

MINUTES
Budget Retreat
Cesar Chavez Cultural Center
1015 N. Main Street
San Luis, AZ 85349
April 26, 2024 at 5:00 p.m.
April 27, 2024 at 8:00 a.m.

APPROVED by Council
Date: 5/22/2024
Clerks Office: SC

1. CALL TO ORDER/ROLL CALL: Mayor Nieves Riedel called the Budget Retreat meeting to order at approximately 5:04 p.m.

PRESENT: Mayor Nieves Riedel
Council Member Tadeo Azael De La Hoya-arrived at 5:05 p.m.
Council Member Javier Vargas
Vice Mayor Gloria Torres
Council Member Luis E. Cabrera
Council Member Matias Rosales
Council Member Maria Cecilia Cruz

OTHERS PRESENT: Jenny Torres, Acting City Manager
Sonia Cornelio, City Clerk
Kay Marion Macuil, City Attorney
Adela Cortez, Director of Human Resources
Amanda Mahon, City Prosecutor
Angel Ramirez, Fire Chief
Angelica Roldan, Director of Parks & Recreation
Antonio Maldonado, Video Production Specialist
Armando Esparza, Director of Economic Development
Carlos Pacheco, Police Department
Domingo Sosa, Graphics and Media Specialist
Edgar Esparza, Billing & Collections Manager
Eulogio Vera, Director of Public Works
Fernando Corona, Acting IT Manager
Francia Alonso, Public Information Officer
Joaquin Campa, Building Official
Joel Arizmendi, I.T. Help Desk Technician
Jorge Perez, Assistant Director of Public Works
Jose A. Guzman, Director of Development Services
Josue Cerda, I.T. Specialit
Lizette Varela, Assistant Director of Parks & Recreation
Manuel Hernandez, Assistant Director of Public Works
Miguel Ramirez, Finance Accounting Manager
Nigel Reynoso, Police Chief
Olivia Jenkins, Operations Coordinator
Roula Encinas, Acting Director of Finance
Yolanda Dueñas, Facilities Supervisor
Christian Cuevas, Translator
Esteban Rosales, Resident
Gilberto Zarate, Resident

James Allen Jr., Resident

2. DISCUSSION ITEMS:

2. A. Discussion and review on any and all matters regarding the proposed City of San Luis Budget for Fiscal Year 2024-2025 by staff. (Department Managers – April 26, 2024)

Mayor Nieves Riedel thanked everyone involved in putting this meeting together and asked for a moment of silence in honor of Mr. Jesus De Leon, a Retired Sergeant from the City of San Luis, who passed away.

Mrs. Jenny Torres, Acting City Manager, informed that the Budget Retreat is being livestreamed and added that this is an open meeting, but no public comments will be allowed. She thanked everybody involved in putting this meeting together and all department managers for putting together their presentations.

Finance Department

Mrs. Roula Encinas, Acting Director of Finance, made a PowerPoint presentation that contained the city's financial outlook, challenges, and opportunities. This presentation also included strategies and priorities for the upcoming fiscal year, which included operational needs, infrastructure investment, personnel reclassification requests, and salary adjustment market. The goal is to ensure commitment to service sustainability and community development. The presentation included the following: Budget Retreat Objectives, Budget Timeline, 2025 Budget Priorities, Financial Historical Data, Revenue, General Fund Revenues, State Shared Revenues Comparison FY 24 vs FY 25, Expenses, Expenditure Limitation for FY 25 \$60,007,542, Reconciliation of the Budget Expenses FY 25 with the Annual Expenditure Limitation Amount by State Statute and Looking Ahead of FY 2025. A copy of the presentation is included with the complete agenda packet filed with the City Clerk's Office.

Public Works Department

Mr. Eulogio Vera, Director of Public Works, made a PowerPoint presentation that included the following: Public Works Administration personnel and capital improvement project requests, as well as the Engineering Department personnel and reclassification requests.

Mr. Manuel Hernandez, Assistant Director of Public Works, presented the Highway Users Division personnel reclassification and capital improvement projects requests, Fleet Services Division personnel reclassification, and Solid Waste Division personnel and capital improvement projects requests.

