

MINUTES
Work Session
San Luis City Council
San Luis Council Chambers
1090 E. Union Street
May 15, 2019
6:30 p.m.

1. **CALL TO ORDER/ROLL CALL:** Mayor Gerardo Sanchez called the Work Session to order at approximately 6:35 p.m.

PRESENT: Mayor Gerardo Sanchez
Vice Mayor Maria Cecilia Ramos
Council Member Jose Ponce
Council Member Matias Rosales-arrived at 6:53 p.m.
Council Member Gloria Torres

ABSENT: Council Member Mario Buchanan Jr.
Council Member Africa Luna-Carrasco

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
Damian Miller, Police Sergeant
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
Jonathan Dumadag, IT Technician
Jorge Perez, Billing & Collections Manager
Lizandro Galaviz, Director of Parks & Recreation
Miguel Ramirez, Accountant
Monica Castro, Director of Finance
Nohemy Echavarria, Magistrate
Ralph Velez, City Consultant
Buna George, Greater Yuma Port Authority
Julie Engel, Greater Yuma Economic Development Corporation
Rosy Varela, Resident
Antonio Carrillo, Resident
Jesse Lopez, PPEP Youthbuild
Cesar Neyoy, Bajo El Sol
Lucy Lopez, San Luis AZ News
Concepcion Ulloa, Resident
Maria Nuñez, Resident
Diane Umphress, Amberly's Place
Annette Lagunas, Huma Society of Yuma

2. ITEMS FOR DISCUSSION ONLY

2. A. Continuation of discussion, review and possible directions to staff on any and all matters regarding the proposed City of San Luis Fiscal Year 2019-2020 Budget. (City Council and City Staff)

Mayor and Council reviewed the listing for Fiscal year 2019-2020 Contractual Services, Council Sponsorships/Pledges and Dues and Subscriptions. Mayor and Council proposed the following contributions:

Contractual Services

Agency	Requested Increases by Agency FY 2019-2020	Proposed Contribution for FY 2019-2020
Lobbyist	\$50,000.00	\$50,000.00
Greater Yuma Economic Dev. Corp	\$45,000.00	\$51,000.00
Greater Yuma Port Authority	\$50,000.00	\$50,000.00
Humane Society of Yuma	\$50,000.00	\$50,000.00
PPEP Youth Build	\$30,000.00	\$30,000.00
Yuma Metropolitan Planning Organization (YMPO)	\$13,736.74	\$13,736.74
Yuma County Area Transportation Authority (YCAT)	\$70,580.00	\$70,580.00
Newspaper Publications	\$24,400.00	\$24,400.00
JCG Technologies	\$7,000.00	\$7,000.00
Amberly's Place	\$41,810.00	\$41,808.00
GYEDC Binational/4FrontED	\$7,060.00	\$7,060.00
Total	\$389,586.74	\$395,584.74

Amberly's Place

Vice Mayor Maria Cecilia Ramos asked if an advocate from Amberly's Place is in the office at all times. She stated that she had stopped by their office several times but they are never there.

Mr. Damien Miller, Sargeant from San Luis Police Department, replied that an advocate should be there at all times except when they are on call. He mentioned that when there is a domestic violence call, they contact them and if they are not able to help, they guide staff to the right place. He stated that he could not say that they are not there, but when they are contacted, they answer.

Vice Mayor Maria Cecilia Ramos stated that this agency is a great asset to the community. With the increase of domestic violence cases reported, there is no way that Council does not agree to their contract.

Mayor Gerardo Sanchez asked if staff can verify the days an advocate is in the office.

Ms. Nohemy Echavarria, Magistrate, informed that since she started her employment with the city on August 27, 2018, she has seen an advocate once in court. She stated that they are notified of the hearings of victim cases and are sent emails with all hearing dates. She added that all victims are unrepresented.

Mayor Gerardo Sanchez asked staff to set up a meeting with this agency to discuss their services. He removed Amberly's Place item for discussion on a later date.

