

MINUTES
Regular Council Meeting
San Luis City Council
San Luis Council Chambers
1090 E. Union Street
June 24, 2020
7:00 p.m.

1. CALL TO ORDER/ROLL CALL: Mayor Gerardo Sanchez called the Regular City Council meeting to order at approximately 7:02 p.m.

Mayor, City Council, and some members of staff participated remotely.

PRESENT: Mayor Gerardo Sanchez
Vice Mayor Maria Cecilia Cruz
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 Administrator
Sonia Cornelio, City Clerk
Kay Marion Macuil, City Attorney
Axel Chayra, Information Technology Technician
Derek Dueñas, Manager of Information Technology
Eulogio Vera, Director of Public Works
Francia Alonso, Assistant to Council/PIO
Jenny Torres, Economic Development Manager
Joaquin Campa, Building Inspector
Jonathan Dumadag, Information Technology Technician
Jorge Mungaray, Information Technology Technician
Jose L. Cisneros, Executive Assistant
Jose Guzman, Director of Planning & Zoning
Lizandro Galaviz, Director of Parks and Recreation
Marco Santana, Police Lieutenant
Monica Castro, Director of Finance
Ralph Velez, City Consultant (remotely)
Richard Jessup, Chief of Police
Elizabeth Carpenter, Realtor
Gary Black, Deputy Director of Comite De Bienestar

2. PLEDGE OF ALLEGIANCE

Council Member Matias Rosales led the Pledge of Allegiance.

3. INVOCATION

Mr. Richard Jessup, Chief of Police, led the invocation.

4. PROCLAMATION

4.A. PROCLAMATION

Proclamation of Yuma County, City of Yuma, City of San Luis, City of Somerton, and Town of Wellton urging all county residents to follow the Centers for Disease Control and Prevention Guidelines to combat the spread of COVID-19.

Mrs. Sonia Cornelio read the proclamation in its entirety.

Mayor Gerardo Sanchez is grateful for Mr. Tony Reyes, Yuma County Supervisor and Chairman of the Board, for taking charge and getting all the communities together on this proclamation.

5. CONSENT AGENDA

5. A. MINUTES OF

- Regular Council meeting held May 13, 2020
- Work Session held May 14, 2020
- Special Council meeting held May 14, 2020

5. B. DISBURSEMENTS FROM JUNE 1, 2020 THROUGH JUNE 12, 2020.

Total Disbursements \$981,671.89

(Nine Hundred Eighty-One Thousand, Six Hundred Seventy-One Dollars and Eighty-Nine Cents)

MOTION: Council Member Gloria Torres/Council Member Jose Ponce to approve the Consent Agenda as presented. Motion passed unanimously.

The vote was as follows:

Mayor Gerardo Sanchez	Aye
Vice Mayor Maria Cecilia Cruz	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. DISCUSSION AND POSSIBLE ACTION ITEMS:

6.A. Discussion and possible action on any and all matters regarding a contract between the City of San Luis and Greater Yuma Port Authority in participating in the Economic Strength Program Grant (ESP) from the Arizona Department of Transportation (ADOT) and Arizona Commerce Authority (ACA) for the construction of infrastructure improvements to the Magrino Industrial Park. (Jenny Torres, Economic Development Manager)

Ms. Jenny Torres, Economic Development Manager, stated the Greater Yuma Port Authority (GYPA) requested her assistance in applying for this grant through ACA. They are not an eligible applicant, they can only be a cosponsor to the application. Staff worked with them in trying to submit this application but staff believes that setting up a contract to determine the responsibilities the port and the city would have. Ms. Torres briefly mentioned the responsibilities for both entities as illustrated on the agreement filed with the complete agenda packet at the City Clerk's Office. The project consists of a road in accessing the Magrino Industrial Park. She thinks the grant can pay for the paving while the GYPA already has the funding to do the underground. GYPA has been informed by staff about trying to combine the funds and make it into one (1) specific project as it will be more efficient and have control over the entire project. This grant will help bring in more industry to the industrial park and create jobs, the city overall will benefit with this project.

Council Member Matias Rosales, Chairman for GYPA, said they agree with the contract as presented.

Mayor Gerardo Sanchez commended GYPA and all the work done.

MOTION: Vice Mayor/Council Member Mario Buchanan Jr. to approve contract between the City of San Luis and Greater Yuma Port Authority. Motion passed unanimously.

