROVED by Council
Date: June 13, 2018
Clerk's Office: /s/ S. Cornelio

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 May 4, 2018 at approximately 5:40 p.m.

PRESENT: Mayor Gerardo Sanchez
Vice Mayor Matias Rosales
Council Member Gloria Torres
Council Member Mario Buchanan Jr. -arrived at approximately 6:00 p.m.
Council Member Africa Luna-Carrasco
Council Member Maria Cecilia Ramos
Council Member Ruben Walshe

OTHERS PRESENT: Tadeo De La Hoya, City Manager
Sonia Cornelio, City Clerk
Angel Ramirez, Assistant Fire Chief
Carlos Cortes, Assistant Director of Finance
Christine Hagen, Management Analyst
Derek Dueñas, IT Manager
Eulogio Vera, Director of Public Works
Francia Alonso, Administrative Coordinator
Jenny Torres, Economic Development Manager
Jesus Meza, Assistant Director of Parks & Recreation
Jorge Perez, Billing & Collections Manager
Jose De La Vara, City Prosecutor
Jose Guzman, Director of Planning & Zoning
Kay Macuil, City Attorney
Laura Herrera, Assistant to Council / PIO
Lizandro Galaviz, Director of Parks & Recreation
Manuel Rojas, Assistant Director of Public Works
Miguel Ramirez, Accountant
Monica Castro, Director of Finance
Olivia Jenkins, Human Resources Manager
Ralph Velez, City Consultant
Richard Jessup, Acting Chief of Police
Susan Posada, Benefits Consultant

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 the Fiscal Year 2018-2019 presented by Ms. Susan Posada, City of San Luis Benefits Consultant. (May 4, 2018)

Ms. Susan Posada, Benefits Consultant, informed that this year Mayo Clinic sold their health solutions, for this reason, the city had to go out to bid to find a new third-party administrator for the health plan. She mentioned that there were 3 bids that were received, and staff decided to contract with EBSO as the third party administrator. She introduced the EBSO representatives.

Mr. Rob Flunker and Mr. Patrick Harris introduced themselves to Mayor, Council, and staff, as the sales representatives in the state of Arizona for EBSO. They explained that one of the reasons that they got selected is that EBSO does work with Blue Cross Blue Shield of Arizona, they informed that their company has been in business for over 40 years, for this reason the company is very experienced in self-funded plans.

Ms. Posada made a power point presentation which included the changes that will be made to the medical and dental plans, it also included dental and vision. She informed that one of the major changes will be the dental insurance in Mexico, as the co-pays will be based on a schedule. A copy of this presentation is on file with the complete agenda packet filed in the City Clerk's Office.

Discussion between Ms. Posada and City Council occurred.

2. B. Discussion and review on any and all matters regarding the proposed City of San Luis Fiscal Year 2018-2019 Budget. (May 4, 2018)

Finance Department

Ms. Monica Castro, Director of Finance, made an overview of Fiscal Year 2018-2019 Budget and an overview of expenditures and revenues for the Fiscal Year 2017-2018. She made a power point presentation which included the following slides: Revenues, Expenditures, Salary Study Update and Balancing Budget. A copy of this presentation is on file with the complete agenda packet filed in the City Clerk's Office.

Discussion between City Council and Ms. Castro occurred.

Information Technology

Mr. Derek Dueñas, IT Manager, made a power point presentation which included the following slides: IT Budget Fiscal Year 2018-2019 Minor Tools/Equipment Supplies, Professional Services, Networks Security, Computer Replacement, Microsoft Office 2016 Licensing, and Cellebrite UFED 4PC. A copy of this presentation is on file with the complete agenda packed filed in the City Clerk's Office.

Discussion between City Council and Mr. Dueñas occurred.

City Attorney

Ms. Kay Marion Macuil, City Attorney, informed that for the department's Fiscal Year 2018-2019 budget requests, she has increased the Software Support line item. She mentioned that she will be requesting Contingency funds to cover for rent payment to Bureau of Land Management for the solar panels. (No power point presentation made)

City Prosecutor

Mr. Jose De La Vara, City Prosecutor, made a power point presentation which included the following slides: Department Goal, Case Load, Long Form Reports, Typical Workload, If Legal Assistant is not in the office, Police Legal Advisor, Advantage of having a Paralegal, Current Daily Duties Assigned to Sylvia, and Advantage of Having a Legal Secretary.

Discussion between City Council and Mr. De La Vara occurred.

MOTION: Council Member Matias Rosales/Council Member Mario Buchanan Jr. to recess the meeting at approximately 7:01 p.m. Motion passed unanimously.

MOTION: Council Member Mario Buchanan Jr. / Vice-Mayor Maria Cecilia Ramos to reconvene the Budget Retreat meeting at approximately 8:18 a.m. on May 5, 2018. Motion passed unanimously.

