



NOTICE OF WORK SESSION

In accordance with § 38-431.01 of the Arizona Revised Statutes of the State of Arizona, notice is hereby given to the Members of City Council and to the general public that the Mayor and Council of the City of San Luis, Arizona, will hold a Work Session meeting at 6:00 p.m., Wednesday, May 11, 2026. The Work Session will take place at the City Council Chambers, located at 1090 E. Union Street, San Luis, Arizona, 85349. The public is invited to attend the open meeting.

In accordance with the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act of 1973, the City of San Luis does not discriminate on the basis of disability in the admission of or access to, or treatment of employment in its programs, activities, or services. For information regarding rights and provisions of the ADA or Section 504, or to request reasonable accommodations for participation in City programs, activities or services contact: ADA/Section 504 Coordinator, City of San Luis Human Resources Department, 1090 E. Union Street, San Luis, Arizona, 85349; (928) 341-8520.

Notice is hereby given that pursuant to A.R.S. § 1-602.A.9, subject to certain specified statutory exceptions, parents have a right to consent before the State or any of its political subdivisions make a video or audio recording of a minor child. Meetings of the City Council are audio and/or video recorded, and, as a result, proceedings in which children are present may be subject to such recordings. Parents in order to exercise their rights may either file written consent with the City Clerk to such recordings, or take personal action to ensure that their child or children are not present when a recording may be made. If a child is present at the time a recording is made, the City will assume that the rights afforded parents pursuant to A.R.S. § 1-602.A.9 have been waived.

THIS NOTICE IS GIVEN BY:

/s/ Sonia Cornelio, City Clerk

AVISO DE SESION DE TRABAJO

De acuerdo con los Estatutos del Estado de Arizona A.R.S. § 38-431.01, se le informa a los miembros del Cabildo y al público en general que el Alcalde y el Cabildo, tendrán una Sesión de Trabajo a las 6:00 p.m., el día Lunes, 11 de Mayo del 2026. La junta se llevará a cabo en la Sala del Cabildo, ubicada en el 1090 E. Union Street, San Luis, Arizona, 85349. El público está invitado a la junta.

De acuerdo con el Acta de Americanos con Discapacidades y la Sección 504 del Acta de Rehabilitación del 1973, la Ciudad de San Luis, Arizona no discrimina por causa de discapacidad la admisión y acceso a sus programas, actividades, servicios o en el trato en cuanto a empleo. Para más información referente a derechos y provisiones del Acta de Americanos con Discapacidades o Sección 504, o para solicitar adaptaciones que sean razonables para la participación en programas, actividades o servicios de la Ciudad, contactar al: Coordinador del Acta de Americanos con Discapacidades/Sección 504, Departamento de Recursos Humanos de la Ciudad de San Luis, Arizona, ubicado en el 1090 E. Union Street, San Luis, Arizona, 85349; (928) 341-8520.

Por medio de este aviso y de acuerdo con los Estatutos del Estado de Arizona A.R.S § 1-602.A.9, sujeto a ciertas excepciones reglamentarias, los padres de familia tienen el derecho de dar el consentimiento ante el Estado o cualquiera de sus subdivisiones políticas para hacer una grabación de audio o video de su hijo menor de edad. Las juntas del Cabildo se graban en audio y/o video y como resultado, el hecho de que haya menores presentes puede ser sujeto a que sean grabados. Para que los padres de familia puedan ejercer sus derechos pueden dar el consentimiento por escrito con la Secretaria de la Ciudad a tal grabación, o tomar acción personal para asegurarse que su hijo menor no esté presente cuando la grabación se lleve a cabo. Si un menor de edad está presente en el momento de la grabación, la Ciudad asumirá que los padres de familia están cediendo los derechos sobre una posible grabación de acuerdo con los Estatutos del Estado de Arizona A.R.S. § 1-602.A.9.

ESTE AVISO ES DADO POR:

/f/ Sonia Cornelio, Actuaría de la Ciudad



AGENDA
Work Session
San Luis City Council
Council Chambers
1090 E. Union Street
San Luis, AZ 85349
May 11, 2026
6:00 p.m.

PLEASE TAKE NOTICE THAT MEMBERS OF THE CITY COUNCIL WILL ATTEND EITHER IN PERSON, TELEPHONE, OR VIDEO CONFERENCE COMMUNICATION. THE MAYOR OR ACTING MAYOR FOR THIS MEETING MAY CHANGE THE ORDER OF THE ITEMS; IF AUTHORIZED BY LAW AND BY A MAJORITY VOTE OF A QUORUM OF CITY COUNCIL MEMBERS PRESENT, AN EXECUTIVE SESSION WILL BE HELD IMMEDIATELY FOLLOWING THE VOTE IN ACCORDANCE WITH A.R.S. § 38-431.03(A) AND THE MEETING WILL BE TEMPORARILY RECESSED WHILE THE CITY COUNCIL RETIRES TO EXECUTIVE SESSION WHICH WILL NOT BE OPEN TO THE PUBLIC.

TENGA EN CUENTA QUE LOS MIEMBROS DEL CABILDO DE LA CIUDAD ASISTIRÁN EN PERSONA, TELÉFONO O COMUNICACIÓN POR VIDEO CONFERENCIA. LA ALCALDESA O ALCALDE INTERINO DE ESTA REUNIÓN PUEDE CAMBIAR EL ORDEN DE LOS TEMAS; SI ESTÁ AUTORIZADO POR LA LEY Y POR MAYORÍA DE VOTOS DE UN QUÓRUM DE MIEMBROS DEL CABILDO PRESENTES, SE LLEVARÁ A CABO UNA SESIÓN EJECUTIVA INMEDIATAMENTE DESPUÉS DE LA VOTACIÓN DE ACUERDO CON LOS ESTATUTOS DEL ESTADO DE ARIZONA A.R.S. § 38-431.03 (A) Y LA REUNIÓN SERÁ TEMPORALMENTE RECESADA MIENTRAS EL CABILDO DE LA CIUDAD SE RETIRE A UNA SESIÓN EJECUTIVA QUE NO ESTARÁ ABIERTA AL PÚBLICO.

