

**MINUTES**  
**Work Session**  
**San Luis City Council**  
**San Luis Council Chambers**  
**1090 E. Union Street**  
**November 21, 2018**  
**6:30 p.m.**

1. **CALL TO ORDER/ROLL CALL:** Mayor Gerardo Sanchez called the Work Session to order at approximately 6:32 p.m.

**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-arrived at 6:44 p.m.

**OTHERS PRESENT:** Tadeo A. De La Hoya, City Manager  
Sonia Cornelio, City Clerk  
Kay Marion Macuil, City Attorney  
Adan Garcia, Police Department  
Adrian Hemmer, Police Department  
Alan Guevara, Police Department  
Aldo Garcia, Fire Department  
Angel Ramirez, Acting Chief of Police  
Angelica Cifuentes, Finance Department  
Arturo Coronado, Fire Department  
Cesar Mora, Fire Department  
Daniel Dominguez, Fire Department  
Derek Dueñas, Information Technology Manager  
Elias Gonzalez, Police Department  
Francia Alonso, Acting PIO/Assistant to Mayor and Council  
Gabby Guevara, Police Department  
Guillermo Zendejas, Fire Department  
Hazel Perez, Police Department  
Isidro Lopez, Fire Department  
Javier Gonzalez, Fire Department  
Jenny Torres, Economic Development Manager  
Jeremy Humphrey, Fire Department

Jesus De Leon, Police Department  
Jesus Meza, Assistant Parks & Recreation Director  
Joaquin Campa, Building Official  
Joel Saucedo, Police Department  
Johnnie Morris, Fire Department  
Jorge Mungaray, Information Technology Department  
Jorge Perez, Billing & Collections Manager  
Jose A. Guzman, Director of Planning & Zoning  
Jose Barragan, Fire Department  
Jose Carrillo, Police Department  
Jose Encinas, Police Department  
Jose Vasquez, Police Department  
Lino Valencia, Police Department  
Marco Santana, Police Lieutenant  
Mario Eliazanes, Fire Department  
Miguel Barron, Police Department  
Mike Odell, Fire Department  
Monica Castro, Director of Finance  
Olivia Jenkins, Human Resources Manager  
Ramses Curiel, Police Department  
Ric Bauermann, Fire Department  
Richard Jessup, Acting Chief of Police  
Rodrigo Rodarte, Fire Department  
Socorro Ayala, Police Department

## **2. ITEMS FOR DISCUSSION ONLY:**

### **2. A. Discussion and possible directions to staff on any and all matters regarding the informational presentation by Stifel, Public Finance Advisors on the process to raise revenue through a property tax to improve city services to the residents of San Luis, Arizona. (Mark Reader, Managing Director at Stifel)**

Mr. Mark Reader, Managing Director of Stifel, stated that cities in Arizona have two (2) types of property tax, one is a Primary Property Tax, which the city does not currently levy a property tax approved by voters throughout the state. The property tax levies of which go from maintenance and operations for budgeting purposes is called the Primary Property Tax which the city does not have and the city is considering one for the May election. He explained that there is also a second tax known as the Secondary Property Tax Levy, which is for bonds and generally overrides. In Yuma County there are several overlapping jurisdictions that the citizens of the community pay property tax

each year. A property tax is a tax levy on property in the city, the amount of property tax is paid would be a function of what the secondary tax rate would be. The higher the value of the homes that higher the taxes is. He informed that if a city or town in Arizona wants to levy a property tax for additional services it is required under the constitution to set the levy amount and ask voter for the ability to do that. Mr. Reader followed with the power point presentation which included the following slides, Presentation Overview, Constitutional Limitation, Initial Base Levy Limit, Tax Levy Estimates, Limited Assessed Property Value History, Tax Levy Estimate Scenarios, Estimated Taxpayer Impacts FY 2019-2020, Tax Levy Estimates-A Note of Caution, Primary Rate in Other Sample Cities (FY 18-19), General Obligation Bonding Capacity, Sample Debt Service Schedule, and Estimated Average Taxpayer Impact. A copy of this presentation is included in the complete agenda packet on file in the Office of the City Clerk. Mr. Reader informed that he has worked with other cities and towns, such as the City of Somerton in 2006, they had a successful primary tax election, and their tax rate is \$1.72 which generates \$661,000.00 a year. He mentioned that the City of Yuma has a tax rate of \$2.27 primary tax rate which generates \$12.6 million dollars a year. He stated that the county has informed that the next consolidated election is schedule for May 2019 from which the City of San Luis will have to do their Call of Election on the third week of January 2019. He mentioned that he would like to hold a second work session with City Council to see how the money will be spent if the Primary Property Tax is approved in the community.

