

MINUTES
Regular Council Meeting
San Luis City Council
San Luis Council Chambers
1090 E. Union Street
June 12 2019
7:00 p.m.

APPROVED by Council

Date: July 24, 2019

Clerk's Office: /s/ Jose L. Cisneros

1. CALL TO ORDER/ROLL CALL: Mayor Gerardo Sanchez called the Regular City Council meeting to order at approximately 7:03 p.m.

PRESENT:

Mayor Gerardo Sanchez
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
Melissa Lopez, Deputy City Clerk
Glenn Gimbut, Assistant City Attorney
Angel Ramirez, Fire Chief
Aracely De La Hoya, Senior Center Manager
Carlos Cortes, Assistant Director of Finance
Edgar Carbajal, Recruitment Coordinator
Eulogio Vera, Director of Public Works
Francia Alonso, PIO/Assistant to Council
Jenny Torres, Economic Development Manager
Jonathan Dumadag, Senior IT Technician
Jorge Perez, Billing & Collections Manager
Jose Guzman, Director of Planning & Zoning
Lizandro Galaviz, Director of Parks & Recreation
Monica Castro, Director of Finance
Ralph Velez, City Consultant
Richard Jessup, Chief of Police
Roula Encinas, Accountant
Cesar Neyoy, Reporter
Christian Cuevas, Simultaneous Interpreter
Gary Black, Comite de Bienestar
Vianey Vega, Vega & Vega Engineering
Socorro Perucho, Resident

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Vice Mayor Maria Cecilia Ramos.

3. INVOCATION

The Invocation was led by Mr. Richard Jessup, Chief of Police.

4. PROCLAMATION

-Elder Abuse Awareness Day June 15, 2019

Ms. Melissa Lopez, Deputy City Clerk, read the proclamation in its entirety.

Mayor Gerardo Sanchez commented that unfortunately, elder abuse does happen and no elderly is abstained from it. He is very grateful for the different agencies and the Senior Center, as they provide a safe place for them. Mayor Gerardo Sanchez thanked Ms. Aracely De La Hoya, Senior Center Manager.

5. CONSENT AGENDA

5. A. MINUTES OF

- Budget Retreat held April 26, 2019
- Work Session held May 1, 2019
- Regular Council meeting held May 8, 2019
- Work Session held May 15, 2019

5. B. DISBURSEMENTS FROM 5/11/2019 THROUGH 5/30/2019.

Total Disbursements \$ 1,305,760.88

(One Million, Three Hundred Five Thousand, Seven Hundred Sixty Dollars and Eighty-Eight Cents)

5.C. Discussion and possible action on any and all matters regarding the approval of Lighting and Retention Basin Assessment Districts Budget for Fiscal Year 2019-2020. (Carlos Cortes, Assistant Director of Finance)

5.D. Discussion and possible action on any and all matters regarding Order No. 2019-8. An order of the Mayor and City Council of the City of San Luis, Arizona authorizing and directing the entering into an Intergovernmental Agreement with the City of Phoenix for the use of the Phoenix Municipal Tax Reporting Tool. (Monica Castro, Director of Finance)

5.E. Discussion and possible action on any and all matters regarding approval of contract with Lantis Productions, Inc., for a fireworks presentation during the 4th of July Celebration. (Lizandro Galaviz, Parks & Recreation Director)

5.F. Discussion and possible action on any and all matters regarding the waiving of procurement code for the rental of inflatable slides from Poly's Party Rentals for the 4th of July Celebration. (Lizandro Galaviz, Director of Parks and Recreation)

5.G. Discussion and possible action on any and all matters regarding the Memorandum of Understanding between the City of San Luis and MJS Properties Limited Partnership for the proposed Lot Split Case No. 2019-0155. (Jose A. Guzman, Director of Planning and Zoning)

5.H. Discussion and possible action on any and all matters regarding Resolution No. 2076. A resolution of the Mayor and City Council of the City of San Luis, Arizona, creating a Street Lighting Improvement District and declaring its intention to purchase electricity, and maintain poles, luminaries, and underground conduit, together with a charge for the use of lighting facilities, for lighting public streets within the area described as Bienestar Estates 10 Subdivision, San Luis, Arizona. (Jose A. Guzman, Director of Planning & Zoning)