1. **CALL TO ORDER/ROLL CALL**

2. **ITEM FOR DISCUSSION ONLY:**
 2. A. Discussion and review of the proposed budget for Fiscal Year 2027, including salary adjustments, service reductions, capital project impacts, and new personnel requests. (**Roula Encinas, Director of Finance**)

3. **ADJOURNMENT**

IN THE EVENT A MAJORITY OF THE COUNCIL IS NOT PRESENT, AN INFORMAL WORK SESSION MAY BE HELD.



AGENDA ITEM REVIEW FORM

Work Session

2. A.

Meeting Date: 05/11/2026

Department Head: Roula Encinas, Director of Finance, Finance Department

Submitted By: Roula Encinas, Director of Finance, Finance Department

Action Requested: Discussion Item - No Action to be Taken

ITEM:

Discussion and review of the proposed budget for Fiscal Year 2027, including salary adjustments, service reductions, capital project impacts, and new personnel requests. **(Roula Encinas, Director of Finance)**

SUMMARY:

The City of San Luis conducted its annual Budget Retreat on April 17 and April 18, 2026, during which Department Directors presented and discussed proposed capital projects, new personnel requests, and reclassification requests for Fiscal Year 2027.

Following the retreat, staff has compiled and refined the proposed capital improvement project list, along with schedules outlining new positions and reclassifications. In addition, staff have reviewed special services and identified recommended reductions where appropriate to align with current fiscal priorities.

This agenda item provides City Council with an overview of these updates and seeks direction and recommendations to guide the development of the FY2027 Tentative Budget, which is scheduled for presentation on June 10, 2026.

RECOMMENDATION / SUGGESTED MOTION:

Discussion and possible directions to staff only, no action.

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM: N/A

CITY/STATE/FEDERAL FUNDS: N/A

TOTAL: N/A

BUDGETED AMOUNT: N/A

AVAILABLE AMOUNT TO TRANSFER: N/A

ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE: N/A

FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):

N/A

Attachments

Capital Projects Proposed FY2027

Non-Capital Projects Proposed FY2027
Special Services Events Proposed FY2027
Contractual Services - Organizations Support
New Positions Request FY2027
Salary Reclassifications FY2027
Salary Adjustments Options Report
Salary Adjustments Options Table
Employees Placement w-in Range
PowerPoint Presentation

**City of San Luis
Capital Budgeting FY2026-2027**

Department / Request Title	Account ID	FY2027 Initial Requests	Changes	FY2027 Proposed
City Administration				
Administration Vehicle	100-999-90000	46,100.00	(46,100.00)	-
City Council Vehicle	100-999-90000	65,000.00	-	65,000.00
City Hall Landscape front and back	100-999-90005	40,000.00	-	40,000.00
ADA Compliance - EE Parking Lots Design and Construction	100-999-90015	25,000.00	-	25,000.00
Postal Services Cluster Boxes	100-999-90015	600,000.00	(600,000.00)	-
Remodel Building on 767 N William Brooks Avenue	100-999-90015	90,000.00	(90,000.00)	-
Total City Administration		866,100.00	(736,100.00)	130,000.00
Development Services				
Development Services (GIS) Vehicle	100-999-90000	45,630.00	-	45,630.00
Vehicle Replacement for Ford Explorer	100-999-90000	46,100.00	(46,100.00)	-
Permitting and Land Use Software	100-999-90020	120,000.00	(120,000.00)	-
Total Development Services		211,730.00	(166,100.00)	45,630.00
Economic Development				
	255-135-90015 \$50,000			
T Mobile Hometown Grant - Public Art Program	Match \$30,000	80,000.00	-	80,000.00
GM On Main Street Grant Program - Public Art on Main Street	255-135-90015	60,000.00	-	60,000.00
Cesar Chavez Boulevard Commercial Development – State Land Acquisition	100-999-90015	4,500,000.00	(4,500,000.00)	-
Cesar Chavez Blvd Commercial Land Development –State Land Auction Preparation Study (Carryover)	100-999-90015	28,000.00	-	28,000.00
Downtown Park and Parking Lot	255-135-90015	7,405,580.00	-	7,405,580.00
Land and Water Conservation Fund (LWCF) Grant - East Community Park	255-144-90015	100,000.00	-	100,000.00
ESP Grant: Onvida Health Commercial Development Road	255-210-90010	500,000.00	-	500,000.00
	255-210-90010 \$466,640			
CDBG SSP: Los Oros Street Improvements Phase III (Los Valles St, Los Portales St, El Chamizal St)	Match \$271,060	737,700.00	(737,700.00)	-
	255-210-90015 \$750,000			
NAD Bank CAP Program - Downtown San Luis Master Drainage Infrastructure	Match \$677,000	1,427,000.00	(1,427,000.00)	-
	255-210-90015.219 \$467,170			
CDBG RA - Merrill Avenue Street Improvements Phase II (Carryover)	Match \$100,000	560,860.00	6,310.00	567,170.00
	300-302-90015 \$1,277,920			
EDA Grant: USHWY 95 Water and Sewer Line Expansion (FY 2026 Carryover)	Match \$455,480	1,733,400.00	-	1,733,400.00
Total Economic Development		17,132,540.00	(6,658,390.00)	10,474,150.00
Parks				
2026 Ford F150 for Parks Grounds Department	100-999-90000	51,800.00	(51,800.00)	-
Joe Orduño Park Relight Structure System	100-999-90000	260,750.00	(260,750.00)	-
Maintenance for Assessment Audits	100-999-90015	100,000.00	-	100,000.00
Renovation of the Joe Orduño Park Artificial Turf Field	100-999-90015	175,000.00	(29,000.00)	146,000.00
	806-144-90015 \$200,000;			
East Community Park - Continuation Budget	100-999-90015 \$125,000	400,000.00	(75,000.00)	325,000.00
Total Parks		987,550.00	(416,550.00)	571,000.00
Recreation				
Renovation of Recreation Department Indoor Restrooms	100-999-90005	91,700.00	-	91,700.00
Recreation Department Expansion Project - Continuation	100-999-90005	230,090.00	(230,090.00)	-
Total Recreation		321,790.00	(230,090.00)	91,700.00
Youth Center				
New Gym Equipment for Youth Center	100-999-90000	24,270.00	(24,270.00)	-
Total Youth Center		24,270.00	(24,270.00)	-

