

5/22/2019
Resolution tabled
82



Resolution

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

No. 2074

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA DIRECTING THE CITY MANAGER TO ESTABLISH AND IMPLEMENT A PLAN FOR THE FISCAL YEAR 2019-2020 FOR REDUCTION IN FORCE AND IN CIVIC CONTRIBUTIONS TO ENSURE THAT CITY EXPENSES DO NOT EXCEED CITY REVENUES; SUPERSEDING ANY CONFLICTING PROVISIONS OF THE CITY; AND PROVIDING FOR SEVERABILITY; AND DECLARING AN EMERGENCY.

WHEREAS, the City of San Luis has experienced a significant shortfall in anticipated revenues for the fiscal year 2019-2020;

WHEREAS, A.R.S. §42-17110 requires incorporated cities and towns, by the third Monday in July of each year to prepare a full and complete statement of the city's financial affairs for the preceding fiscal year and an estimate of the different amounts required to meet the city's public expense for the current fiscal year;

WHEREAS, the Finance Director has scheduled bringing the final adoption of the budget to City Council on June 26, 2019;

WHEREAS, A.R.S. §42-17105 requires that the City Council adopt proposed estimates of revenues and expenses as the budget for the current fiscal year and the amounts proposed to be spent shall not exceed the amounts proposed in the estimates;

WHEREAS, A.R.S. §42-17106 places limitations on expenditures and limits expenditures to budgeted purposes;

WHEREAS, the city has expected expenditures that may exceed revenues before the end of the 2019-2020 fiscal year;

WHEREAS, it is the intent of this resolution to provide for the most efficient delivery of service to the residents of the City of San Luis, and to maintain sound financial structure for the city in its operations and infrastructure;

WHEREAS, it has been determined that certain changes to the city's operations and or restructuring of the delivery of services is necessary during the 2019-2020 fiscal year to

fulfill the intent of this resolution;

THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of San Luis, Arizona:

Section 1. The City Manager is directed and authorized to establish and implement a plan under Section HR-8-03 on Reduction of Force of the City of San Luis Personnel Policies dated July 1, 2008, and to reduce civic contribution expenditures under his administrative powers under San Luis City Code Section 31.01 and Chapter 36 Purchasing.

Section 2. The plan shall be limited to the following changes to the Classification Plan (Resolution No. 1196) and Salary Plan (Resolution No. 2051-A) as the City Manager deems necessary:

- a) layoff or grant furlough (leave without pay) for up to ten (10) full-time positions,
- b) transfer and merge up to five (5) positions (resulting in up to five (5) additional layoffs),
- c) reduce, suspend, or eliminate overtime in all city departments (except overtime paid by federal or state grants) and
- d) suspend salary adjustment increases.

The total laid-off, furloughed or transferred and merged positions shall not exceed a total of 15 positions. The City Manager's authority under this plan includes the power to reassign duties (including supervisory duties) to remaining positions to provide for continuity of service. The Classification Plan and Salary Plan are amended to conform to this plan. The positions subject to layoff, transfer and merging are not being eliminated nor is this action to be considered an action of discipline, but rather this action is being taken solely as a budget measure to ensure that shortfalls in the expected revenues for the fiscal year 2019-2020 do not jeopardize the financial condition of the city.

Section 3. The measures to implement the Salary Plan under Resolution No. 2015-A of July 9, 2018, shall continue for the salary allocations for the 2019-2020 fiscal year.

Section 4 Under this plan, the City Manager may counsel with employees who may wish to seek early retirement or otherwise leave the city service and negotiate such retirements or resignations as deemed appropriate.

Section 5. The City Manager is directed to make recommended reductions to reduce civic contributions consistent with ensuring that expenditures do not exceed revenues and that the goals of efficient delivery of service and maintenance of infrastructure are met. The City Manager shall recommend contracts to Council consistent with the intent of this resolution.

Section 6. The plan shall begin when it is implemented by the City Manager and will last until the further decision of the City Council. City Council reserves the right to make further decisions regarding the plan as part of planning and policy adjustments for the fiscal year 2019-2020.

Section 7. The measures to implement the salary Plan to the extent possible under the 2018-2019 salary allocation under Resolution 2051-A shall continue into the 2019-2020 fiscal year.

Section 8. If a conflict arises between this resolution and any other resolution, ordinance, order, regulation or policy of the City of San Luis, the conflicting provisions of this resolution shall govern. In making this provision, it is the specific legislative intent of the City Council that the City of San Luis Personnel Policies, Classification Plan and Salary Plan, as well as the salary administration regulations and policies of the City of San Luis, are amended, superseded and/or replaced by this resolution so actions and the plan authorized by this resolution may be implemented, and this is a non-appealable final legislative decision and action of the City Council of the City of San Luis.