Mayor Gerardo Sanchez stated that property tax has been a controversial subject, this is something that has been used by many communities, and these communities have used the secondary property tax for bonds that will take forever to pay for. Mayor Gerardo Sanchez informed that the city has been through rough times during budget preparation and through recession. He mentioned that the city is going to reach a point where the city will be bankrupted. He stated that Council has to make tough decisions as the city is growing at a tremendous rate. Furthermore, he added that residents have reached to him asking for more police officers, fire personnel and more parks. He commented that he understands that no one wants to pay extra for services, for this reason it is difficult to make a decision, but it is time for Council to discuss the property tax topic. He stated that in order for this to be successful everyone from Council need to work together as well as staff need to work together. And the main supporter should be fire, police and parks.

Council Member Africa Luna-Carrasco agreed with Mayor Gerardo Sanchez. She asked for more explanation as how revenues of property tax can be utilized.

Mayor Gerardo Sanchez asked if revenues from property tax can only be used for police, fire and parks.

Mr. Reader replied that once the publicity pamphlet is out then Council will address how the funds will be utilized.

Council Member Africa Luna-Carrasco asked if this can also be assigned to streets.

Mayor Gerardo Sanchez stated that he would like to emphasize more into the three (3) departments mentioned.

Council Member Africa Luna-Carrasco thanked staff for bringing this item for discussion, if this is not done at this time, it needs to be done sooner in order to meet the demand of the community.

Mayor Gerardo Sanchez mentioned that sales tax currently being generated are not at the rate the city is growing it is not enough to keep up with the demand.

Mr. Reader informed that the city is at a 75% residential property tax in the community. As the commercial property grows over the years they will absorb a larger amount of the property tax levy, and they are assessed at a higher percentage than residential.

Council Member Gloria Torres asked if this will have to be approved in a special election.

Mayor Gerardo Sanchez replied that this will have to go to the voters in order to get it approved.

Council Member Mario Buchanan Jr. agreed with other members of Council and stated that it is time for the city to implement the property tax as this will bring positive to the community.

Mayor Gerardo Sanchez opened this item for discussion from staff.

Mr. Richard Jessup, Acting Chief of Police, thanked Police Department personnel for being present during this meeting to show their support. He stated that staff has discussed this topic and the need of the property tax to go through. He mentioned that there are three (3) major things that need to be taken into consideration, one is when the agricultural season arrives the need for more policing is needed and staff from other tasks force are needed to cover. He stated that per FBI statistic there are needed 2.5 officers per every 1,000 residents, the city runs 1 officer per every 1,200 residents. He informed that currently the San Luis Police Department is staffed with 34 officers. He mentioned that property tax is not a subject that the community would like to touch but

is necessary. Mr. Jessup added that with these funds the Police Department would be able to hire officers and this will reduce response time during emergency calls.

Mr. Angel Ramirez, Acting Fire Chief, agreed with Chief Jessup in supporting implementing a property tax in the city. He mentioned that at the pace the city is growing fire personnel presence is needed on the east side of the city. He commented that thanks to the city the department has received a lot of support by purchasing more ambulance and fire apparatus to provide service to the residents.

Mr. Joel Saucedo, Police Captain and President of the AZCOP's Association, stated that the city will also support the implementation of a property tax.

Mr. Marco Santana, Police Lieutenant, commented he understands that it is imperative to the city to implement a property tax, he added that he will give full support for this to happen.

Mr. Jesus Meza, Assistant Parks & Recreation Director, stated that his department will also support the city on implementing a property tax in the community. He mentioned that public safety and parks are a necessity to the community.

Mr. Jose Barragan, Fire Captain, stated that it is very important to provide services to the residents for this reason will also support Mayor and Council in implementing a property tax. He mentioned that he will talk to his family and friends to fully support this.

Mayor Gerardo Sanchez stated that if this is to happen and voters support it, he reassured that funds will go directly to public safety and parks; he added that he will not support anything that will deviate those funds somewhere else. He stated that public safety and parks have always been the first priority for Council.

### **3. ADJOURNMENT**

**MOTION:** Council Member Mario Buchanan Jr. /Council Member Ruben Walshe to adjourn the Work Session at approximately 7:22 p.m. Motion passed unanimously.