

MINUTES
Budget Retreat
San Luis City Council
Talking Stick Resort
9800 Talking Stick Way
Scottsdale, Arizona 85256
April 26, 2019 at 5:00 p.m.
April 27, 2019 at 8:00 a.m.

APPROVED by Council

Date: June 12, 2019

Clerk's Office: /s/ Melissa Lopez

1. **CALL TO ORDER/ROLL CALL:** Vice-Mayor Maria Cecilia Ramos called the Budget Retreat meeting to order at approximately 5:18 p.m. on April 26, 2019.

PRESENT: Mayor Gerardo Sanchez – arrived at 6:02 p.m.
Vice Mayor Maria Cecilia Ramos
Council Member Mario Buchanan Jr.
Council Member Africa Luna-Carrasco
Council Member Jose Ponce
Council Member Matias Rosales
Council Member Gloria Torres

OTHERS PRESENT: Tadeo A. De La Hoya, City Manager
Sonia Cornelio, City Clerk
Kay Marion Macuil, City Attorney
Angel Ramirez, Fire Chief
Carlos Cortes, Assistant Director of Finance
Christine Velez, Management Analyst
Derek Dueñas, Information Technology Manager
Eulogio Vera, Director of Public Works
Francia Alonso, Public Information Officer/Assistant to Council
Jenny Torres, Economic Development Manager
Jesus Meza, Assistant Director of Parks & Recreation
Jorge Perez, Billing & Collections Manager
Lizandro Galaviz, Director of Parks & Recreation
Maria Sabori, Risk Manager
Miguel Ramirez, Accountant
Monica Castro, Director of Finance
Nohemy Echavarria, Magistrate
Ralph Velez, City Consultant
Richard Jessup, Chief of Police
Roula Encinas, Accountant
Susan Posada, Benefits Consultant
Rob Flunker, EBSO Representative
Patrick Harris, EBSO Representative

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 2019-2020 presented by Ms. Susan Posada, City of San Luis Benefits Consultant. (April 26, 2019)

Ms. Susan Posada, San Luis Benefits Consultant, made a power point presentation to Mayor, Council, and staff. Her presentation contained the following information: Changes to Plan Costs, Medical and Dental Enrollment Changes, Stop Loss and Administration Renewal Effective July 1, 2019, Stop-Loss Change-Risk and Exposure, Estimated Fund Balance, 2019-2020 Fund Requirements, EAP and Healthiest You, ACA Reporting, Recommended Plan Changes for Plan Year 2019-2020, Recommended Mexico Plan Changes for 2019-2020, Recommended Plan Changes-Incentive Plan for Plan Year 2019-2020, Incentive Program Savings Examples, US Medical Plan Summary, Mexico Medical Plan Summary, Vision Renewal Rates, US Mexico and Mexico Dental Only Plans, City of San Luis Current/Renewal Basic Life Insurance and AD&D-No Change, City of San Luis Current/Renewal Long Term Disability-No Change, City of San Luis Current/Renewal Short Term Disability, Transwestern Mexico Voluntary Medical, 2019-2020 Rates and Contributions, Employer & Employee Contribution Calculations-Renewal Plan Medical, Dental and Vision, Current Premium Rates 7-01-2018 to 6-30-2019 and Contribution Comparison 2018-2019 and 2019-2020. A copy of this presentation is included with the complete agenda packet filed in the City Clerk's Office. Ms. Posada also introduced Rob Flunker and Patrick Harris, EBSO Representatives.

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 2019-2020 Budget. (April 26, 2019)

Finance Department

Ms. Monica Castro, Director of Finance, thanked department heads, staff, and the Finance Department for working hard in putting together the budget. She stated that she is looking forward to producing a balanced budget that will address the needs of the city. Ms. Castro presented a power point presentation which included the following information: San Luis Detention Facility; Revenues: Revenue Comparison, Fund Revenue Share, and General Fund Revenues; Revenue Historical Data Major Revenue Source Government; Expenditures: Expenditure Comparison, Expenditure Distribution All Funds, Expenditures by Category, and Budget Expenditure Comparison FY 202 vs 2019; Where are we now?: Surplus or Deficit?, General Fund Analysis, HURF Analysis, Ambulance Fund Analysis; Property Tax Budget, and Conclusion. A copy of this presentation is included with the complete agenda packet filed in the Office of the City Clerk.