Section 9. If any section, subsection, sentence, clause, phrase, or portion of this resolution is held to be invalid or unconstitutional by the final decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this resolution.

Section 10. It is necessary for the preservation of the peace, health, safety and welfare of the City of San Luis, Arizona, and for further reason that municipal services to the citizens of the City of San Luis may be provided in the most efficient manner possible without interruption in service, as well as the financial consideration of the immediate need to ensure that expenditures do not exceed available funds for the fiscal year 2019-2020, and that the best interests of the city require this resolution shall become immediately operative and in force and effect after posting of this resolution.

PASSED, ADOPTED and APPROVED by the Mayor and City Council of the City of San Luis, Yuma County, Arizona this ____ day of May 2019

Gerardo Sanchez, Mayor

ATTEST:

Sonia Cornelio, City Clerk

APPROVED AS TO FORM:

Kay Marion Macuil

Kay Marion Macuil, City Attorney

HR-8-03. Reduction in Force.

- A. General. Reduction in force shall follow fair labor practices and comply with all applicable anti-discrimination laws.
- B. When possible, temporary, seasonal, limited and original probationary employees shall be selected for reduction in force over regular status employees.
- C. The City Administrator shall establish guidelines for a reduction in force when this policy does not specify the procedure, which may include but are not limited to reassignment of positions, transfer, and offering a lower pay grade to a regular status employee. The City Administrator shall instruct Human Resources Director to carry out the reduction in force.
- D. Employee request for review. A regular-status employee who receives a reduction in force notice resulting in the employee's transfer, reduction of wages, or separation due to a reduction in force may request a written review within 3 days of the notice. The request for review shall be based upon an error, contain specific information concerning the error involved, and include a proposed resolution of the problem. Human Resources shall review the request and respond to the employee within 5 working days after receipt of the request.
- E. There is no grievance or appeal right for reduction in force actions.

§ 31.20 CITY MANAGER.

(A) (1) *Office created.* The office of the City Manager is hereby created and established. The City Manager shall be appointed by the Council wholly on the basis of his or her administrative and executive ability and qualifications, and shall hold office for, and at the pleasure of, the Council.

(2) *Bond.* The City Manager shall furnish a corporate surety bond to be approved by the Council in the sum as may be determined by the Council, and shall be conditioned upon the faithful performance of the duties imposed upon the Manager as herein prescribed. Any premium for the bond shall be a proper charge against the city.

(3) *Compensation.* The City Manager shall receive compensation as the Council shall fix from time to time.

(4) *Removal procedure.* The Manager may be removed according to § 31.25. If requested, the Council shall grant him or her a public hearing within 30 days following notice of removal. During the interim, the Council may suspend the Manager from duty, but shall continue his or her salary and, if the removal becomes final, shall pay his or her salary for one month following the removal date.

(5) *Powers and duties.* The City Manager shall be the administrative head of the government of the city under the direction and control of the Council except as otherwise provided in this chapter. He or she shall be responsible to the Council for the proper administration of all affairs of the city. In addition to his or her general powers as administrative head, and not a limitation thereon, it shall be his or her duty and he or she shall have the powers set forth in the following divisions (A)(5)(a) through (m) below:

(a) Appoint and, when necessary for the good of the city service, suspend or remove all officers and employees of the city not appointed by the Council. He or she may authorize the head of a department or office to appoint, suspend or remove subordinates in the department or office;

(b) Prepare the budget annually and submit it to the Council together with a message describing the important features, and be responsible for its administration after adoption;

(c) Prepare and submit to the Council, at the end of the fiscal year, a complete report on the finances and administrative activities of the city for the preceding year;

(d) Keep the Council advised of the financial condition and future needs of the city and make recommendations as he or she may deem desirable;

(e) Recommend to the Council a standard schedule of pay for each appointive office and position in the city service, including minimum, intermediate and maximum rates, and authorize the payment of overtime pay for employees as may work in excess of normal work period. The rates of pay and period of work shall be in conformity with wages and salaries enacted by the City Council;

(f) Recommend to the City Council from time to time adoption of measures as he or she may deem necessary or expedient for the health, safety or welfare of the community, or for the improvement of administrative services;

(g) Consolidate or combine offices, positions, departments or units under his or her jurisdiction, with the approval of the Council. The Manager may be the head of one or more departments;

(h) Attend all meetings of the Council unless excused therefrom, and take part in the discussion of all matters coming before the Council. He or she shall be entitled to give notice of all regular and special meetings of the Council;

(i) Supervise the purchase of all materials, supplies, and equipment for which funds are provided in the budget; let contracts necessary for operation or maintenance of city services in accordance with the purchasing provisions of the City Code; receive sealed bids for purchase or contracts in accordance and present them to Council for approval in accordance with the purchasing provisions of the City Code or state or federal law, and advise the City Council on the advantages or disadvantages of contract or bid proposals. The Manager may issue rules governing purchasing procedures within the administrative organization as Council shall approve.