Council Sponsorships/Pledges

Agency	Requested Increases by Agency FY 2019-2020	Proposed Contribution for FY 2019-2020
Yuma Community Food Bank	\$25,000.00	\$25,000.00
Yuma Community Food Bank-Snack Pack Program Youth Center	\$10,000.00	\$5,000.00
Freedom Newspaper of SW AZ	\$650.00	\$650.00
Civic Donations	\$22,000.00	\$22,000.00
Comic Con	\$5,000.00	\$5,000.00
Gadsden Marching Band	-	-
Gethsemani Food Ministry	\$3,000.00	\$3,000.00
Off Road Expo	\$10,000.00	\$10,000.00
San Luis Film Festival	\$5,000.00	\$5,000.00
Arizona Interagency Farmworkers Coalition	\$1,500.00	\$2,500.00
Total	\$79,150.00	\$78,150.00

Yuma Community Food Bank-Snack Pack Program Youth Center

Mr. Lizandro Galaviz, Director of Parks & Recreation, informed that the sponsorship is for matching funding. He suggested staff to follow up with the agency to see if funding is still available and if this will be enough for their program or what are the other alternatives.

Mayor Gerardo Sanchez asked staff to place this item on hold for further discussion.

ComicCon and Film Festival

Mayor Gerardo Sanchez stated that he would like to continue supporting the San Luis Film Festival. He informed that every year it has been a challenge to find a location for ComicCon. He asked if an itemized report was presented to staff.

Mr. Carrillo replied that a report was presented to staff which included the expenses and contributions received. He stated that every year for the ComicCon he ends up putting funds from his pocket. He informed that for this reason he is asking for an increase to \$5,000.00 for each; the San Luis Film Festival and ComicCon.

Mayor and Council agreed to sponsor \$5,000.00 for each event.

Off-Road Expo

Mayor Gerardo Sanchez asked Mr. Tadeo A. De La Hoya, City Manager to request an itemized expense report from this organization, just like ComicCon and San Luis Film Festival does.

Dues/Subscriptions

Agency	Requested Increases By Agency FY 2019-2020	Proposed Contribution For FY 2019-2020
Arizona Mexico Commission	\$1,500.00	\$1,500.00
Border Trade Alliance	\$10,000.00	\$10,000.00
Arizona League of Cities & Towns	\$21,821.00	\$21,821.00
NALEO	\$400.00	\$400.00
National League of Cities & Towns	\$2,000.00	\$2,000.00
Yuma County Chamber	\$600.00	\$600.00
San Luis Chamber of Commerce	-	\$1,500.00
The Sun	\$170.00	\$170.00
Total	\$36,491.00	\$37,991.00

San Luis Chamber of Commerce

Mayor Gerardo Sanchez asked Mr. De La Hoya to add \$1,500.00 to the San Luis Chamber of Commerce in case there is one form during this coming fiscal year.

Mr. De La Hoya replied that a contribution will be added and stated that the San Luis Chamber of Commerce will be renamed to Chamber of Commerce.

Humane Society of Yuma

Mayor Gerardo Sanchez asked Ms. Annette Laguna from the Humane Society of Yuma to please explain how the additional \$20,000.00 requested by her agency would be utilized.

Ms. Laguna explained that these funds would help fund a spay and neuter program in San Luis, which will help them with the expenses and it could also help for microchips. This program will help decrease the animal problem in the community. She stated that the additional funds would not be an increase to the contract, but it will be a service that will be provided to San Luis citizens.

Mayor Gerardo Sanchez asked how many residents will benefit from the additional \$20,000.00 requested from Humane Society.

Ms. Laguna replied that with the additional funds, 150 cats and 100 dogs could be done. She added that an itemized report could also be sent with the information that the city requires. She suggested increasing the request gradually to see if this program will work for the community.

Mayor Gerardo Sanchez agreed with Ms. Laguna as this is a great program. He asked Ms. Laguna to please forward the information to staff to review so that a decision could be made as to how much Council would like to increase her request.