Mr. Jorge Perez, Assistant Director of Public Works, presented the Water Division personnel and capital improvement projects, as well as the Wastewater Division personnel and capital improvement projects.

Council Member Luis E. Cabrera stated that \$7 million in projects are projects that the community does not see as it is not an improvement to a facility but it is an improvement to

infrastructure and added that this information must be shared with the community so that they are aware of where their money is invested.

Council Member Maria Cecilia Cruz agreed with Council Member Luis E. Cabrera and added that the residents need to get educated so that they are aware of where their money is invested. Any revenue that an enterprise funds account generates can only be spent on that specifically.

A copy of the presentation is included with the complete agenda packet filed with the City Clerk's Office.

2. B. Discussion and review on any and all matters regarding the proposed changes to the city's health benefits plan for Fiscal Year 2024-2025 by Mr. Oscar A. Diaz, CBIZ Vice President of Business Development. (Oscar A. Diaz, CBIZ Vice President of Business Development-April 26, 2024).

Mr. Oscar Diaz, CBIZ Vice President of Business Development, made a PowerPoint presentation which included the following: 2023/2024 Plan Changes Review, 2024/2025 Plan Future Changes, Medical and Dental Plan Claims Cost History, Net Paid Annualized Medical & Dental Insurance Cost, Medical Insurance Plan Preliminary Renewal, and Ongoing and Future Benefits Initiatives.

A copy of the presentation is included with the complete agenda packet filed with the City Clerk's Office.

MOTION: Council Member Tadeo Azael De La Hoya/Council Member Maria Cecilia Cruz to recess the Budget Retreat at approximately 6:32 p.m. Motion passed unanimously.

The vote was as follows:

Mayor Nieves Riedel	Aye
Council Member Tadeo Azael De La Hoya	Aye
Council Member Javier Vargas	Aye
Vice Mayor Gloria Torres	Aye
Council Member Luis E. Cabrera	Aye
Council Member Matias Rosales	Aye
Council Member Maria Cecilia Cruz	Aye

The Budget Retreat reconvened on April 27, 2024, at approximately 8:01 a.m.

PRESENT: Mayor Nieves Riedel
Council Member Tadeo Azael De La Hoya
Council Member Javier Vargas
Vice Mayor Gloria Torres
Council Member Luis E. Cabrera
Council Member Matias Rosales
Council Member Maria Cecilia Cruz

OTHERS PRESENT: Jenny Torres, Acting City Manager
Sonia Cornelio, City Clerk
Kay Marion Macuil, City Attorney
Adela Cortez, Director of Human Resources
Adriana Garcia, Human Resources Department
Amanda Mahon, City Prosecutor
Angel Ramirez, Fire Chief
Angelica Roldan, Director of Parks & Recreation
Antonio Maldonado, Video Production Specialist
Armando Esparza, Director of Economic Development
Edgar Esparza, Billing & Collections Manager
Eulogio Vera, Director of Public Works
Fernando Corona, Acting IT Manager
Francia Alonso, Public Information Officer
Joel Arizmendi, I.T. Help Desk Technician
Jorge Perez, Assistant Director of Public Works
Jose A. Guzman, Director of Planning & Zoning
Jose Pereda, Police Officer
Kathy Schaben, Superior Administrator
Lizette Varela, Assistant Director of Parks & Recreation
Manuel Hernandez, Assistant Director of Public Works
Michelle Boucher, Police Administrator
Maria Sabori, Risk Manager
Miguel Ramirez, Finance Accounting Manager
Olivia Jenkins, Operations Coordinator
Roula Encinas, Acting Director of Finance
Yolanda Dueñas, Facilities Supervisor
Christian Cuevas, Translator
Crystal Mendoza, Arizona Western College
Esteban Rosales, Resident
James Allen Jr., Resident

2. C. Discussion and review on any and all matters regarding the proposed City of San Luis Budget for Fiscal Year 2024-2025 by staff. (Department Managers – April 27, 2024)

Fire Department

Mr. Angel Ramirez, Fire Chief, made a PowerPoint presentation covering the following: Community Involvement, Calls for Service, Fire Truck Engine Pumper and CEP Stipend Increase and personnel requests. A copy of the presentation is included with the complete agenda packet filed with the City Clerk's Office.