(j) In the case of accident, disaster or other circumstances creating a public emergency, the Manager may award contracts and make purchases for the purpose of meeting the emergency, but he or she shall file promptly with the Council a certificate showing the emergency and the necessity for the action, together with an itemized account of all expenditures;

(k) See that all laws and ordinances are duly enforced;

(l) Investigate the affairs of the city or any department or division thereof, investigate all complaints in relation to matters

concerning the administration of the government of the city, and in regard to service maintained by the public utilities in the city and see that all franchises, permits and privileges granted by the city are faithfully observed; and

(m) Perform other duties as may be required by the Council, not inconsistent with state law or city ordinances.

(B) With regard to officers and employees appointed by the Manager, neither the Council nor any of its members shall direct or request the appointment of any person to, or his or her removal or suspension from, the office by the Manager or any of his or her subordinates, or in any manner take part in the appointment or removal of the officers and employees in the administrative services of the city, except for the purpose of inquiry, the Council and its members shall deal solely through the Manager.

(Prior Code, § 3-2-1) (Ord. 331, passed 11-12-2014)

2018-17853 RESOLUTION
07/12/2018 04:15:24 PM Pages: 6 Fees: \$8.50
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Recorded By: mlopez
Robyn Stallworth Poudre County Recorder, YUMA County AZ



WHEN RECORDED MAIL TO:

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ATTN: CITY CLERK
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The above area is to be reserved for recording information

CAPTION HEADING:

Resolution No. 2051-A

Declaring public records; adopting a Salary Plan; directing staff to implement the Salary Plan within 2018-2019 salary allocation; declaring an emergency



Resolution

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

No. 2051-A

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA, DECLARING PUBLIC RECORDS; ADOPTING A SALARY PLAN; DIRECTING STAFF TO IMPLEMENT THE SALARY PLAN WITHIN THE 2018-2019 SALARY ALLOCATION; SUPERSEDING ANY CONFLICTING PROVISIONS OF EXISTING REGULATIONS, POLICIES OR PROCEDURES; PROVIDING FOR SEVERABILITY; DECLARING AN EMERGENCY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the legal authority to adopt a salary plan derives from A.R.S. § 9-303, the San Luis City Code §31.20(5)(e) and Resolution No. 750, Personnel Policies of 2008, §HR3-02(A).

WHEREAS, the City of San Luis is in need of a new salary plan because the city has been experiencing turn over in many of its positions often due to lower than market salaries and the current Salary Plan has not been addressed as a whole since 2006;

WHEREAS, City Council prioritized salaries and benefits in the 2018-2019 budget including opting to have the City pay the health benefit increases rather than burden the employees with health benefits increases.

WHEREAS, the studies for the basis of this Salary Plan are the "Classification Study and Final Report" by CPS HR Consulting adopted by Resolution No. 1196 on June 7, 2017 (referred to as "Classification Study") and "City of San Luis, Arizona Total Compensation Report" by CPS HR Consulting of July 3, 2018 (referred to as "Compensation Report") which together serve as guides to the region's market for salaries and benefits for the classified service of the City of San Luis;

WHEREAS, the city has legal and practical budgetary constraints in its ability to spend on salaries and benefits including but not limited to:

1. the city's duty to spend on public purposes in providing services to the residents of San Luis,

2. Some of the city's revenue is restricted to purposes such as state Highway Users Revenue Fund for roads and Development Fees for statutory purposes related to the impacts of development,
3. Arizona Constitution Article IX §20 and A.R.S. §42-17106 place limitations on city expenditures and
4. A.R.S. Title 42, Chapter 17, Article 3 requires cities to have a balanced budget every year so that expenses do not exceed available revenues.

WHEREAS, there are insufficient funds to implement this Salary Plan during the 2018-2019 fiscal year;

WHEREAS, staff analyzed each position to allocate the available funds for the approximately 277 positions;

WHEREAS, City Council finds that it is necessary to implement only partially the Salary Plan the fiscal year 2018-2019;

WHEREAS, City Council finds that additional steps are necessary to allocate the available funds fairly because there will be increases in salary and benefits based on the Salary Plan other increases under the Personnel Policy or by administrative practice are suspended in this resolution.