PRESENT:

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

OTHERS PRESENT:

Tadeo De La Hoya, City Manager
Sonia Cornelio, City Clerk
Angel Ramirez, Assistant Fire Chief
Carlos Cortes, Assistant Director of Finance
Christine Hagen, Management Analyst
Derek Dueñas, IT Manager
Eulogio Vera, Director of Public Works
Francia Alonso, Administrative Coordinator
Jenny Torres, Economic Development Manager
Jesus Meza, Assistant Director of Parks & Recreation
Jorge Perez, Billing & Collections Manager
Jose De La Vara, City Prosecutor

Jose Guzman, Director of Planning & Zoning
Kay Macuil, City Attorney
Laura Herrera, Assistant to Council / PIO
Lizandro Galaviz, Director of Parks & Recreation
Manuel Rojas, Assistant Director of Public Works
Miguel Ramirez, Accountant
Monica Castro, Director of Finance
Olivia Jenkins, Human Resources Manager
Ralph Velez, City Consultant
Richard Jessup, Acting Chief of Police
Susan Posada, Benefits Consultant

Mayor Gerardo Sanchez asked each Council Member to give a brief message as what their expectation is from each department.

Council Member Mario Buchanan Jr. thanked everyone for being present during the budget retreat and also thanked their significant others for giving the support to each department manager. He stated that he supports the salary adjustments, as it is very important for each employee.

Council Member Matias Rosales thanked everyone for their support and hard work. He mentioned that he is very happy for what the city has accomplished in the last five years. He asked department managers to relay the information to each employee and let them know that Council is working in improving the workplace for everybody.

Vice-Mayor Maria Cecilia Ramos thanked all department managers and stated that Council is working in conjunction to provide what each and every employees deserves.

Council Member Gloria Torres not only thanked the department managers, but also Council. She mentioned that this is the best Council that she has worked with. She mentioned that every Council Member wants the best for the employees and are working toward achieving this.

Council Member Africa Luna-Carrasco thanked everybody for the changes that have been made in the community. She stated that all changes done in the community are very noticeable. She mentioned that she likes budget retreat meeting because it is the best time to work closely with each department manager and Council is able to hear everyone's ideas.

Council Member Ruben Walshe thanked everyone for working together for the benefit of the residents.

Mayor Gerardo Sanchez thanked everyone that has supported him throughout the 6 years that he has serve the community. He stated that this budget year is time for the employees to get rewarded for their hard work. He mentioned that in San Luis there are a lot of issues with salary pays. He added that some employees just come and get certified then leave for a better pay job. Mayor Gerardo Sanchez mentioned that he is proud of the benefits that San Luis provides to their employees, but at the end employees look to what is taken home and

not the benefits. He stated that this year, Council should focus on the employees, their benefits

and salary increases. He mentioned that employees should receive incentives to retain all those trained employees. He asked department managers to review their requests and focus on what is necessary, and look at what can be given up to compensate employees.

2. C. Discussion and review on any and all matters regarding the proposed City of San Luis Fiscal Year 2018-2019 Budget. (May 5, 2018)

Police Department

Mr. Richard Jessup, Acting Chief of Police, made a power point presentation which contained the following slides: Budget Retreat 1930, The Six Pillars of 21st Century Policing, Organizational Chart, LD Consulting Audit, Demographics, San Luis Police Department Statistics, Officer Initiated Calls, Chief's Productivity Assessment, Proposed Organizational Chart, Staffing Increase/Decrease, Minor Equipment/Supplies, Miscellaneous, Software/Support, Contract Services, Professional Services, Travel/Per Diem, Conference/Registration, and Capital Improvement Fiscal Year 2019. A copy of this presentation is on file with the complete agenda packet filed in the City Clerk's Office.

Discussion between City Council, staff and Mr. Jessup occurred.

A break was taken at approximately 9:38 a.m. and the meeting resumed at approximately 10:11 a.m.

Human Resources Department

Ms. Olivia Jenkins, Human Resources Manager, thanked Mayor, Council and staff for the patience given on the results for the Compensation Study. She informed that phase I of the salary study was completed on July 2017 and phase II is still in progress. She added that Mr. Ralph Velez, City Consultant and Ms. Monica Castro, Director of Finance, had been helping with issues found in the study. She informed that the Compensation Study should be done by the end of May 2018. Ms. Jenkins made a power point presentation which contained the following slides: Human Resources Mission, Goals and Objectives, Human Resources Team, Goals and Objectives Accomplished, Benefit Package, Holidays and Other Pay Leave, Other Incentives, and HR Budget Request. A copy of this presentation is on file with the complete agenda packet filed in the City Clerk's Office

Discussion between City Council, staff and Ms. Jenkins occurred.

Fire Department

Mr. Angel Ramirez, Assistant Fire Chief, made a brief introduction about himself. He made a power point presentation which included the following slides: Fire Administration, Fire Suppression, Equipment and Statistics, Budget, General Fund, Capital Improvement Projects

for Fiscal Year 2019, Budget Requests, Goals, and Ambulance Fund. A copy of this presentation is on file with the complete agenda packet filed in the City Clerk's Office.

Discussion between City Council, staff and Mr. Ramirez occurred.