The vote was as follows:

Mayor Gerardo Sanchez	Aye
Vice Mayor Maria Cecilia Cruz	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 authorization for employee vacation accrual payout. (Tadeo A. De La Hoya, City Manager)

Mr. Tadeo De La Hoya, City Manager, explained for the last few months, the world and San Luis have been experiencing an unforeseen pandemic that as a city is fortunate enough to count on loyal employees going through all this and continue working every day to serve the community.

Nonetheless, as part of the benefits, they have been continuing to accumulate vacation hours, but yet they are not able to use them. He understands that cities around the region and throughout the state have resorted to two (2) different options than this one in particular, which is paying 60 employees, 40 hours from their vacation accrual they have. Their vacation bank will be reduced by 40 hours and paying employees in cash is a temporary solution in which staff will need to seek a permanent solution to this. The problem will continue depending on how this pandemic evolves; now more than ever these employees are needed, to serve our community. From the aforementioned 60 employees, 35 are Public Safety, Parks, Public Works, half from the Finance Department, Administration, Prosecutor/Attorney, Billing & Collections and Economic Development. This is something that the policy allows him to do but, for the sake of transparency, he is presenting this item to the City Council. As City Administrator, he believes that employees with good attendance should not be punished; the financial reporting has already been recognized, the vacation accruals and the compensated absences. This is the recommendation from Administration, the Finance Department does not agree for the record with with his recommendation.

Mr. Richard Jessup, Chief of Police, commented he has spoken with Chief Ramirez therefore he is going to represent him tonight as well. For the Fire Department – many of the employees have already reached maximum vacation time and are not accruing any more hours. In the Police Department there are 25 employees that are maxed out on vacation, which means employees do not accumulate any more vacation hours. Another issue they face now is the sick time. Once employees go over their sick time, even though it is being accrued, these hours are then calculated back into vacation time. For every three (3) hours of sick time is converted back to one (1) hour of vacation time. Twenty-three of his employees have already maxed out over 360 hours and of that, 17 of them are already maxed out on vacation time. They are not getting any vacation time and once sick time gets converted over, they are going to lose that as well. Since January his department has been five (5) officers down and so his overtime budget has taken a real hit. In March with COVID-19 and everything that is going across the nation, the Police and Fire Departments, have been impacted to where they have people who have tested positive for COVID-19 and they have had to supplement those people. It is literally impossible for them to tell people to take vacations because they would be subject to travel restrictions and they would be subject to being called in. He agrees that employees need their vacation time and encouraged them to take their vacation time whenever possible and as it fits into their schedule time.

Chief Jessup added he and Fire Chief Ramirez agree with this proposal because it is a great way to not only give incentives to those employees that have been dedicated, have not called in sick, nor taken vacation time off; this would be a tremendous morale booster to them.

Mayor Gerardo Sanchez asked what is the total dollar amount.

Ms. Monica Castro, Director of Finance, responded it is projected approximately \$85,000.00 just to temporarily solve this issue. However, these vacation accruals will continue accumulating and if a long term solution is not found, the city could spend up to \$350,000.00.

This year is already ending, there are a couple of days left before the fiscal year ends. When this pandemic started in March, when it was time for the vacation buyout for the employees, the city had the the same situation as right now. She was requested to look into the budget and see if it was possible to do a vacation pay out at that time. She checked the budget and the city did have funds to do that, everyone was hopeful that this situation was going to last only through June. In April there was a payout to employees that were reaching their cap; this time is the second event with the same solution and that is not the long term solution needed. The city needs something that will ensure that all employees will not keep losing their vacation accruals.

Mayor Gerardo Sanchez asked what is the policy on accumulating hours and how old is the policy. Ms. Castro replied once employees reach their cap in the different tiers, they stop accruing vacation hours.

Mr. De La Hoya indicated the policy has been in place since 2006 and made a correction on the buyback done in March and in September, he explained these are the regular ones that are done every year. What Ms. Castro was asked to do was to look into the budget as there were ten (10) employees that were maxed out and see if they were allowed to received a buyback in September and if they were able to do it again in March.

Ms. Castro commented the vacation buyback is a benefit employees have, the policy states it is 20 hours prior to that it used to be 40 hours. This reduction happened due to the salary adjustment implemented to bring the employees to market. Therefore, during that time it was decided that employees that were reaching their max, will be able to sell more than the 20 hours established by the policy to avoid loss of their accruals. It is the same situation being faced right now; if a trend continues, every time that employees are reaching their cap and the city is paying out, it can build up a financial impact for the city of \$350,000.00. Currently there are three (3) tiers which are 320, 240 hours and 160 hours accruals during the year.