**City of San Luis
Capital Budgeting FY2026-2027**

Department / Request Title	Account ID	FY2027 Initial Requests	Changes	FY2027 Proposed
Municipal Court				
Network Circuit Upgrade	260-262-90020	29,360.00	-	29,360.00
New Courthouse	260-268-90000 \$238,000; FY28-31 260-262-90000 \$500,000; 100-999-90015 \$6,100,000	238,000.00	(238,000.00)	-
Total Municipal Court		267,360.00	(238,000.00)	29,360.00
Police Department				
Police Department Shipping/storage Containers & Canopy Shade	100-999-90000	26,620.00	(26,620.00)	-
Evidence locker with built in refrigerator unit	100-999-90000	26,050.00	(26,050.00)	-
Police Department Radios	100-999-90000	150,000.00	-	150,000.00
AXON Upgrades/Renewals	100-999-90000	164,300.00	-	164,300.00
Police Trikke Scooter	100-999-90000	14,520.00	(14,520.00)	-
Police Equipment AZDPS Local Border Support Fund	250-181-90000	530,910.00	(19,520.00)	511,390.00
Police Equipment Border Security DEMA Grant	250-181-90000	265,000.00	-	265,000.00
Off-site Dispatch Console	806-181-90000	30,000.00	-	30,000.00
Police Motorcycle	806-181-90000	46,070.00	(46,070.00)	-
Total Police Department		1,253,470.00	(132,780.00)	1,120,690.00
Fire Department				
Brush Truck	100-999-90000	300,000.00	(300,000.00)	-
SCBA Regulators	100-999-90000	50,000.00	-	50,000.00
SCBA Airpacks	100-999-90000	55,000.00	-	55,000.00
Rescue Tools	100-999-90000	75,000.00	(75,000.00)	-
Fire Rescue Truck	100-999-90000	100,000.00	-	100,000.00
Fire Dispatch Alerting System Upgrade	100-999-90000	460,000.00	220,000.00	680,000.00
Fire Station #3	100-999-90015	150,000.00	-	150,000.00
Total Fire Department		1,190,000.00	(155,000.00)	1,035,000.00
FD Station 2				
Fire Station #2 Phase 2	100-999-90015	2,000,000.00	(2,000,000.00)	-
Total FD Station 2		2,000,000.00	(2,000,000.00)	-
Information Technology				
Phone System Cloud Migration	100-999-90000	70,000.00	-	70,000.00
Financial ERP, HR, Payroll, Licensing, Permits Modernization & Cloud Transformation Initiative	100-999-90020	900,000.00	100,000.00	1,000,000.00
Water Plant to Fleet Building Fiber Optic Link	300-302-90015	30,000.00	-	30,000.00
Datacenter Perimeter Wall and Electrical Installation	806-181-90000	41,000.00	-	41,000.00
Total Information Technology		1,041,000.00	100,000.00	1,141,000.00
Facilities				
Facilities Vehicle 2026 Chevrolet Silverado 1500 Work Truck (4X2)	100-999-90000	81,300.00	(41,300.00)	40,000.00
Facilities and Communications Building Remodel Project	100-999-90005	500,000.00	-	500,000.00
Senior Center Building Improvements	100-999-90005	133,900.00	125,000.00	258,900.00
City Hall Admin Wing Reconfiguration	100-999-90015	180,000.00	2,000.00	182,000.00
Total Facilities		895,200.00	85,700.00	980,900.00
Billings & Collections				
Work Order Management System	300-302-90015	54,500.00	(54,500.00)	-
Total Billings & Collections		54,500.00	(54,500.00)	-