5.I. Discussion and possible action on any and all matters regarding Resolution No. 2077. A resolution of the Mayor and City Council of the City of San Luis, Arizona, declaring its intention to provide the Enhanced Municipal Services of operating and maintaining certain retention basins within the area described as Bienestar Estates 10 Subdivision, San Luis, Arizona. (Jose A. Guzman, Director of Planning & Zoning)

5.J. Discussion and possible action on any and all matters regarding Resolution No. 2078. A resolution of the Mayor and City Council of the City of San Luis, Arizona declaring its intention of operating, maintaining and repairing certain landscape improvements included within, near and adjacent to the retention and detention basins and parking and parkways and related facilities together with appurtenant structures within the area described as Bienestar Estates 10 Subdivision, San Luis, Arizona. (Jose A. Guzman, Director of Planning & Zoning)

5.K. Discussion and possible action on any and all matters regarding Resolution No. 2079. A resolution of the Mayor and City Council of the City of San Luis, Arizona, authorizing and directing the city engineer to order the purchase of electricity and to order the maintenance of poles, luminaries and underground conduit incident to the installation of street lights for lighting public streets within the area described as Bienestar Estates 10 Subdivision, San Luis, Arizona. (Jose A. Guzman, Director of Planning & Zoning)

5.L. Discussion and possible action on any and all matters regarding Resolution No. 2080. A resolution of the Mayor and City Council of the City of San Luis Arizona, authorizing and directing the city engineer to order the operation and maintenance of certain retention basins for the area described as Bienestar 10 Subdivision, San Luis, Arizona. (Jose A. Guzman, Director of Planning & Zoning)

5.M. Discussion and possible action on any and all matters regarding Resolution No. 2081. A resolution of the Mayor and City Council of the City of San Luis, Arizona, authorizing and ordering the operation, maintenance and repair of certain landscape improvements included within, near and adjacent to the retention and detention basins and parking and parkways and related facilities together with appurtenant structures for the area described as Bienestar Estates

10 Subdivision, San Luis, Arizona. (Jose A. Guzman, Director of Planning & Zoning)

MOTION: Council Member Gloria Torres/Council Member Africa Luna-Carrasco to approve the Consent Agenda as presented. 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

Mayor Gerardo Sanchez moved Call to the Public to be next on the agenda, there were no objections from the City Council.

8. CALL TO THE PUBLIC

Ms. Socorro Perucho, 1478 Bentu Avenue, San Luis, Arizona, thanked the Mayor and City Council as after 40 years the city serviced the area. This is the only City Council that listened to the residents of that area. It seems that there are some issues with the sewer but the pavement has been fixed and that helped the residents in that area.

6. DISCUSSION AND POSSIBLE ACTION ITEMS:

6. A. Discussion and possible action on any and all matters regarding the approval and acceptance for filing the Comprehensive Annual Financial Report for the City of San Luis, fiscal year ended June 30, 2018. (Heinfeld, Meech & Co., P.C.)

Ms. Monica Castro, Director of Finance, recognized the Finance Department for the effort they put into completing the financial information that will be presented tonight. She introduced Ms. Britney Williams from Heinfeld, Meech & Co., P.C. via skype. Ms. Williams explained the Comprehensive Annual Financial Report (CAFR) which is an audit of governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the City as of and for the year ended June 30, 2018. She thanked the Finance Department for their work and assistance provided. The report is filed at the City Clerk's Office and posted on the city's website.

Council Member Africa Luna-Carrasco asked Ms. Castro what is being done in regards to the deficiencies.

Ms. Castro responded that the state used to have a reporting system and the accountants were reporting that they were using in the past as it was a procedure they were following in the past years. But now that the state changed the reporting tool and it specifies the periods better to be recorded so it was noted by the auditors and the city has been doing everything the way it is supposed to be since the Mayor Gerardo Sanchez asked Ms. Castro if the state notified the City of San Luis that they were changing how things were done. Ms. Castro responded the state did not notify the city.

Mayor Gerardo Sanchez thanked the Finance Department for their work and Ms. Williams for the audit performed.