Mayor Gerardo Sanchez stated no one knew the pandemic was going to happen and how it is affecting economically and physically not only the city but everyone. The term penalize...the city will not penalize first responders, it will be worked out. There is a problem and the method in place is not functioning and either the city increases the cap or they can carry over for the next year or something like that. Employees eventually will need to take vacation, presently due to the mandate, first responders or essential workers can not take vacations because of the policy established. It is \$80,000.00, the city already paid \$50,000.00 when it was done in March. The City Council talked about salary raises and how it could be done as this was not budgeted.

He agrees with Ms. Castro and added the city needs to be very careful when deciding to buy everyone out, the city is not going to penalize first responders. He asked in order to carry out the payout, by when it needed to be done.

Ms. Castro responded it needed to be done before the end of this month. It is proposed to allow employees to sell 40 hours to the city, however this will solve the problem for some but not for all because the city has a policy that at the end of the year the sick time hours convert to vacation. Therefore, some employees out of the 60, if they have reached their maximum, they will add another 40 or 50 hours of vacation to what they already carry, others might only carry over two (2) or three (3) hours.

It is complicated because each month the city will have more employees added to the list. In reaching out to other cities, she found out other municipalities are increasing the cap to the accruals of vacation hours. It is important for employees to not lose their hours and it will be inconsistent to pay out some employees and leaving other employees aside.

Council Member Matias Rosales asked what does the money from FEMA play in all this. Ms. Castro responded she is optimistic the city will be getting the help. The city is going through the application process, but has not received any reimbursement from FEMA. She anticipates it will be finished within the next months. There are still a lot of questions about how the city can use those monies. The city does not want to be penalized either so until the money is received, then the city will have the certainty those funds will be routed. She is confident the city will be able to use it to support the public safety personnel. She rather delay disbursement of cash until the city has more information and not make a decision when there are still many uncertainties.

Ms. Kay Macuil, City Attorney, shared with the City Council the experience of city attorneys in Houston who have been through several more disasters, and FEMA will tell them yes go ahead and charge us and then they will deny. So even when it is on paper that something is a reimbursable, they can change their mind. She is sure the city will get money reimbursed but what exactly will be reimbursed, the city just does not know.

Mayor Gerardo Sanchez added every city is requesting reimbursement from FEMA, every single community and the state will be hit with 25-30% of their budget, so it is going to be a challenge to get reimbursed and this is something that needs to be taken into consideration when a decision is made.

Council Member Africa Luna-Carrasco said she has several concerns because she wants to be fair with everybody but also wants to do what is right for the city. Her main concern is that she feels that the city is just going to be trimming vacation hours and then in a couple of months they will be back to square one. She suggested lifting the cap until the City Council knows what the situation is for both the city and employees losing their hours from here until June should get paid-off. Then, after that, update the city policy to open up the cap.

Council Member Gloria Torres asked what options does Ms. Castro have to assist the employees and what her recommendation is.

Ms. Castro responded the option she recommends is to increase the cap that way employees are not punished and will continue accruing vacation hours and the city will not be in the position to disburse cash.

Vice Mayor Maria Cecilia Cruz commented this was not budgeted because this is a pandemic and nobody was looking into and like Ms. Castro mentioned, it was thought it was going to be over in June. She added the city should do something about it like Mr. De La Hoya suggested and update this policy.

Council Member Jose Ponce asked to please not use the word punished, no one is punishing employees, these are just regulations. He suggested increasing the cap of accruals, this way the city will save money and save the vacation time for employees.

Council Member Mario Buchanan Jr. said there is a situation and agreed with everyone's ideas. He thinks employees deserve their vacation time or their payout and suggested taking care of them by the end of the month and then decide what will happen for the next fiscal year.

Mayor Gerardo Sanchez explained the city has been very fortunate and is always thinking about its employees, but this situation is not only affecting the community, it is affecting all aspects. This includes sales tax as people are not going to stores and are not sure how many tax is going to be generated. There is a reason why capital improvement projects were moved to December, because the city is uncertain of the amount of money that will generate in city taxes, grants, and through the state. It is not about punishing the employees, but being realistic financially speaking, the city needs to make sure that there is money to pay its employees. The city has been good to its employees and agrees the problems needs to be fixed.