Discussion was held, and comments were made by the Mayor, City Council, and staff.

Police Department

Mr. Nigel Reynoso, Chief of Police, thanked the Mayor and City Council for giving him the opportunity to lead the department and for their support and feedback from not only the City Council but also from the City Manager and Department Heads. He mentioned that the Police Department has great staff who are committed to go above and beyond to ensure that the community and visitors are provided with the best service. He added that the department is doing its best to remain visible and accessible to the community through education and community outreach, as it is important to build a good relationship with the community and build trust. Chief Reynoso made a PowerPoint presentation, which included the following: Community Outreach, Community Events, 2023-2024 Highlights, San Luis Police Department Statistics, Call for Service, Demographic, Grant Revenue Increases, and Requested Budget Increase. A copy of this presentation is included with the complete agenda packet filed in the City Clerk's Office.

Discussion was held, and comments were made by the Mayor, City Council, and staff.

Development Services Department

Mr. Jose A. Guzman, Director of Development Services, made a PowerPoint presentation that included the following: Goals, Building Safety, Code Enforcement, GIS, Online Interactive Maps, and Planning & Zoning. A copy of the presentation is included with the complete agenda packet filed with the City Clerk's Office.

Discussion was held, and comments were made by the Mayor, City Council, and staff.

Economic Development Department

Mr. Armando Esparza, Director of Economic Development, made a PowerPoint presentation that included the following: Economic Development Makes a Big Difference in a Community, Economic Development Projects, Downtown Drainage, Downtown Parking Lot-Temporary Structure, Downtown Parking Lot Phase I, Downtown Redevelopment Plan – Phase I, Highway 95 Water and Sewer Project – Phase I, Main Street Electric Vehicle Charging Stations, Merrill Avenue – Phase I (CDBG-RA), and Merrill Avenue – Phase II (CDBG-RA). A copy of the presentation is included with the complete agenda packet filed with the City Clerk's Office.

Discussion was held, and comments were made by the Mayor, City Council, and staff. The Mayor, City Council, and staff took a 15-minute break.

San Luis Municipal Court

Ms. Dane Figueroa, Judge, informed that for the next fiscal year, the court would not be requesting new personnel or capital projects; however, she made a PowerPoint presentation that included the department's accomplishments and goals. The presentation included the following: Number of Court Users Entering San Luis Municipal Court Facilities, Case Processing Case Filing: FY 2022, Case Processing Case Filing: FY 2023, United States Census Bureau, and Goals. A copy of the presentation is included with the complete agenda packet filed with the City Clerk's Office.

Parks and Recreation Department

Ms. Angelica Roldan, Director of Parks and Recreation, made a PowerPoint presentation that included the following: About Us, Mission, The Benefits of Parks and Recreation, Organizational Chart, Objectives, Cultural Center Project, Recreation Projects, Municipal Pool Projects, Youth Center Programs and Projects, Parks Ground Projects, Senior Center Projects, Future Projects, Special Events, and New Events. A copy of the presentation is included with the complete agenda packed filed with the City Clerk's Office.

Discussion was held, and comments were made by the Mayor, City Council, and staff.

Facilities Division

Mrs. Yolanda Dueñas, Facilities Supervisor, made a PowerPoint presentation that included the following: Who We Are, FY 2025 Capital Improvement Projects, and New Positions for FY 2025. A copy of the presentation is included with the complete agenda packed filed with the City Clerk's Office.

Discussion was held, and comments were made by the Mayor, City Council, and staff.

City Attorney's Office

Mrs. Kay Marion Macuil, City Attorney, made a PowerPoint presentation that covered the department's workload, open door policy, and recruitment for an Assistant City Attorney. Ms. Macuil introduced Ms. Amanda Mahon, the City Prosecutor, to the Mayor, City Council, and staff.

City Prosecutor's Office

Ms. Amanda Mahon, City Prosecutor, made a PowerPoint presentation that included the following: Prosecutor's Office Statistics, Goals, and Case Management.

Mayor Riedel clarified for the record that, in the last Council meeting, a gentleman showed up and asked that if the does not have money, why are \$50,000 being spent in a lawsuit? She wants everybody to know, the persons that are here and the persons that hopefully are listening, the city did not went and ask for a lawsuit; the city had a lawsuit, and it is one's God -given right to defend the city from an unjust lawsuit, the city we does not have the money, but it is the right thing to protect the city from this frivolous actions.