During the discussion of the Property Tax Budget power point slide, Mrs. Castro informed that the revenues that the city receives from the state are not sufficient as they are limited

because of low population. She added that sales tax and other revenues are not sufficient to meet the growing needs of the city. At this time, the city has struggled to maintain streets and have made the decision to cut it by \$800,000.00. She mentioned that at this very moment, staff is struggling to balance the general fund budget by \$4 million. If the city wants to keep providing the services that the city needs, then there is no question as to whether or not the city needs a property tax, this tax is long overdue.

Mayor Gerardo Sanchez informed that there are comments going around by members of the community that the reason the city wants to implement a property tax is because of the mismanagement of the budget. He asked Mrs. Castro if in reviewing the budget if there has been mismanagement of the budget.

Ms. Castro replied that there has been no mismanagement of the budget, she mentioned that Council and staff has been doing an excellent job with the limited funds available. Staff is overloaded of work; the city is understaffed, projects had been completed with the limited revenues available. She stated that the city does need help to bring more revenues to the city. She asked Mayor Sanchez to invite those people to come and discuss their concern with her.

Mayor Gerardo Sanchez stated that the city is very transparent, the budget is online, and the community is invited to review it. He mentioned that the city has received awards for transparency and for the hard work done in the last 7 years, providing great services with the limited revenues the city receives.

Ms. Castro informed that the city has a good financial situation, but it cannot be compromised because the city does not want to start cutting services. She stated that staff had planned wisely and have to work on the budget every year to find out what can be done. There are not enough revenues to do all projects needed, but with the property tax, more projects will be able to be accomplished.

Mayor Gerardo Sanchez commended all departments for working hard and the great services provided to the city.

Public Works

Mr. Eulogio Vera, Director of Public Works, made a power point presentation to Mayor, Council, and staff. A copy of this presentation is on file with the complete agenda packet filed in the Office of the City Clerk. This presentation included the following slides: Highway Users Division, Water Division, Wastewater Division, and Fleet Services Division. He started his presentation by thanking everyone and stated that it takes a team to see great results. He thanked his department and other staff for the support given. Mayor Gerardo Sanchez commended Mr. Vera and the entire Public Works Department for the great work done throughout the years.

Council Member Gloria Torres asked how the recycling pilot program is doing in San Luis.

Mr. Vera replied that there has been a great turnout. Currently, the recycling materials are taken to the City of Somerton Recycling Facility. He informed that staff takes approximately 8 tons a week; this is only for two (2) subdivisions. He mentioned that by the end of the year he will be working on a summary to see if the program really worked and how much the savings are. This will help staff determine if this is a good program for the entire city. Mayor Gerardo Sanchez informed that there are two (2) companies from Mexicali, Baja California, that are willing to purchase the recycled materials from the city. He added that staff will meet with these two (2) companies and explain to them that currently, the city's recycling program is a pilot program.

MOTION: Council Member Africa Luna-Carrasco/Council Member Jose Ponce to recess the meeting at approximately 7:03 p.m. Motion passed unanimously.

The vote was as follows:

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

The meeting reconvene on April 27, 2019, at approximately 8:10 a.m.

PRESENT: Mayor Gerardo Sanchez
Vice Mayor Maria Cecilia Ramos
Council Member Mario Buchanan Jr.-arrived at 8:20 a.m.
Council Member Africa Luna-Carrasco
Council Member Jose Ponce
Council Member Matias Rosales
Council Member Gloria Torres

OTHERS PRESENT: Tadeo A. De La Hoya, City Manager
Sonia Cornelio, City Clerk
Kay Marion Macuil, City Attorney
Angel Ramirez, Fire Chief
Carlos Cortes, Assistant Director of Finance
Christine Velez, Management Analyst
Derek Dueñas, Information Technology Manager
Eulogio Vera, Director of Public Works
Francia Alonso, Public Information Officer/Assistant to Council
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
Lizandro Galaviz, Director of Parks & Recreation
Maria Sabori, Risk Manager
Miguel Ramirez, Accountant
Monica Castro, Director of Finance
Nohemy Echavarria, Magistrate
Ralph Velez, City Consultant
Richard Jessup, Chief of Police
Roula Encinas, Accountant
Silvia Vazquez, Legal Secretary

Mayor Gerardo Sanchez asked each department manager to give a brief summary of next fiscal year expectations.

2. C. Discussion and review on any and all matters regarding the proposed City of San Luis Fiscal Year 2019-2020 Budget. (April 27, 2019)

Municipal Court

Ms. Nohemy Echavarria, Magistrate, and Andrea Ruiz, Court Administrator, made a power point presentation to Mayor, Council, and staff. A copy of this presentation is on file with the complete agenda packet filed in the Office of the City Clerk. This presentation included the following slides: Mission, Meet the Team, Special Budget Requests, Employee Salaries, Court's Special Revenue Funds, Special Revenue Fund, 2013 – Present, Alternatives to Enforcing Fines/Fees, Jury Trials, What are our neighbors doing?, Video Conference, Camera Security System, and News/Update.