**City of San Luis
Capital Budgeting FY2026-2027**

Department / Request Title	Account ID	FY2027 Initial Requests	Changes	FY2027 Proposed
Highway Users				
Pedestrian Hawk Crossing Relocation	200-210-90000	75,000.00	-	75,000.00
Highway Users Storage Warehouse	200-210-90000	-	220,000.00	220,000.00
Cesar Chavez Boulevard Widening Project	200-210-90010	1,000,000.00	(500,000.00)	500,000.00
Co. 25th Street extension to Ave B	200-210-90010	800,000.00	(800,000.00)	-
Lakin Subsidence issue, Road Improvement Construction Continued	200-210-90010	150,000.00	25,000.00	175,000.00
10th Ave Widening	200-210-90010	1,100,000.00	1,100,000.00	2,200,000.00
Urtuzuastegui Street drainage Improvements and Beautification from 10th Ave to 6th Ave	200-210-90010	148,500.00	-	148,500.00
Williams Brooks & Urtuzuastegui Traffic Signal, APS - GSA Improvements	200-210-90010	8,000.00	(8,000.00)	-
10th Ave/Los Alamos Curve Project Construction Match-T0442	200-210-90010	79,230.00	-	79,230.00
6th Avenue extension north, from Union Street to Co. 22nd Street Roadway Design (Phase I Design completion from 60% to 100%)	200-210-90010	145,730.00	-	145,730.00
Union Street and 4th Avenue intersection and Traffic Signal Improvements Design & Construction Phase I Design	255-210-90010 \$900,000; Match \$1,262,000	1,662,000.00	500,000.00	2,162,000.00
ROW Beautification / Street Lights Projects	200-210-90015	100,000.00	(50,000.00)	50,000.00
Ave F Street Widening Design (between Cesar Chavez Blvd and San Luis Lane) Construction	200-210-90015	200,000.00	-	200,000.00
4th Ave Public Works Entrance Paving and Improvements	200-210-90015 \$35,000; 300-302-90015 \$35,000	70,000.00	(70,000.00)	-
Ave B Shoulder Improvements Construction Match	200-210-90015	66,580.00	(66,580.00)	-
Total Highway Users		5,605,040.00	350,420.00	5,955,460.00
Water Operation				
New 2026 Chevrolet Service Truck	300-302-90000	65,000.00	(65,000.00)	-
New 2026 Chevrolet Service Truck w/ Crane	300-302-90000	90,000.00	-	90,000.00
Hydro excavating Truck	300-302-90000	500,000.00	(500,000.00)	-
Case Construction 588H Forklift 4Wd	300-302-90000	85,000.00	-	85,000.00
ADWR Assured Water Supply Update - Continuation	300-302-90015	10,000.00	-	10,000.00
WS7 Operations Building Expansion - Continuation	300-302-90015	100,000.00	-	100,000.00
New Water Main Loop - San Luis Lane and Avenue D	300-302-90015	220,000.00	(220,000.00)	-
Well Site #3 - Entire Electrical Upgrade and Civil/Repiping Improvements	300-302-90015	1,000,000.00	(700,000.00)	300,000.00
Well Site #4 - Water Storage Tank and Pressure Tanks Rehabilitation	300-302-90015	1,000,000.00	-	1,000,000.00
WS6 Electrical and Booster Station Improvements - Continuation	300-860-90015	2,050,000.00	(1,150,000.00)	900,000.00
Total Water Operation		5,120,000.00	(2,635,000.00)	2,485,000.00
Wastewater Operations				
New CAT Backhoe	310-311-90000	180,000.00	(180,000.00)	-
2026 Ford F-550 Regular Cab DRW 4WD Dump Truck	310-311-90000	110,000.00	(110,000.00)	-
High School Lift Station Generator	310-311-90000	-	80,000.00	80,000.00
East WWTP Northside CMU Wall	310-311-90015	80,000.00	(80,000.00)	-
East WWTP Expansion Design & Construction	310-311-90015	-	-	-
Sewer Manhole Repairs and Replacements Annual Program	310-311-90015	250,000.00	-	250,000.00
West Wastewater Treatment Plant Expansion Construction (Inc. Building & FM) - Construction and Design	310-860-90015 \$600,000; 310-311-90015.360 \$19,400,000	15,000,000.00	5,000,000.00	20,000,000.00
Total Wastewater Operations		15,620,000.00	4,710,000.00	20,330,000.00
Ambulance				
Ambulance	340-341-90000	350,000.00	(350,000.00)	-
Total Ambulance		350,000.00	(350,000.00)	-
Total Departments		52,940,550.00	(8,550,660.00)	44,389,890.00

**City of San Luis
Non Capital Budgeting FY2026-2027**

Department / Request Title	Account ID	FY2027	Changes	FY2027
		Initial Requests		Proposed
Economic Development				
Small Business Development Center (SBDC) - Small Business Development Services	100-135-80000	16,000.00	-	16,000.00
Fuerza Local Cohort 3 (Carry-over)	100-135-80000	5,000.00	-	5,000.00
Placer.ai Location Analytics Platform – 1 Year Subscription	100-135-80000 \$10K 100-149-80000 \$10K	20,000.00	-	20,000.00
Economic Development Strategic Plan	100-135-80001	50,000.00	(50,000.00)	-
Campesinos Sin Fronteras - Nuestra Herencia Grant (Historic Preservation)	100-999-80000	36,000.00	-	36,000.00
Historic Preservation Heritage Fund Grant	255-135-80000 \$54K Match \$36,000	90,000.00	-	90,000.00
Public Art Program	100-999-80000	30,000.00	-	30,000.00
Total Economic Development		247,000.00	(50,000.00)	197,000.00
Parks				
Minor Equipment for Dog Parks at PPEP Park	100-144-60035	34,540.00	-	34,540.00
Total Parks		34,540.00	-	34,540.00
Recreation				
Renovate Recreation Gym Flooring and Addition of Upgrades	100-999-89000	126,000.00	(6,000.00)	120,000.00
Total Recreation		126,000.00	(6,000.00)	120,000.00
Youth Center				
Youth Center Gym Flooring Upgrade	100-999-89000	45,960.00	(45,960.00)	-
Total Youth Center		45,960.00	(45,960.00)	-
Facilities				
Flooring Replacement at Fire Department Administration	100-999-89000	16,500.00	-	16,500.00
New Signage Installation at Interior Walls of City Hall Lobby Area	100-999-89000	15,000.00	-	15,000.00
Pavement Preservation Project for various City Parking Lots	100-999-89000	58,500.00	-	58,500.00
Roof Repair at Cultural Center	100-999-89000	62,600.00	-	62,600.00
Flooring Replacement at City Hall	100-999-89000	460,500.00	(460,500.00)	-
City Hall Roof Repair	100-999-89000	170,100.00	29,900.00	200,000.00
Flooring Replacement at Police Department	100-999-89000	137,500.00	(137,500.00)	-
Roof Restoration at San Luis Municipal Court	100-999-89000	13,700.00	-	13,700.00
Parks & Recreation Admin Building - Restrooms (2) Remodel Project	100-999-89000	13,600.00	(6,800.00)	6,800.00
Police Department Roof Repair	100-999-89000	168,100.00	(168,100.00)	-
Refrigeration Units for Various City Buildings - As needed Basis	100-999-89000	90,000.00	-	90,000.00
Total Facilities		1,206,100.00	(743,000.00)	463,100.00
Fleet Services				
A/C Vehicle Service Machine for new refrigerants	100-730-60035	8,000.00	-	8,000.00
Total Fleet Services		8,000.00	-	8,000.00
Engineering				
Water Master Plan	300-302-80000	100,000.00	(50,000.00)	50,000.00
Wastewater Master Plan	310-311-80000	100,000.00	(50,000.00)	50,000.00
Total Engineering		200,000.00	(100,000.00)	100,000.00
Highway Users				
Reoccurring Pavement Preservation Program	200-210-89000	350,000.00	-	350,000.00
Bike Lanes Citywide	200-210-89000	100,000.00	(100,000.00)	-
Total Highway Users		450,000.00	(100,000.00)	350,000.00
Water Operation				
Water Valve Replacement Program	300-302-89000	100,000.00	-	100,000.00
Water Storage Tank #6 (1MG Steel) Demo	300-302-89000	100,000.00	-	100,000.00
WS5 Well #9 Rehabilitation	300-302-89000	100,000.00	-	100,000.00
Total Water Operation		300,000.00	-	300,000.00
Wastewater Operations				
Collection System Odor Control	310-311-89000	50,000.00	-	50,000.00
Total Wastewater Operations		50,000.00	-	50,000.00
Total Departments		2,667,600.00	(1,044,960.00)	1,622,640.00