Council Member Matias Rosales asked how is there in the contingency fund. Mr. De La Hoya responded there is \$525,280.00.

Mr. Ralph Velez, City Consultant, mentioned on the 40-hour cap, some employees may be one (1) hour over the limit, and others may be over 30 hours, it is not an equity on the 40-hour cap.

Mr. De La Hoya added it is not a 40-hour cap but a 40-hour pay out. The motion meant to say not to sell more than 40 hours, because employees are maxed out.

Mr. Velez asked if the city is buying down to the max limit or 40 hours across the board.

Mr. De La Hoya replies 40 hours across the board.

Mr. Velez commented that is one issue; the other issue is a cut off date is needed on the freeze of the cap, will it be July 1, November 1 or January 1.

Mr. De La Hoya stated there are two (2) proposals: the 40 hours sell back to employees right now that are maxed out at that amount and then to direct staff to work on the permanent solution. That solution will most likely will come to the City Council within less than a month to recommend the change the cap of 160 hours to be 240, the cap of 240 to be 320, the cap of 320 to be 400 which is the 80-hour difference. Anyone who has reached their cap will be getting paid 40 hours.

Ms. Castro added the city is being put in a very tough situation in identifying which employees will be paid out and how much, she was hoping not to go through a payout and just increase the cap, as she thinks this is the most straightforward way. This will allow employees that have sick time hours convert to vacation and keep them.

Mayor Gerardo Sanchez stated the city will have to look at the sick time accumulation also. The city needs to start planning now otherwise the city might go into a financial depression that can take the city years to recover from. He does not want to talk about lay-offs or furloughs, but if this situation continues, it is an option that probably the city is going to have to do. Whatever the City Council decides tonight, it is something that they might consider, but the city will not pay out anyone after tonight or every single time.

Furthermore, he added first responders might not be able to take vacation, but the other employees can. He also asked who else is working overtime besides first responders.

Mr. De La Hoya responded besides first responders, probably employees from facilities, but other than that, no one else.

Ms. Castro said the City Council needs to take a decision and if the decision will be to increase the cap with payout or not, employees will not lose vacation hours.

MOTION: Council Member Matias Rosales/Vice Mayor Maria Cecilia Cruz to approve a one-time 40-hour cap on the vacation buy-back program in a total amount not to exceed \$80,000.00 within the 2019-2020 Fiscal Year, and increase the cap of 80 hours per tier and to use contingency funds only if departments have insufficient funds. Motion passed unanimously.

The vote was as follows:

Mayor Gerardo Sanchez	Aye
Vice Mayor Maria Cecilia Cruz	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

MOTION: Mayor Gerardo Sanchez/Council Member Matias Rosales to set a time limit of two (2) months for staff to look over the accumulation of vacation and sick leave

hours, check the benefit of vacation time, including the conversion of sick time hours to vacation, and for staff to look at a long term solution.

Council Member Mario Buchanan Jr. commented sick hours are for sick time and should be there available and should not be converted to vacation hours; vacation hours should be used by the end of the fiscal year.

Motion passed unanimously.

The vote was as follows:

Mayor Gerardo Sanchez	Aye
Vice Mayor Maria Cecilia Cruz	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. 2020-13. An order of the Mayor and City Council of the City of San Luis, Arizona declaring the Employee Benefits Plans a public record; approving the Employee Benefits Plans for the Fiscal Year 2020-2021 for administration by the San Luis Employee Benefits Trust; providing for repeal of conflicting actions of City Council; providing for severability; and establishing an effective date for the plans. (Edgardo Carbajal, Acting Director of Human Resources)

Ms. Kay Macuil, City Attorney, explained this is routine action. The City Council allocates the money for the employee benefits plan, which was decided at the retreat and in the tentative budget. These are all the plans for dental, health, Mexican plan, everything and it is for \$2,683,400.00.

Mayor Gerardo Sanchez reminded the City Council they discussed the minimal increase to the employees health benefits in both US plan and Mexican plan. The vast majority of insurance plans increased their premiums by approximately 5% and 10%. The city has been able to maintain a competitive premiums at much lower rate compared to other communities. Therefore, the City of San Luis continue to offer one of the better plans to employees.