Discussion between Ms. Echavarria, Richard Jessup, Chief of Police, Andrea Ruiz, and City Council occurred.

Office of the City Clerk

Ms. Sonia Cornelio, City Clerk, made a power point presentation to Mayor, Council, and staff. A copy of this presentation is attached to the complete agenda packet filed in the Office of the City Clerk. This presentation included the following slides: City Clerk's Office, Accomplishments, and Department's Requests Fiscal Year 2020.

Discussion between Ms. Sonia Cornelio and City Council occurred.

Fire Department

Mr. Angel Ramires, Fire Chief, made a power point presentation to Mayor, Council, and staff. A copy of this presentation is attached to the complete agenda packet filed in the Office of the City Clerk. This presentation included the following slides: Fire Administration, Fire Suppression, Expenses, Services/Calls, Capital Improvement Project Fiscal Year 2020, Goals, and Ambulance Fund.

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

Police Department

Mr. Richard Jessup, Chief of Police, made a power point presentation to Mayor, Council, and staff. A copy of this presentation is attached to the complete agenda packet filed in the Office of the City Clerk. This presentation included the following slides: School Active Shooter Trainings, Career Fairs, City 5K Walk Run, No Shave November, City Events, San Luis Police Department The Six Pillars of 21st Century Policing, San Luis Police Department Statistics, San Luis Police Department Dispatch Statistics, Demographic, Personnel, Staff Increases, Budget Increases, CIP FY 2020, and SLPD 2019-2024 Master Plan Synopsis.

Discussion between Mr. Jessup and City Council occurred.

A break was taken at 10:42 a.m. and resumed at 11:10 a.m.

Risk Management

Ms. Maria Sabori, Risk Manager, made a power point presentation to Mayor, Council, and staff. A copy of this presentation is attached to the complete agenda packet filed in the Office of the City Clerk. This presentation included the following slides: Accomplishments 2018-2019, Certifications Completed, Online Trainings, On-site Trainings FY 2018-2019, OSHA On-Site Trainings FY 2018-2019, Incident Reporting, Budget Requests/Changes 2019-2018, and AMRRP Claims Review.

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

Planning & Zoning Department

Mr. Jose A. Guzman, Director of Planning & Zoning, made a power point presentation to Mayor, Council, and staff. A copy of this presentation is attached to the complete agenda packet filed in the Office of the City Clerk. This presentation included the following slides: Goals, Permits, Inspections, New Vehicle Request, and General Plan Update.

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

Office of the City Attorney

Ms. Kay Marion Macuil, City Attorney, made a power point presentation regarding budget requests. A copy of the request is attached to the complete agenda packet filed in the Office of the City Clerk.

Office of the City Attorney – City Prosecutor

Mr. Jose De La Vara, City Prosecutor, and Ms. Sylvia Vasquez, Legal Secretary, made a power point presentation to Mayor, Council, and staff. A copy of this presentation is attached

to the complete agenda packet filed in the Office of the City Clerk. This presentation included the following slides: Mission, Request for FY 2019-2020, Number of Cases Opened, Number of Cases Opened by Month, Sylvia's Current Job Description, Sylvia's Current Duties, Long Form Reports, Calendars, Police Legal Advisor, CSL Personnel Policies, Sylvia Performs Well Above Her Position Duties, Sylvia's Vision and Contributions, Year 2019-2020, and City Prosecutor's Office Needs Help.

Discussion between Mr. De La Vara, Ms. Vasquez, City Council and staff occurred.

A lunch break was taken at 12:30 p.m. and reconvene at 1:36 p.m.

Information Technology

Mr. Derek Dueñas, Information Technology Manager, made a presentation regarding department goals, department projects, capital projects and additional positions.

Senior Services

Mr. Lizandro Galaviz, Director of Parks and Recreation, made a power point presentation regarding the senior services project. He also informed that he would like to promote the center to our community and local seniors.

Discussion between Mr. Galaviz and City Council occurred.

Parks & Recreation Department

Mr. Lizandro Galaviz, Director of Parks, and Mr. Jesus Meza, Assistant Director of Parks and Recreation, made a power point presentation to Mayor, Council, and staff. A copy of this presentation is attached with the complete agenda packet filed in the Office of the City Clerk. This presentation included the following slides: Recreation 2018-2019 Review of Special Events, Youth Center Special Events, Cultural Center Special Events 2017-2018, 40th Anniversary Project, Special Events 2018-2019, Youth Center Projects, Youth Center Programs, Cultural Center Programs, Recreation, Community Outreach 2019, Parks Division, San Luis Municipal Pool, Facilities, and Senior Services.