City of San Luis

Budget FY 2027- Employee and Community Events

	Department Request Budget	Proposed Continuation Budget	Reduction Amount
Human Resources			
Employee Recognition Event	\$ 35,000.00	\$ 35,000.00	\$ -
Thanksgiving Luncheon	\$ 16,000.00	\$ -	\$ (16,000.00)
Employee Picnic	\$ 10,000.00	\$ -	\$ (10,000.00)
Cultural Center			
Arte en la Calle	\$ 22,000.00	\$ -	\$ (22,000.00)
Dia de los Muertos	\$ 2,000.00	\$ -	\$ (2,000.00)
Holiday of Lights Parade	\$ 3,000.00	\$ 3,000.00	\$ -
Mercado Swap Meet	\$ 2,000.00	\$ -	\$ (2,000.00)
Miss San Luis	\$ 14,500.00	\$ -	\$ (14,500.00)
Monthly Activities	\$ 3,300.00		\$ (3,300.00)
Noche Mexicana	\$ 6,000.00		\$ (6,000.00)
Quarterly Movie Nights	\$ 1,400.00		\$ (1,400.00)
Summer Camp	\$ 3,000.00	\$ -	\$ (3,000.00)
Tree Lighting Ceremony	\$ 12,000.00	\$ 12,000.00	\$ -
Winter Recital	\$ 900.00		\$ (900.00)
Recreation			
3K / 5K Color Run	\$ 2,500.00	\$ -	\$ (2,500.00)
Baseball Exhibition Games	\$ 1,500.00	\$ -	\$ (1,500.00)
Instructors Gratitude Dinner	\$ 5,000.00	\$ -	\$ (5,000.00)
International Physical Activity event	\$ 2,000.00	\$ -	\$ (2,000.00)
Year Round Sport Clinics	\$ 4,000.00	\$ -	\$ (4,000.00)
Youth Center			
Boxing Exhibition	\$ 4,000.00	\$ -	\$ (4,000.00)
Easter Egg Hunt	\$ 7,000.00		\$ (7,000.00)
Christmas Posada	\$ 2,000.00		\$ (2,000.00)
Quarterly Activities	\$ 3,500.00		\$ (3,500.00)
Safety Event	\$ 9,000.00	\$ -	\$ (9,000.00)
Youth Center Summer Camp	\$ 5,000.00	\$ -	\$ (5,000.00)
Parks			
Parks Ground Week	\$ 2,500.00		\$ (2,500.00)
Administration			
4th of July	\$ 180,000.00	\$ 100,000.00	\$ (80,000.00)
Asado & Brew Festival	\$ 100,000.00	\$ 80,000.00	\$ (20,000.00)
Mascota Mania	\$ 12,000.00	\$ -	\$ (12,000.00)
Dia del Niño	\$ 13,000.00	\$ -	\$ (13,000.00)
Spooktacular Festival	\$ 25,000.00	\$ -	\$ (25,000.00)
Grand Total	\$ 509,100.00	\$ 230,000.00	\$ (279,100.00)

City of San Luis

Budget FY 2027- Contractual Services/Organizations Support

	Organization Budget Request	FY2026 Budget Request	Difference
Council			
GYEDC	\$ 64,000.00	\$ 64,000.00	\$ -
Amberly Place	\$ 50,000.00	\$ 50,000.00	\$ -
Human Society of Yuma	\$ 83,500.00	\$ 98,375.00	\$ 14,875.00
YMPO	\$ 14,370.00	\$ 16,000.00	\$ 1,630.00
YCIPTA	\$ 141,950.00	\$ 149,048.00	\$ 7,098.00
Yuma Community Food Bank	\$ 40,000.00	\$ 40,000.00	\$ -
4FRONTED	\$ 18,500.00	\$ 18,500.00	\$ -
Grand Total	\$ 412,320.00	\$ 435,923.00	\$ 23,603.00

City of San Luis
Salary Schedule FY2027

NEW POSITIONS REQUEST FY2027						
DEPARTMENT	JOB POSITION	Pay Grade	HOURLY RATE	CURRENT SALARY	Department Request	Proposed
City Administration	Social Media Specialist	26	26.60	55,328	76,632	-
City Attorney	Assistant City Attorney	54	53.11	110,469	159,312	159,312
City Clerk	Deputy City Clerk	34	32.41	67,413	107,080	-
City Prosecutor	Assistant City Prosecutor	12	53.11	110,469	159,312	-
Development Services	Code Enforcement Officer	19	22.38	46,550	66,682	-
	Assistant Planner	30	29.37	61,090	99,406	-
	GIS Technician	15	21.04	43,763	62,597	62,597
Building Safety	Building Inspector II	24	25.32	52,666	74,196	-
Youth Center	Recreation Assistant PT	4	16.03	16,671	18,275	-
Court	Chief Court Clerk	22	24.10	50,128	70,311	-
Fire	Fire Training Officer	37	26.34	82,392	130,433	-
	Fire fighter	23	18.64	58,306	83,908	-
	Fire fighter	23	18.64	58,306	83,908	-
	Fire fighter	23	18.64	58,306	83,908	-
IT	Business Applications Specialist	30	29.37	61,090	84,547	-
	Network Administrator	35	33.23	69,118	110,193	110,193
Police	Administrative Coordinator	14	20.52	42,682	62,458	-
Facilities	Custodian	4	16.03	33,342	51,077	-
	Building Maintenance	8	17.70	36,816	55,410	55,410
TOTAL GENERAL FUND				1,114,904	1,639,641	387,511
GRAND TOTAL				1,114,904	1,639,641	387,511