MOTION: Council Member Matias Rosales/Vice Mayor Maria Cecilia Ramos to approve and accept the filing of the Comprehensive Annual Financial Report for the City of San Luis for the Fiscal Year ended June 30, 2018. 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

6. B. Discussion and possible action on any and all matters regarding the acceptance and approval of the Tentative Budget for Fiscal Year 2019-2020. (Monica Castro, Director of Finance)

Ms. Monica Castro, Director of Finance, explained that this year was no different than last year, there were significant challenges to produce a balanced budget that would deliver the services of infrastructure and programs that the community needs with the limited funds the city received. She added that as discussed in previous meetings, the major challenge was with the general fund. At the budget retreat, it showed that there was a \$4.75 million deficit and with the collaboration of the departments and administration, the deficit was reduced to \$ 2.6 million. The main reductions came from capital projects and the revenues were maximized with grants and special revenues. Another account that had a deficit was the Highway Users Revenue Fund (HURF) of \$700,000.00. Some of the projects were eliminated and a priority analysis was conducted that identified the needed projects and it brought the fund to a \$2,000.00 positive balance. The budget includes the second phase of the salary adjustment; last year public safety was prioritized and this year the employees of the general class will receive the bigger adjustment. Therefore, after this adjustment, most of the employees will be at the 90% or more from market. In order to make this salary adjustment sustainable, a cap of \$2.00 was placed and does not affect reaching the city's goal. The years of service, time and position are considered to determine what adjustment the employee will receive effective August 2019. Ms. Castro explained the annual budget by organization report.

Mayor Gerardo Sanchez asked if the adopted budget last year was \$62.8 million. Ms. Castro stated no, that last year the expenditures were \$62.8 million this year the expenditures is \$77.3 million, the jump seems very drastic but the main reason of that change is the detention facility expenditures as it increased by \$11 million. Although this has no effect for the city, but for presentation purposes, it needs to be included. The proposed budget is \$77.3 million. She briefly explained the list of capital projects expenditures.

Mayor Gerardo Sanchez stated that his biggest concern was the salary adjustments and the city needed to place a cap. The surrounding cities are also having issues and adjusting their property taxes, something that the City of San Luis does not have. Also, there has been a lot of uncertainty with the situation at the border, but hopefully the new port of entry can be obtained and that will change the demographics of downtown and once the hotel is built it will be good. A new medical mall is under construction and it will bring approximately 250 jobs. Subdivisions are being built and a cost assessment needs to be performed to determine how much it costs to perform city services. A point will be reached where new homes are being built but the city will not be able to provide those services, as a city cannot be sustained with just homes, businesses are needed too.

MOTION: Vice Mayor Maria Cecilia Ramos/Council Member Africa Luna-Carrasco to approve the tentative budget for Fiscal Year 2019-2020. 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

6.C. Discussion and possible action on any and all matters regarding Order No. 2019-6. An order of the Mayor and City Council of the City of San Luis, Arizona authorizing and directing the entering into an intergovernmental agreement with the Arizona Department of Revenue regarding the uniform administration, licensing, collection, and auditing of transaction privilege tax, use tax, severance tax, jet fuel excise and use tax and rental occupancy taxes imposed by the State or cities or towns. (Monica Castro, Finance Director)

Ms. Monica Castro, Director of Finance, stated that this intergovernmental agreement (IGA) was negotiated with the Department of Revenue (DOR) by a consortium of city/town representatives and the League of Arizona Cities and Towns. Additionally, several attorneys and tax experts from many cities and towns reviewed and commented on the language during the process, resulting in a document that provides the maximum

level of information and assurances for the cities. DOR administers and distributes the sales tax to the municipalities. The objective of this agreement is to clearly define the working relationship between DOR and Arizona cities and towns. The IGA addresses confidentiality, including the authorized handling of confidential taxpayer information, expectations for the discreet use of taxpayer data to prevent unauthorized disclosure, and the process to follow in the event of a disclosure. There is also guidance on the use of aggregated taxpayer data for public reporting and analysis. The agreement runs on a calendar year basis and contains a provision for automatic renewal. It is a recommendation of the Finance and Legal Departments to approve this agreement.