MOTION: Council Member Gloria Torres/Council Membe Jose Ponce to approve Order No. 2020-13. Motion passed unanimously.

The vote was as follows:

Mayor Gerardo Sanchez	Aye
Vice Mayor Maria Cecilia Cruz	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 Order No. 2020-15. An order of the Mayor and City Council of the City of San Luis, Arizona approving and adopting an amendment to the February 26, 2020, Development Agreement with Comite de Bien Estar, Inc. to create a lot split and to share responsibility for the construction of a street. (Kay Marion Macuil, City Attorney)

Ms. Kay Macuil, City Attorney, stated the amendment to the development plan for the park project with Comite De Bienestar was to keep as close to the 20 acres that was originally contemplated and to share in building a full road to the south of par. However, the city would pay for their half or build their half when the city can and does not commit to any particular time.

Mayor Gerardo Sanchez said he believes that is the take away message when this item was discussed, the city was not going to proceed because of the half road. He then asked what the price of the half road.

Mr. Eulogio Vera, Director of Public Works, responded it is in the range of \$130,000.00, although not knowing exactly if it will be with curb and gutter, sidewalk curb, and all those will affect the price.

MOTION: Vice Mayor/Council Membe Jose Ponce to approve Order No. 2020-15. Council Member Gloria Torres abstained from voting on this item due to a possible conflict of interes. Motion passed with six (6) aye votes and one (1) abstention.

The vote was as follows:

Mayor Gerardo Sanchez	Aye
Vice Mayor Maria Cecilia Cruz	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

Mr. Tadeo De La Hoya, City Manager, reported he received a letter from Mr. Gary Black, Deputy Director of Comite De Bienestar, addressed to the Mayor and City Council stating it is an announcement of significance to the community and to the City of San Luis. Comite De Bienestar was notified last week by the Arizona Department of Housing they were awarded an LIHTC Reservation for a development of CDV Valley View Apartments.

The project is located on the 4th Avenue across the street from the City of San Luis Public Works yard facility. It will have 13 buildings with 100 units of affordable multi-family housing and he will like to thank the City Council and staff for the rezoning the property in March.

Mr. Black thanked the City Council and staff and added this project is going to be across the road from city administration, fire, and police. There will be 100 families adjacent to the school, to a child care, and a recreational swimming pool. He wanted to inform the city and is moving forward with the project.

Mayor Gerardo Sanchez congratulated Mr. Black and said the city has always partnered with developers and appreciates the hard work.

Vice Mayor Maria Cecilia Cruz reported she attended a web conference with Senator Sinema, and they are still trying to come up with the next COVID-19 relief package to increase and include infrastructure funding for roads.

Mayor Gerardo Sanchez thanked Senator Sinema for everything she does for the City of San Luis.

He has had conversations with the governor's office regarding the situation with the port of entry, possibly adding more restrictions to those who cross the border due to the COVID-19. As of right now over 30,000 people have been tested for COVID-19 and this is something that needs to continue. There has been a 70% decrease of people crossing via vehicle or via pedestrian compared to last year. A statement read this 70% are the cause for the COVID-19 infections. Mayor Gerardo Sanchez does not agree with this statement, it is a combination, a factor. He is seeing a lot of community spread and made it very clear, the whole situation is causing a financial condition for the city. He is very proud of our community because as of right now there are 5,100 for the positive COVID-19 patients in Yuma County, which is a very high number. The City of San Luis has 574 confirmed cases of COVID-19 patients compared with the City of Somerton with 1,571 confirmed cases, and the City of Yuma with 1,172 based on that zip code. The City of San Luis community has responded and he appreciates the hard work everyone is doing.

Mr. Tadeo De La Hoya, City Manager, reported the census response rate is at 31.9% and in 2010 the response rate was 51.9%.

8. ADJOURNMENT

MOTION: Council Member Africa Luna-Carrasco/Council Jose Ponce to adjourn the Regular Council meeting at approximately 7:37 p.m. Motion passed unanimously.

The vote was as follows:

Mayor Gerardo Sanchez	Aye
Vice Mayor Maria Cecilia Cruz	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

APPROVED:

Gerardo Sanchez, Mayor

ATTEST:

Sonia Cornelio, City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular City Council meeting of the City Council of the City of San Luis, Arizona, held on June 24, 2020. I further certify that the meeting was dully called and held and that a quorum was present.

Sonia Cornelio, City Clerk