City of San Luis
Salary Schedule FY2027

SALARY ADJUSTMENTS/RECLASSIFICATIONS FY2027						
DEPARTMENT	Employee	Hourly Rate	Pay Grade	CURRENT SALARY	Department Request	Proposed
Finance/ Billing & Collection	Reclassification From Admin Coordinator to Business License Coordinator	20.52 - 24.10	22	7,446	9,185	9,185
Finance	Reclassification from Purchasing Coordinator to Procurement and Contract Administrator or Manager of Officer	32.50 - 35.78	38	6,822	8,423	-
Development Services	Reclassification of GIS Analyst to GIS Administrator	29.37 - 33.23	35	8,029	9,945	-
Development Services	Reclassification of Code Enforcement to Senior Code Enforcement Officer	24.22 - 25.32	24	2,288	2,891	-
Building Safety	Reclassification Building Inspector II to Plans Examiner/Building Inspector II	25.40 - 26.6	26	4,576	5,683	-
Parks Ground	Stand-By (\$2.00/hour and On-Call Pay)			15,000	17,008	-
Court	Court Administrator Pay Grade Increase	34.06 - 37.59	40	7,342	8,945	-
Court	Chief Court Clerk Pay Grade Increase	21.84 - 24.10	22	4,701	5,763	-
Police	Transit Enforcement Officer Pay Grade Increase (5)	19.53 - 21.53	16	20,800	25,262	-
Police	Animal Control Officer Pay Grade Increase (2)	21.56 - 22.94	20	5,741	7,017	-
Police	Reclassification of Police Communication Officer to Dispatcher- No Fiscal Impact				-	-
Police	Accreditation & Compliance Coordinator Pay Increase	1.00		2,080	2,598	-
Facilities	Reclassification from Facilities Supervisor to Facilities Manager	30.90 - 32.41	34	3,141	3,892	-
	Total General Fund			87,966	106,612	9,185
GRAND TOTAL	CITY WIDE			87,966	106,612	9,185

Salary Increases Options – Fiscal Year 2026-27

During the City’s Budget Retreat on April 18, 2026, the following two Options were presented regarding Salary Adjustments for Fiscal Year 2026-27.

Option 1		Option 2			
Base Rate Increase % Based on Seniority		Without Public Safety Base Rate Increase % Based on Seniority	Public Safety (PD & Fire) Market Adjustments (MSAs)		
Years of Service	% of Increase	Years of Service	% of Increase		
0 - <1	0%	0 - <1	0%		
1 - <5	2%	1 - <5	2%		
5 - <10	3%	5 - <10	3%		
10 - <15	4%	10 - <15	4%		
15 - <20	5%	15 - <20	5%		
20+	6%	20+	6%		
	\$569,920.02		\$393,958.26	\$463,182.51	Total Adjustments:
	\$666,806.42		\$460,931.16	\$541,923.54	Total Adjustments with 17% EREs:
Total:	\$666,806.42	Total:	\$1,002,854.70		

Option 1

Following further evaluation of market conditions, and in consideration of the current U.S. inflation rate of 3.3%, it is recommended that all employees receive some sort of a salary adjustment. Therefore, option 2 previously presented at the Budget Retreat was modified and is now presented as **Option 1**:

Option 1						
Service Salary Increase (SSI) % based on Seniority			Market Salary Adjustment (MSA) % based on Market Study			
All Employees, except PS Without Public Safety			Public Safety (PD) Sworn Personnel	Public Safety (Fire) Certified Personnel		
Years of Service	% of Increase		Class	Starting Rate	Class	Starting Rate
0 - <1	2%		P. Officer	\$30.00	Firefighter	\$19.50
1 - <5	3%		P. Sergeant	\$40.00	Fire Engineer	\$24.00
5 - <10	4%		P. Lieutenant	\$50.00	Fire Captain	\$28.00
10 - <15	5%		P. Chief		Battalion Chief	\$33.20
15 - <20	6%				A. Chief	
20+	7%				Chief	
Total Annual Adj.:		\$435,200				
PS Total Annual Adj.:		\$69,553		\$299,707		\$249,227
Total OT Adj. (PD & Fire) 19%:		\$13,215		\$56,944		\$47,353
Total Annual Adj. w/EREs (17%):		\$606,022		\$417,282		\$346,999
Grand Total:			\$1,370,303			

Under this option:

- The total estimated cost would be approximately **\$1,370,303**.
- Regular civilian employees would receive a percentage increase based on their years of service with the agency.
- Public safety personnel (sworn and certified) would receive Market Salary Adjustments based on market research.

- A pay rate would be established for each classification.
- An additional 2.5% would be applied for every five-year increment to help alleviate compression.