MOTION: Council Member Gloria Torres/Council Member Jose Ponce to approve and adopt Order No.2019-6. 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

6. D. Discussion and possible action on any and all matters regarding appointment to fill a vacancy on the Board of the East San Luis Facilities District. (Glenn J. Gimbut, Assistant City Attorney)

Mr. Glenn Gimbut, Assistant City Attorney, explained that this board is a five (5) member board and currently there are two (2) vacancies as Mr. Henry Chavez and Mr. Gerald Hunt have resigned.

Council Member Matias Rosales recommended Ms. Shelly Ostrowski as she is interested in being more involved in the different boards with the City of San Luis.

MOTION: Council Member Matias Rosales/Vice Mayor Maria Cecilia Ramos to appoint Shelly Ostrowski and Gustavo MacGrew to the board of the East San Luis Community Facilities District. 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

6. E. Discussion and possible action on any and all matters regarding Subdivision Case No. 2019-0114F. A request by Vega and Vega Engineering, PLC, on behalf of Comite de Bienestar Inc., property owner, for the final plat approval for Bienestar Estates 10 Subdivision. The property is located on the southeast corner of Avenue F and County 24th Street, San Luis, Arizona. (Jose A. Guzman, Director of Planning and Zoning)

Mr. Jose Guzman, Director of Planning & Zoning, said that the subject property is located on the east mesa of the City of San Luis, on the southeast corner of Avenue F and County 24th Street. Santa Cecilia No. 1 and Santa Cecilia No. 2, two single-family residential subdivisions, are located north of the proposed subdivision. The proposed subdivision consists of approximately 40.91 acres and is proposed to be divided into 163 lots and 2 tracts. One tract for future commercial development and the other tract to be dedicated to the city for stormwater retention. The lots will range in size from approximately 6,022.96 square feet to 10,150.51 square feet. This item was presented to the Planning and Zoning Commission meeting during their regular meeting held on May 14, 2019. The Commission recommended approval of the request with the condition that the applicant had to address all comments pending before scheduling this item to be presented to the City Council. Staff received the complete resubmittal on May 21, 2019. After review, staff sent out partial comments on June 3rd, 2019 and one additional comment on June 7th, 2019. All comments were put together and send out to the applicant on a letter dated June 7, 2019. Applicant submitted revised plans and are under review by staff.

Staff recommends approval of Subdivision Case No. 2019-0114F with the condition that the applicant addresses review comments letter dated June 7, 2019.

Mayor Gerardo Sanchez asked Mr. Vianey Vega, Engineer, if there were any concerns regarding the comments. Mr. Vega replied that he had the opportunity to meet with staff and they are in agreement with the comments from staff.

MOTION: Vice Mayor Maria Cecilia Ramos/Council Member Jose Ponce to approve Subdivision Case No. 2019-0114F with the condition that the applicant address staff's June 7, 2019 letter to the applicant as presented. Council Member Gloria Torres abstained for a possible conflict of interest. Motion passed with six (6) aye votes and one abstention vote by Council Member Gloria Torres.

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	Abstained

7. SUMMARY OF CURRENT EVENTS

Mayor Gerardo Sanchez reported he was invited by the Mexican Consulate to attend El Primer Cumbre de Alcaldes de Norte America, there were 56 American Mayors from different regions from the United States and at least 49 Mexican Mayors from different areas in Mexico as well as people from Canada. Tourism, safety and terrorism were discussed. It was nice to listen to the perspective of the Canadians and interesting to find out that they are recruiting Mexican workers in most of their towns to cultivate. The City of San Luis was the smallest city present. On a different note, he added the Arizona/Mexico Commission came and the City of San Luis was awarded the Paul J. Fan Award and it is something big as this award is not given just to anyone but to an individual or entity that harvest the idea of having good relationships with Mexico and the United States. The City of San Luis should feel very proud as the city is making a difference.

Vice Mayor Maria Cecilia Ramos reported she was invited to Women's Empowerment Conference titled Moving Beyond Trauma related to domestic violence.

9. ADJOURNMENT

MOTION: Council Member Africa Luna-Carrasco/Vice Mayor Maria Cecilia Ramos to adjourn the Regular Council meeting at approximately 8:09 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 Regular Council meeting held on June 12, 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 July 24, 2019.

Dated this 6th day of August 2019.

/s/ Sonia Cornelio, City Clerk