Planning & Zoning Department

Mr. Jose Guzman, Director of Planning & Zoning, made a brief introduction about the department's goal. He made a power point presentation which included the following slides: Goal, Permits, Inspections, New Position Request: Building Inspector, Software for Inspections, New Vehicle Request, and General Plan Update. A copy of this presentation is on file with the complete agenda packet filed in the City Clerk's Office.

Discussion between City Council, staff and Mr. Guzman occurred.

Parks & Recreation Department

Mr. Lizandro Galaviz, Director of Parks & Recreation, made a power presentation for the following divisions: Facilities and Senior Center. This presentation included the following: Goals & Objectives, Contract Buildings, Facilities Buildings, City Hall Filtration and Water Dispenser Systems, Parking Enclosure (D Street) and Maintenance Software. A copy of this presentation is on file with the complete agenda packet filed in the City Clerk's Office.

Discussion between City Council, staff and Mr. Galaviz occurred.

Mr. Jesus Meza, Assistant Director of Parks & Recreation, made a power point presentation for the following divisions: Parks and Recreation which contained the following slides: 7 Divisions, Parks Division, Future Park Projects, Grand Stand Arena (F1 Ballfield), Conceptual Ideas (smaller scale), Recreation Special Events, Recreation Leagues & Clinics, Youth Center, Cultural Center, and Pool Summer Program.

A break for lunch was taken at approximately 12:27 p.m. and the meeting resumed at approximately 1:35 p.m.

Public Works Department

Mr. Eulogio Vera, Director of Public Works and Mr. Manuel Rojas, Assistant Director of Public Works made a power point presentation. This presentation included the following slides: Highway Division, Wastewater Division, Water Division, Solid Waste Division, and Fleet Services Division. A copy of this presentation is on file with the complete agenda packet filed in the City Clerk's Office.

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

Economic Development Department

Ms. Jenny Torres, Economic Development Manager, made a power point presentation which included the following slides: Goals, Continue to Make Roadway Improvements, 4FrontED, and Business Attraction and Facilities Improvements. A copy of this presentation is on file with the complete agenda packet filed in the City Clerk's Office.

Discussion between City Council, staff and Ms. Torres occurred.

Finance – Billing & Collections Division

Mr. Jorge Perez, Billing & Collections Manager, made a power point presentation which included the following slides: Mission & Motto, Goals & Objectives, Billing & Collections Organizational Chart, The Team, Accomplishments of Fiscal Year 2017-2018, Business License Division, Trainings, and Capital Improvement Projects for Fiscal Year 2020. A copy of this presentation is on file with the complete agenda packet filed in the City Clerk's Office.

Discussion between City Council, staff and Mr. Perez occurred.

City Clerk's Office

Ms. Sonia Cornelio, City Clerk, made a power point presentation which included the following slides: City Clerk's Office, Records in 2013, Records in 2018, Records Coordinator, and Records Management Challenges. A copy of this presentation is on file with the complete agenda packet filed in the City Clerk's Office.

Discussion between City Council, staff and Ms. Cornelio occurred.

Mr. Ralph Velez, City Consultant, informed that staff will be giving an update on the Impact Fees Study.

Ms. Kay Marion Macuil, City Attorney, informed that the city contracted with Tischler Bise as a consultant to work in the new impact fee study. She mentioned that part of that new impact fees study goes back to the old impact fee study, for this study the city has a different consultant to make sure that all of the previous expenditures were in compliance with the old laws, as they changed in 2012. The new impact fee study should be done by May of 2019.

Mr. Ralph Velez, City Consultant, stated that there are three items that need to be addressed to cover for the 4 million dollar deficit. He mentioned that council should be thinking of a property tax. He added that on the impact fees the city has lost approximately \$1 million in water fees in 5 years. He stated that utility rates need an update, there are some needs on water and waste water fees that need to be addressed. He commented that Pat Walker, Impact Fees Consultant, will be submitting a final report, that will cover the last 5 years and with the new impact fees staff will have ideas on the status of the water, waste water and general funds impact fees.

Mayor Gerardo Sanchez thanked everybody for their participation. He mentioned that he will be pushing for the Human Resources Department to obtain the final compensation study. He added that once that is ready then the Finance Department will contact the different department managers for review the capital improvements. He stated that the council's priority is salaries, he asked each department to take a look at what is needed and what can wait.

Ms. Monica Castro, Director of Finance, commented that she has reviewed the capital improvements list with the City Manager, and there are some recommendations that they would like to make.

Mayor Gerardo Sanchez suggested reviewing those changes with each department. He asked Council and staff if there are any objections to the recommendations of cutting in projects and focusing more in the compensation study.

There were no objections from Mayor, Council and staff.

Ms. Castro commented that the tentative budget will be presented before Council on June 6, 2018 and the final budget will be approved June 27, 2018.

3. ADJOURNMENT

MOTION: Council Member Matias Rosales/Council Member Africa Luna-Carrasco to adjourn the Budget Retreat meeting at approximately 3:45 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 May 4-5, 2018. 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 June 13, 2018.

Dated this 14th day of June 2018.

/s/ Sonia Cornelio, City Clerk