Employees Tenure	Established Rate
0-5 yrs.	\$30.00
5-10 yrs.	\$30.75
10-15 yrs.	\$31.52
15-20 yrs.	\$32.31
20-25 yrs.	\$33.11
25+ yrs.	\$33.94

Example:

OPTION 2

An alternative option would be to implement a combination of **Cost-of-Living Adjustments (COLA)** and **Service-Based Salary Increases (SSI)**, capped at five (5) years of service. This model is widely used in the public sector, with many local governments applying these strategies – often in combination – to address inflationary pressures while helping to mitigate salary compression

Under this option:

- **All employees** would receive a **3% COLA**, aligned with the current 3.3% inflation rate.
- In addition, **employees with one or more years** of service would receive 1% increase for each year of service, up to a maximum of five years.
- **The total estimated cost would be approximately \$1,623,366.**

Total Annual Adj. w/out PS:	\$330,621	\$370,161
PS (PD & Fire) Total Annual Adj.:	\$267,548	\$309,520
PD & Fire OT Adj.:	\$50,834	\$58,809
Total Annual Adj. w/EREs (17%)	\$759,333	\$864,033
Grand Total:	\$1,623,366	

OPTION 3

During the budget retreat, the idea of advancing employees further within their pay ranges, particularly closer to the midpoint, was discussed. It is important to note that the Salary Range table was updated as recently as January of 2025 following the 2024 Market Salary Study. At that time, most employees were placed at or near the beginning of their respective ranges to establish external market competitiveness.

Given how recent this implementation is, the majority of employees remain clustered at the lower end of the ranges:

Employees <u>CURRENT</u> Placement w/in Salary Range					
	At Minimum	0-1% Above Minimum	1-10% Above Minimum	10-20% Above Minimum	20-30% Above Minimum
	251	19	57	24	5

Because most employees are currently positioned at the lower end of their pay ranges, advancing them to the midpoint, or even halfway between minimum and midpoint, would result in a substantial financial impact.

For context, **moving all employees to midpoint would cost approximately \$5,348,627.**

Total Annual Adj. w/out PS:	\$2,145,706
PS (Fire & PD) Total Annual Adj.:	\$2,038,462
PD & Fire OT Adj.: (19%):	\$387,308
Total Annual Adj. w/EREs (17%):	\$5,348,627

For reference, the table below illustrates the projected placement of employees within their respective salary ranges under each of the options presented.

Employees <u>FUTURE</u> Placement w/in Salary Range - by Option				
	At Minimum	0-10% Above Minimum	10-20% Above Minimum	20-30+% Above Minimum
Option 1		293	48	15
Option 2		295	43	18
Option 3			9	347

Finally, it is recommended that the City conduct a comprehensive Base Salary Market Study during Fiscal Year 2026–27. Industry best practices support conducting organization-wide salary benchmarking every 12 to 24 months to ensure ongoing market competitiveness and alignment with evolving labor market conditions.

A full study would allow the City to evaluate current pay structures against comparable jurisdictions, identify gaps or emerging compression issues, and make data-driven adjustments to salary ranges and compensation strategies. It would also provide an opportunity to reassess classification structures, ensure internal equity, and better position the City to attract and retain qualified talent in a competitive workforce environment.

Salary Adjustments Options Fiscal Year 2026-27

Option 1				Option 2			Option 3	Option 4
(SSI) % based on Seniority		Market Salary Adjustment (MSA) % based on Market Study		Cost of Living Adjustment (COLA) Service Salary Increase (SSI)			In-Range Progression (IRP)	No Changes
All Employees, except PS Without Public Safety		Public Safety (PD) Sworn Personnel	Public Safety (Fire) Certified Personnel	All Employees	Employees w/1+ yrs. of service - capped at 5%		All Employees	All Employees
Years of Service	% of Increase	Classes Included	Classes Included	COLA	SSI	Percentage		
0 - <1	2%	P. Officer	Firefighter	3%	1 Year	1%	This option would place all Employees at Midpoint	All Employees remain at their current rate.
1 - <5	3%	P. Sergeant	Fire Engineer		2 Years	2%		
5 - <10	4%	P. Lieutenant	Fire Captain		3 Years	3%		
10 - <15	5%	P. Chief	Battalion Chief		4 Years	4%		
15 - <20	6%		A. Chief		5+ Years	5%		
20+	7%		Chief					
Total Annual Adj.:	\$435,200			\$330,621		\$370,161	\$2,145,706	\$0
PS Total Annual Adj.:	\$69,553	\$299,707	\$249,227	\$267,548		\$309,520	\$2,038,462	\$0
Total OT Adj. (PD & Fire) 19%:	\$13,215	\$56,944	\$47,353	\$50,834		\$58,809	\$387,308	\$0
Total Annual Adj. w/EREs (17%):	\$606,022	\$417,282	\$346,999	\$759,333		\$864,033	\$5,348,627	\$0
Grand Total:	\$1,370,303			\$1,623,366			\$5,348,627	\$0

Employees Placement within Salary Range

Employees <u>CURRENT</u> Placement w/in Salary Range					
	At Minimum	0-1% Above Minimum	1-10% Above Minimum	10-20% Above Minimum	20-30% Above Minimum
Currently	251	19	57	24	5

Employees <u>FUTURE</u> Placement w/in Salary Range - by Option				
	At Minimum	0-10% Above Minimum	10-20% Above Minimum	20-30+% Above Minimum
Option 1		293	48	15
Option 2		295	43	18
Option 3			9	347



Budget Work session FY2026-FY2027

City Administration

Shared Revenues	Population	Vehicle Licence Tax (VLT)	Highway Users Revenue Fund (HURF) (Gas Tax)	Transaction Privilege Tax (TPT) (Sales Tax)	State Income Tax (URS) (Income Tax)
FY-2022	34,778	\$ 1,673,641	\$ 2,965,575	\$ 4,083,471	\$ 4,537,693
FY-2023	35,257	\$ 2,079,173	\$ 3,673,533	\$ 5,046,509	\$ 6,804,907
FY-2024	35,770	\$ 2,065,423	\$ 3,624,942	\$ 5,320,989	\$ 9,478,747
FY-2025	37,966	\$ 2,138,532	\$ 3,768,997	\$ 5,737,514	\$ 8,076,061
FY-2026	40,064	\$ 2,263,982	\$ 4,099,343	\$ 6,049,249	\$ 7,809,148
FY-2027	40,064	\$ 2,397,377	\$ 4,044,183	\$ 6,022,520	\$ 8,432,505
FY 26-FY 27		\$ 133,395	\$ (55,160)	\$ (26,729)	\$ 623,357