Ms. Macuil added that the amount being paid is a retainer, and the city might not have to spend that much money on it, and hopefully, this will be resolved quickly.

A copy of the presentation is included with the complete agenda packet filed with the City Clerk's Office.

Discussion was held, and the Mayor, City Council, and staff addressed comments.

Human Resources Department

Ms. Adela Cortez, Director of Human Resources, informed that her department does have capital project requests. She explained that her office focuses on the provision of services for internal employees from the time they get hired through their employment life cycle, as well as to the community when they approach the department for employment or other collaborations with organizations the department has partnerships with. She made a PowerPoint presentation that included the following: Our Team, HR Organizational Changes, Our Roadmap, Operations Data Analytics, Positions by Department FY 23-24 vs FY 24-25, What's Next, and Compensation Study. A copy of the presentation is included with the complete agenda packet filed with the City Clerk's Office.

Discussion was held, and the Mayor, City Council, and staff addressed comments.

Risk Management

Ms. Maria Sabori, Risk Manager, made a PowerPoint presentation that included the following: Meet Our Team, Major Projects, OSHA PEPP Program, Trainings, Claims Update FY 23/24, Claim Costs, and FY 24 Budget Request. A copy of the presentation is available with the complete agenda packet filed with the City Clerk's Office.

Discussion was held, and comments were made by the Mayor, City Council, and staff.

The Mayor, City Council, and staff took a 15-minute break.

City Clerk's Office

Mrs. Sonia Cornelio, City Clerk, informed that her department does not have any capital improvement projects; therefore, her PowerPoint presentation containing a summary of the department activities for FY 2023 was provided. The presentation included the following: 2023 Performance and Budget FY 2024-2025. A copy of the presentation is available with the complete agenda packet filed with the City Clerk's Office.

Information Technology Department

Mr. Fernando Corona, Acting I.T. Manager, made a PowerPoint presentation that included the following: Mission and Vision, Values, FY 2024 Accomplishments, FY 2025 I.T. Support Objectives, and FY 2025 Infrastructure Objectives. A copy of the presentation is available with the complete agenda packet filed with the City Clerk's Office.

Discussion was held, and comments were made by the Mayor, City Council, and staff.

Billing & Collections Division

Mr. Edgar Esparza, Billing & Collections Manager, made a PowerPoint presentation that included the following: Purpose Statement, Billing & Collections Organizational Chart FY 24-25, Department Accomplishments, Text and Call Notifications, Monthly Water Disconnections, Senior Discount Audit, Utility Contract Forms Updated, Business License Renewal Notice, Taxi Vehicle Permit, Goals & Objectives FY 24-25, Yearly Statistics, Work Orders Completed, New Meter Installs, New Utility Accounts, Collections, Business License, Capital Improvement Projects, and Water Meter Replacement Program and AMI Implementation. A copy of the presentation is available with the complete agenda packet filed with the City Clerk's Office.

Discussion was held, and the Mayor, City Council, and staff addressed comments.

Administration Department

Ms. Jenny Torres, Acting City Manager, made a PowerPoint presentation that covered the proposed budget for Fiscal Year 2024-2025. She informed that the expenditure limitation set by the state is \$60 million; out of that, \$30 million is for employees' salaries, and \$15 million is for water and wastewater, which includes capital projects and operations; this leaves \$15 million for the rest of the departments. This is why there were major cuts in capital projects and requests for new employees. Ms. Torres informed that some projects/purchases were reallocated to Fiscal Year 2024 to alleviate the next fiscal year's requests. Some requests were moved to fiscal year 2026.