Amberly's Place

Mayor Gerardo Sanchez asked Ms. Diane Umphress from Amberly's Place how often the advocate is in town and if they represent victims during court hearings. He also informed her about a report given by the Magistrate that stated the advocate has only been seen once at the court with a client. He stated that with this report, Council is worried that by having a representative in San Luis funds are not being used wisely.

Ms. Diane Umphress, Amberly's Place, apologized for being late to the meeting. She explained that an advocate is stationed in San Luis at all times. She might not be in the office all the time because she is out on the field assisting victims. She stated that they do court calls and are present in case a victim needs assistance with an order of protection. She informed that the advocate covers two (2) courts in San Luis; the Municipal and the Superior Court. Ms. Umphress informed that the City of San Luis provided the agency with a van which was continuously breaking down, this vehicle was used to transport victims to a safe house or to Amberly's place for medical exams and forensic interviews. This vehicle has been replaced

with a newer brand which was purchased with grant funds; this vehicle is solely assigned to San Luis. She informed that she will find out about the court issue because an advocate is in the office all day. Furthermore, she added that in the statistics submitted to the city, there was a 17% increase in calls for service for the city of San Luis.

Mayor Gerardo Sanchez stated that this issue needs to be clarified because an assistant from Amberly's place is needed in the community.

Department Request Positions

Mr. Tadeo A. De La Hoya, City Manager, informed that there are 28 positions requests. The following proposed positions to be approved are: 1 Police Officer, 1 Communication Officer, and Paramedic Skills Pay.

Mr. Angel Ramirez, Fire Chief, informed that the request for skills pay for paramedics is being requested so that the city is competitive with other agencies in the area; the increase would be \$1.00 for each.

Mayor Gerardo Sanchez thanked Mr. Ramirez. He stated it is hard for the city to compete with other communities in the area. He mentioned that he understands that the city of San Luis needs to be competitive with other cities.. This Council has always emphasized public safety.

Mayor and Council review the departments requested positions and agreed to the positions proposed.

Capital Improvement Projects

Mr. Tadeo A. De La Hoya, City Manager, presented Mayor and Council with a listing of the Capital Improvement Projects requested by each department and the proposed projects to be funded this fiscal year. A copy of the report is filed with the complete agenda packet and is filed in the Office of the City Clerk.

Ms. Monica Castro, Director of Finance, informed that before the budget retreat there was a deficit of \$6.5 million. In preparation of the retreat, staff was able to reduce expenditures to arrive at \$4.1 million. Currently, the budget is at \$2.8 million deficit, still in the red numbers. She stated that as mentioned during the budget retreat, there is a "cushion" that can be used for the general fund. She stated that currently there is a deficit of \$750,000.00 in HURF, staff will have to reduce more expenditures in the general fund or remove \$750,000.00 of projects in HURF. This are very tough decisions that the city needs to make.

Mayor Gerardo Sanchez informed that HURF includes parks, streets, and sidewalks.

Ms. Castro explained that at this moment staff is trying to cut \$750,000.00 to save streets. With all the reductions done by staff, the general fund was blanced but there is still work to do with streets. She informed that at the beginning the deficit was at \$7.6 million. Staff had the task to reduce and remove important projects. This was reduced to \$4.75 million at the retreat and right now there is a \$2.6 million deficit for the general fund. This deficit is without counting the HURF deficit. She added that at this moment the most important thing to do is to reduce \$750,000.00 from streets or from the general fund. Furthermore, she informed that she spoke with Eulogio Vera, Director of Public Works, and he agreed to cutting down the HURF funds but street work would be done as funds allows.