Discussion between Mr. Galaviz and City Council occurred.

Economic Development

Ms. Jenny Torres, Economic Development Manager, made a power point presentation to Mayor, Council, and staff. A copy of this presentation is attached with the complete agenda packet filed in the Office of the City Clerk. This presentation included the following slides: Community Development, Infrastructure Support, Business Attraction, Border Crossing Statistics, Sales Tax, Downtown Stores, and Downtown Redevelopment.

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

A break was taken at approximately 3:27 p.m. and resumed at 3:54 p.m.

Billing & Collections

Mr. Jorge Perez, Billing & Collections Manager, made a power point presentation to Mayor, Council, and staff. A copy of this presentation is attached with the complete agenda packet filed in the Office of the City Clerk. This presentation included the following slides: Mission & Motto, Goals & Objectives for FY 2020, Organizational Chart – B&C Division, Mayor Account Funding Increases, Minor Account Funding Increases, Accounts with Same Funding Request or Less, Billing & Collections Stats for FY 19, Business Licenses Stats for FY 19, and Capital Improvement Projects.

Vice-Mayor Maria Cecilia Ramos asked if the capital improvement project to add ballistic windows to the customer service windows includes all windows in all wings.

Mr. Perez informed that the estimated cost for this project is \$34,000.00 for ballistic glass and \$26,000.0 for plexiglass, and it only includes the west wing windows and door and does not include the wall.

Vice-Mayor Maria Cecilia stated that safety is important for all wings, not just for one.

Mr. Perez informed that this was also a concern for him and Ms. Maria Sabori, Risk Manager, and mentioned that if his request is approved, then all windows would have to be replaced in the future.

Mayor Gerardo Sanchez mentioned that safety is always an issue, he stated that it will be ideal to have the plexiglass in the entire city hall. He asked staff to obtain a quote for plexiglass for all windows at city hall.

Ms. Maria Sabori, Risk Manager, informed that on Mr. Perez request about raising the desks at the customer service area will create a safety issue, due to the customer service representatives having to stand up frequently. She mentioned that the city already received a claim and this person has to go to physical therapies for 6 months, this affects the claims and cost.

Human Resources

Mr. Edgar Carbajal, Human Resources Recruitment Coordinator, made a power point presentation to Mayor, Council, and staff. A copy of this presentation is attached with the complete agenda packet filed in the Office of the City Clerk. This presentation included the following slides: Mission, Goals & Objectives, Human Resources Team, Goals & Objectives Accomplished, Goals & Objectives, Benefit Package, Holidays and Other Paid Leave, and HR Budget Request.

Ms. Nohemy Echavarria, Magistrate, thanked Mr. Carbajal and the HR staff for the great work done.

Council Member Africa Luna-Carrasco asked if there are any good applicants for the HR Manager position.

Mr. Carbajal replied that the position just opened and there are no application received yet. He informed that staff is waiting from the consultant to provide the pay range for this position.

Mayor Gerardo Sanchez asked why this position is not a director's position, but a manager position.

Mr. Carbajal replied that this is one of the positions that were reclassified from director to manager.

Ms. Kay Marion Macuil, City Attorney, informed that this position was reclassified to manager because it does not have any subdepartments under supervisions.

Ms. Monica Castro, Finance Director, asked if the class and salary for this position changed.

Mr. Tadeo A. De La Hoya, City Manager, explained that the previous employee assigned as the HR Manager was transferred from a different department and this person had a director's position. The salary and class was negotiated when this person was hired. He mentioned that when the reclassification study was done, the result was that this position needed to be manager and not a director position but it was kept as a director, then it was reclassified to a manager position. Mr. De La Hoya informed that the beginning salary is \$58,000.00, mid salary is \$70,000.00 and max salary is \$85,000.00.

Mayor Gerardo Sanchez thanked everyone for being prepared for this budget retreat, even though it has been a challenging year. He stated that it is in the best interest of the city to continue providing great services to the community.

3. ADJOURNMENT

MOTION: Council Member Mario Buchanan Jr. /Council Member Jose Ponce to adjourn the meeting at approximately 5:03 p.m. Motion passed unanimously.

The vote was as follows:

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



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 held on April 26, 2019. I further certify the meeting was duly called and held and that a quorum was present and that City Council approved these minutes at their Regular Council meeting held on June 12, 2019.

Dated this 24th day of June 2019.

/s/ Sonia Cornelio, City Clerk