Furthermore, she added that reductions in projects were made after the department's budget meetings, where 70% of the projects were cut. She indicated that the departments' operation budget was not reduced as they maintained a conservative budget. She also explained that cutting positions was not considered as the primary goal was to cut capital projects. Ms. Torres explained that since the state imposes a cap, which in this case was \$60 million, staff has explored alternative options to alleviate the budget. There are two (2) options that the state authorizes municipalities to do the Home Rule, where the voters will authorize the municipality to be able to create its budget and the limitation based on the current needs; the second option is to do it for four (4) years where an analysis needs to be done to include the current and projections of future needs. She mentioned that state legislation has proposed cutting the food tax, as they want to relieve some burden on community members, and they believe that by doing this, they will create more revenue. If this happens, it will affect rural communities such as San Luis, Arizona. She commented that during the presentation to the Mayor and City Council, she focused on financial stability, and staff looked at fees and needed to find ways to bring more revenue into the community before being able to meet the community's needs. Ms. Torres asked the Mayor and City Council to support the Home Rule option; this proposal will be presented in a June council meeting to put this proposition in November's general election. There are a lot of communities that have the Home Rule option, which allows them to set their own limitations based on their current needs. She pointed out

that the city needs a 5-Year Strategic Plan and a 5-Year Capital Improvement Plan to be more appealing and prosperous. Ms. Torres also presented the Council's Contributions and suggested cutting some of the funding.

Mayor Nieves Riedel thanked Ms. Torres for the presentation. She stated that this presentation is presenting the community with facts. The staff has made efforts to inform the community of the needs. She said that she is hopeful that people will act appropriately on what needs to be done. If this does not happen, then the city will have to go to Plan B, which will include cutting services to the community.

Council Member Matias Rosales stated that by reviewing the proposed positions, he would like to see the Plans Examiner funded as this position is critical for infrastructure and economic development.

Mayor Riedel highlighted that the other critical project is Cesar Chavez Boulevard because if the city does not come up with the \$3 million, then the city will lose \$60 million for the project. Staff need to find ways to fund this project and make cuts on other projects to get this project going.

Council Member Tadeo Azael De La Hoya commented that he has been advocating for the Home Rule rather than having the state impose limitations. He mentioned that staff will have to educate the voters on this measure.

Mayor Nieves Riedel stated, "I'm not going to take this one by myself, and I'm not going to be the front one. I'm beginning to get really tired of all the focus on me, so I expect that the council and city employees will help, because it needs to be done, and we need the help from everybody; this one is a must like Tadeo just mentioned. It needs to be done, but I promise you one thing: I'm not going to be the front face anymore; it is not fair."

Council Member Maria Cecilia Cruz stated that the only way projects will get done is to cut other projects. She mentioned that sacrifices need to be made in order to accomplish other ones. She stated that she would be supportive of whatever needs to be done.

Mrs. Olivia Jenkins, Operations Coordinator, presented the Council's Contributions. She stated that the staff's recommendation is to support those organizations that bring services to the community. She made a presentation regarding a proposed Contributions Assistant Program that will be presented to the Mayor and City Council for approval. This process will provide the same criteria and requirements to all requestors.

A copy of the presentation is included with the complete agenda packet filed with the City Clerk's Office.

Discussion was held, and the Mayor, City Council, and staff addressed comments.

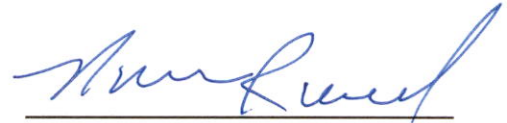
3. Adjournment

MOTION: Council Member Tadeo Azael De La Hoya/Council Member Matias Rosales to adjourn the Budget Retreat at approximately 1:39 p.m. Motion passed unanimously.

The vote was as follows:

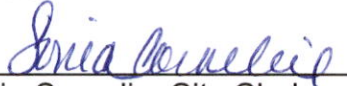
Mayor Nieves Riedel	Aye
Council Member Tadeo Azael De La Hoya	Aye
Council Member Javier Vargas	Aye
Vice Mayor Gloria Torres	Aye
Council Member Luis E. Cabrera	Aye
Council Member Matias Rosales	Aye
Council Member Maria Cecilia Cruz	Aye

APPROVED:



Nieves Riedel, Mayor

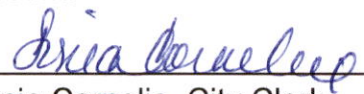
ATTEST:



Sonia Cornelio, City Clerk

Certification

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Budget Retreat for the City Council of the City of San Luis, Arizona, held on April 26-27, 2023. I further certify that the meeting was duly called and held and that a quorum was present.



Sonia Cornelio, City Clerk