

MINUTES
Special Council Meeting
San Luis City Council
San Luis Council Chambers
1090 E. Union Street
January 16, 2019
6:30 p.m.

<p>APPROVED by Council Date: February 13, 2019 Clerk's Office: /s/Sonia Cornelio</p>

1. CALL TO ORDER/ROLL CALL: Mayor Gerardo Sanchez called the Special City Council meeting 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 Jose Ponce
Council Member Matias Rosales
Council Member Gloria Torres

OTHERS PRESENT: Tadeo De La Hoya, City Manager
Sonia Cornelio, City Clerk
Alan Guevara, Police Sergeant
Aldo Garcia, Firefighter
Alex Urzua, Firefighter
Angel Ramirez, Fire Chief
Aracely De La Hoya, Senior Services Manager
Arturo Coronado, Firefighter
Carlos Cortes, Assistant Director of Finance
Cesar Mora, Fire Captain
Derek Dueñas, I.T. Manager
Edgar Castro, Firefighter
Emmanuel Aldama, K9 Police Officer
Emmanuel Flores, Firefighter
Ernesto Cardenas, K9 Police Officer
Eulogio Vera, Director of Public Works
Francia Alonso, Public Information Officer/Assistant to City Council
Gabriela Guevara, Police Communication Officer
Glenn Gimbut, Assistant City Attorney
Haziél Perez, Police Officer
Isidro Lopez, Firefighter

Javier Gonzalez, Firefighter
Jenny Torres, Economic Development Manager
Jorge Mungaray, I.T Technician
Jose Zaragoza, Police Officer
Kay Macuil, City Attorney
Lino Valencia, Police Officer
Lizandro Galaviz, Director of Parks & Recreation
Luis Cebberos, Firefighter
Marco Santana, Police Lieutenant
Mario Elizarraras, Firefighter
Monica Castro, Director of Finance
Monica Ruiz, Police Communications Supervisor
Noel Chavez, Firefighter
Ralph Velez, Consultant
Ramses Curiel, Police Officer
Ricardo Navarro, Firefighter
Ric Bauermann, Fire Department
Richard Jessup, Chief of Police
Socorro Ayala, Police Records Clerk
Cesar Neyoy, Reporter
Lucy Lopez, Reporter
Luz Hoyos, Interpreter

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Council Member Matias Rosales.

3. DISCUSSION AND POSSIBLE ACTION ITEM:

3. A. Discussion and possible action on any and all matters regarding Order No. 2019-1. An order of the Mayor and City Council of the City of San Luis, Arizona, ordering and calling a special election to be held in and for the City of San Luis, Arizona on May 21, 2019, to submit to the qualified electors of San Luis the question of the proposed amount to be raised by primary (ad valorem) property taxes. (Sonia Cornelio, City Clerk and Kay Marion Macuil, City Attorney)

Mr. Mark Reader, Stifel Managing Director, explained that he had been before the City Council previously regarding the consideration of a possible primary property tax election. He presented a brief overview of what has been discussed in the past and

some reminder slides such as Slide No. 5 Limited Assessed Property Value History and added that the City of San Luis is a growing city and referred to the tax based and has been growing the last two (2) years at approximately 7%, think the expectations as long as the economy doesn't go into some form of a recession, the growth will continue. Previously it has been discussed levying a primary property tax that would generate about \$1.350 million per year. Slide No. 6 Tax Levy Estimate Sample Scenarios – the city is projecting the primary tax rate to be \$1.80 per \$100.00 of assessed value which will be approximately \$1.350 million annually that will be adjusted each year based on growth and the city's tax based. According to this, the average residential home owner would be \$11.98 per month on a county value home of \$80,000.00 assuming this election passes in May. Slide No. 8 showed the primary rates in other sample cities (FY18-19) based on what other cities are paying to fund operations. Mr. Reader explained the slide that indicates how the moneys will be used and approximately half a million dollars for additional operating funds for the city's police, fire and parks' budgets for operating purposes. Then the thought would be to use \$800,000.00 of the annual levy to issue some bonds to fund capital improvement projects in the community such as parks improvements of \$2.3 million, eastside public safety complex for police and fire for \$8.2 million and public infrastructure including roads for \$1.3 million. Slide 10 illustrated based on a \$12 million bond issue to fund the projects mentioned and the amortization concept estimate for the next 25 years which is filed with the complete agenda packet at the City Clerk's Office; if the election passes then the city moves forward with these projects.

Council Member Matias Rosales asked/requested that San Luis be added to page 8 of the slide show for the record so that when someone looks at it they would understand where San Luis is coming from. Also the agenda item states that the city is raising a tax but it is actually implementing a tax as San Luis does not currently have a property tax.

Mayor Gerardo Sanchez stated that it is never easy, and is calling all previous City of San Luis mayors on this one. Every previous Council decided not to tackle this, instead they tackled a sales tax. The City of San Luis has almost the highest sales taxes in the state...it is cheaper to go buy a tv in Foothills than it is here at Walmart. The City of San Luis has been growing and faster than Somerton and Yuma, homes are built but the business base is not growing. He has noticed that due to all that is going on at the port of entry, there is less traffic and pedestrians, therefore people are buying less and the city gets impacted with the sales tax which will be noticeable in a couple of months. The community is in need of parks, police officers, firefighters...the City of San Luis is not getting more money from the state. The city can work for the next two (2) years but it will reach a point where the city is going to start cutting down what is being offered.

The San Luis Parks & Recreation Department offers more programs than any other city in Yuma County. Currently there are only four (4) police officers in the mornings and that is not enough. The amount of traffic will grow and most of the police officers will be doing traffic duty and that worries him. Mayor Gerardo Sanchez clarified that it is not the City of San Luis approving property taxes; the voters will, it will be their decision. This City Council is giving voters an option that previous Councils never did.

Council Member Jose Ponce said that the city should emphasize that they are not raising property taxes but implementing property taxes. Mayor Gerardo Sanchez responded that the City Council is not voting yes or no on the property tax, voters will.

Vice Mayor Maria Cecilia Ramos mentioned that this is an important and tough subject, but when they hear the citizens of San Luis wanting more parks, police patrolling in the new areas, new subdivisions...everybody wants, wants, but with the current city's budget, how can the wants be supplied? If the voters do approve this, it will better the community.

Mayor Gerardo Sanchez added that he has talked to several residents and asked them what they think about this and they have responded that they already pay property taxes to the county. When that money is paid only a small percentage comes back to the City of San Luis. Residents are being taxed but all that money goes somewhere else, it does not stay in the community. The \$11.98 a month will help the city to get the proper equipment, training, facilities for fire and police and sport complex, but again it will be up to the voters as they will decide.

MOTION: Council Member Africa Luna-Carrasco/Council Member Jose Ponce to adopt Order No. 2019-1. Motion passed unanimously.

4. ADJOURNMENT

MOTION: Council Member Mario Buchanan Jr./Council Member Africa Luna-Carrasco to adjourn the Special City Council meeting at approximately 6:50 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 Special Council meeting of the San Luis City Council held on January 16, 2019, 2018. I further certify the meeting was duly called and held and that the quorum was present and that City Council approved these minutes at their Regular Council meeting held on February 13, 2019.

Dated this 19th day of February 2019.

/s/ Sonia Cornelio, City Clerk