State Shared Revenue

Economic Outlook

Financial Outlook

- State Shared Revenue
 - Tax conformity might reduce URS distribution (\$511k)
- City Sales Tax – Volatile
 - Contracting (\$625,849)
 - Retail Sales Tax Flat
- Residential and Commercial Development

Cost of Living

- Utility-Energy
- Housing
- Gasoline Prices
- Food and Groceries
- Utilities
- Benefits

Proposed Budget

HOME Rule Option

- Expenses \$156,177,47
- Exclusions \$79,322,260
- Expenditure Limitation \$78,855,18
- Amount subject to expenditure limitation \$68,711,500
- **Over Budget(\$8,143,618)**

Salary Adjustments Options Fiscal Year 2026-27

Option 1				Option 2			Option 3	Option 4
(SSI) % based on Seniority		Market Salary Adjustment (MSA) % based on Market Study		Cost of Living Adjustment (COLA) Service Salary Increase (SSI)			In-Range Progression (IRP)	No Changes
All Employees, except PS Without Public Safety		Public Safety (PD) Sworn Personnel	Public Safety (Fire) Certified Personnel	All Employees	Employees w/1+ yrs. of service - capped at 5%		All Employees	All Employees
Years of Service	% of Increase	Classes Included	Classes Included	COLA	SSI	Percentage		
0 - <1	2%	P. Officer	Firefighter	3%	1 Year	1%	This option would place all Employees at Midpoint	All Employees remain at their current rate.
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5 - <10	4%	P. Lieutenant	Fire Captain		3 Years	3%		
10 - <15	5%	P. Chief	Battalion Chief		4 Years	4%		
15 - <20	6%		A. Chief		5+ Years	5%		
20+	7%		Chief					
Total Annual Adj.:	\$435,200			\$330,621		\$370,161	\$2,145,706	\$0
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Total Annual Adj. w/EREs (17%):	\$606,022	\$417,282	\$346,999	\$759,333		\$864,033	\$5,348,627	\$0
Grand Total:	\$1,370,303			\$1,623,366			\$5,348,627	\$0

Salary Adjustment Options

Employees Placement within Salary Range

Employees <u>CURRENT</u> Placement w/in Salary Range					
	At Minimum	0-1% Above Minimum	1-10% Above Minimum	10-20% Above Minimum	20-30% Above Minimum
Currently	251	19	57	24	5

Employees <u>FUTURE</u> Placement w/in Salary Range - by Option				
	At Minimum	0-10% Above Minimum	10-20% Above Minimum	20-30+% Above Minimum
Option 1		293	48	15
Option 2		295	43	18
Option 3			9	347

Employees Placement within Salary Range

Employee Benefits Impact to Employees

FY 2026–27, projected total claims are approximately \$4,062,843, with fixed costs of \$1,278,840, resulting in a total funding requirement of **\$5,341,683**. To meet the projected funding needs, a **25.04%** increase in funding rates is recommended.

Option 1: 15% Increase in Contributions

Cost split: 80% City / 20% Employees

Employer contributions would increase by \$540,078

Employee contributions would increase by \$100,733

- Estimated impact to an employee enrolled in the Individual Benefits Plan (take-home pay):
 - An employee earning \$16.03/hour, receiving a 3% increase, would see an additional \$83.35 per month
 - The Benefits Plan contribution would increase by 15% (\$11.98 per month)
 - After the increase in benefits, the employee would still net an additional \$71.37 per month.

City Personnel

New Positions

- Assistant City Attorney
- GIS Technician
- Network Administrator
- Building Maintenance
 - Total Cost: \$387,512

Salaries

- 5-Year Projections- 2% increase
- Option 2
 - Cost-of-Living Adjustment
 - Service Salary Increase
 - Allocated \$1,282,055
 - Budget \$1,623,366
 - **Shortfall \$341,311**

Health Care Benefits

- Benefits increased by 25%
- Stop Loss of \$800,000- covered by Trust Reserve
- Allocated \$4,268,440
- Budget \$4,838,450
- **Shortfall \$570,010**

City of San Luis Budget Proposal			
City Reductions		City Increases	
Council Vehicle	\$ 65,000	Salary Increase	\$ 341,311
ADA Parking	\$ 25,000	Health Care	\$ 570,010
City Hall Landscaping	\$ 40,000	ACCT	\$ 600,000
PD Dispatch Console	\$ 30,000	Total	\$ 1,511,321
ROW Beutification	\$ 50,000		
Placer ID Program	\$ 20,000		
Doq Parks	\$ 34,540		
City Hall Signage	\$ 15,000		
City and Employee Events	\$ 314,000		
4fronted Contribution	\$ 18,500		
Senior Center Restrooms/flooring	\$ 133,900		
Cesar Chavez	\$ 185,381		
Highway User Storage	\$ 200,000		
City Hall Roof Repair	\$ 200,000		
City Hall Remodel	\$ 180,000		
Total	\$ 1,511,321		

Budget Proposal FY 26/27

Revenue Sources

Operations

- Budget Measures Implementation
 - Zero-Based Budgeting
- Capital Improvement Plan
- Internal Process Improvements (ERP System)
- 2nd Year limits of new positions
 - Hiring Freeze
 - Level of Service and Expectations
- City Facility Operations
 - 4/10- Monday-Thursday

Long Term Revenues

- Transportation Sales Tax \$3.8 million
- Primary Property Tax \$2.5 million
- Secondary Property Tax
- Hospitality Tax
- Heavy Industrial Users

City Fees

- Utility Rate Fees
- Impact Fees
- Business Incubator Fees
- Parks Fees
- Fire Fees
- Police Fees
- Development Services
 - Secondary dwelling units