Mr. Eulogio Vera, Director of Public Works, stated that road infrastructure is expensive and gets more expensive every year. He mentioned that since his term started, Council had approved funding every year in the budget and staff has been able to preserve better roads. The fact is what is received from the state is not sufficient; it cannot sustain the city wide roadway system which use state funds. He commented that San Luis is the only city that solely funds the HURF. Other cities get funds from general fund to be able to do new strees and/or improvements. Furthermore, he mentioned that one of the biggest project that his department would like to get done is the 4th Avenue and Cesar Chavez Boulevard improvements. This project is a huge impact to the budget. He stated that his project can be broken down into two years and get some other projects done. This project slows down getting other projects complete. He informed that the new fleet services shop gets more expensive every year, if it gets delayed, it will be pricier next year. This project is broken down into phases which staff would like this project to start next year and continue until the following year.

Mayor Gerardo Sanchez stated that his concern is that this year the HURF fund is in a deficit and next year will be worst. The roads will be in a worst condition that they are now.

Ms. Castro commented that like Mr. Vera mentioned, at this time it is difficult to operate with limited funds from the state for infrastructure. The alternative would be to make reductions to the general fund so that there are enough funds to subsidize streets for next year. She stated that this is not an easy decision and will not get better in the following years. The city needs to start planning how this situation will be faced.

Mayor Gerardo Sanchez commented that if sales tax was going up instead of decreasing, he will recommend to fund the HURF, but it is unpredictable what is going to happen the following year. He asked what is the estimated amount received from HURF every year.

Ms. Castro replied that it is approximately \$2.3 million and this should also cover operations.

Mr. Vera informed that staff is always looking for grants and funding for projects. He stated that this fiscal year, from the HURF funds received, only \$800,000.00 were for improvements; this is not enough to cover infrastructure.

Vice Mayor Maria Cecilia Ramos asked if the city was to also fund HURF, how much more would it be needed.

Ms. Castro replied that it will be \$750,000.00 which is the current deficit.

Mr. Vera also replied that the funds needed will be up to the projects that council would like to accomplish each fiscal year.

Mayor Gerardo Sanchez mentioned that if the city was to subsidize the HURF fund the deficit will go up to \$3 million.

Mr. Vera mentioned that the \$750,000.00 would be used to complete the 4th Avenue & Cesar Chavez Boulevard Project only in this fiscal year. He commented that one of the options would be to complete this project in phases.

Ms. Castro informed that staff can look for other ways to maximize the resources and limited revenues.

Mr. Vera mentioned that one option would be to allocate funds from the other divisions such as water and wastewater to help the general fund for paying for some of the city shop.

Mayor Gerardo Sanchez stated that he sees a problem by using those funds. He mentioned that for many years, those funds were in the red. If those funds are to be used to cover for other expenses, then there will be a problem in the future. He stated that he wants to make sure that those funds are healthy. Staff needs to be careful as to how those funds are utilized because if those funds go in the red, then rate hikes will have to be implemented in the community.

Mr. Vera replied that the project will not be subsidized the project, it will only allocate funds for the fleet services.

Mayor Gerardo Sanchez and Vice-Mayor Maria Cecilia Ramos agreed on the idea of phasing out the 4th Avenue and Cesar Chavez Boulevard.

Mayor Gerardo Sanchez asked how much money will be saved if the project is done in phases.

Mr. Vera replied that there will not be any savings, but the payments will be deferred to following fiscal year.

Mayor Gerardo Sanchez stated that then staff will have to look for \$450,000.00 if payments for said projects are deferred.

Ms. Castro mentioned that one of the alternatives will be to delay the salary implementation to start on August 1 and not in July 1, this will give some savings in the general fund.

Mayor Gerardo Sanchez stated that there are approximately two (2) weeks to look at other alternatives.

Ms. Castro informed that staff will be presenting the tentative budget in the regular council meeting schedule for June 12, 2019.

Mayor Gerardo Sanchez stated that staff will be reviewing the capital projects and making recommendations on how to proceed. He mentioned that the 4th Avenue and Cesar Chavez Boulevard will be done in phases. The project in question is the city shop building and the salary implementation. He asked staff to look at other possible options.

3. ADJOURNMENT

MOTION: Council Member Jose Ponce/Council Member Gloria Torres to adjourn the meeting at approximately 8:35 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