WHEREAS, City Council plans to fund this Salary Plan incrementally every year over a period of four years.

THEREFORE BE IT RESOLVED by the Mayor and Council of the City of San Luis:

Declaring Public Records

Section 1. The documents entitled:

- a. Classification Study and Final Report approved by Resolution No. 1196 ("Classification Study" Exhibit A),
- b. City of San Luis, Arizona Total Compensation Report ("Compensation Report" Exhibit B),
- c. 2018-2019 Salary Allocations (Exhibit C),
- d. Skill Pay Schedule (Exhibit D),
- e. Salary Classifications and Pay Grade (Exhibit E),

- f. Salary Classifications and Pay Grade for the Safety Group (Exhibit F) and
- g. Salary Pay Grade Schedule (Exhibit G),

three (3) copies of which are on file in the Office of the City Clerk of the City of San Luis, Arizona, are declared to be public records; and the copies shall remain on file with the City Clerk's office and shall be available for public examination and reproduction upon request.

Adoption of Salary Plan and Related Documents Adopted

Section 2. The City Council approves and adopts as guides and basis for the 2018 Salary Plan adopted by this resolution:

- a. the Classification Study and Final Report approved by Resolution No. 1196 ("Classification Study" Exhibit A) and
- b. the City of San Luis, Arizona Total Compensation Report ("Compensation Report" Exhibit B)

Section 3. City Council amends the 2006 Salary Plan to comport with the changes made by this resolution.

Section 4. City Council approves and adopts the 2018 Salary Plan which consists of:

- a. the Skill Pay Schedule (Exhibit D),
- b. the Salary Classifications and Pay Grade (Exhibit E),
- c. the Salary Classifications and Pay Grade for the Safety Group (Exhibit F),
- d. the Salary Pay Grade Schedule (Exhibit G), and
- e. this resolution.

Section 5. To stay within legal expenditure limits as passed in the 2018-2019 fiscal year budget Resolution No. 2046, City Council approves and adopts the 2018-2019 Salary Allocations (Exhibit C).

Section 6. The Salary Plan and the measures below for the fiscal year 2018-2019 apply to the classified service and amends the contracts of contracted employees. As to contracted employee, any adjustments made by the implementation of the Salary Plan shall be considered a "cost of living" adjustment to compensation.

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**Measures to Implement the Salary Plan to Extent Possible
under the 2018-2019 Salary Allocation**

Section 7. City Council directs staff to take all steps to implement the Salary Plan within the 2018-2019 Salary Allocations in Exhibit (C).

Section 8. City Council directs that staff apply the pay schedule for years in the position and not years of service.

Section 9. City Council directs that staff stay within the 2018-2019 Allocation of Salary Summary calculation in paying any state or federal minimum salaries increases during the fiscal year 2018-2019.

Section 10. City Council suspends all increases under Resolution 570, Personnel Policies of 2008 except Skills Pay (§ HR3-02(B)(1) and except the City Manager may correct inequities upon the promotion of an employee (§ HR3-03(B)(2)).

Section 11. City Council suspends the practice of increases for successful completion of probation for those employees who begin probation on or after the effective date of this resolution.

Section 12. The vacation buy back program is a program contingent on availability of funds. City Council reduces the vacation buy back program from 40 hours of unused vacation pay to 20 hours of unused vacation pending further decision of City Council.

**Providing for Severability, Superseding Conflicting Provisions,
Declaring an Emergency; and Establishing an Effective Date**

Section 13. If any section, subsection, sentence, clause phrase, or a portion of this resolution is held to be invalid or unconstitutional by the final decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this resolution.

Section 14. If a conflict arises between the provisions of this resolution and any other ordinance, resolution, regulation, or policy of the City of San Luis, the conflicting provisions are amended, superseded, and replaced, and this resolution shall govern. It is the specific legislative intent of the City of San Luis, that the 2018 Salary Plan and the salary administration regulations, policies and plans of the City of San Luis are amended, superseded so the actions and plans authorized by this resolution may be implemented. This resolution is a non-appealable final legislative decision and action of the City Council of the City of San Luis.

Section 15. To maintain stable operations and sound financial structure of the City of San Luis; it is necessary for the preservation of the peace, health and safety of the City

of San Luis, Arizona, an emergency is declared to exist, and this resolution shall become immediately operative and in force from and after August 4, 2018.

Section 16. This resolution shall become operative and in force and effect on and after August 4, 2018.

Section 17. This resolution shall be posted immediately upon passage.

Section 18. The appropriate City officials are authorized and directed to take any actions as may be necessary to effectuate this resolution.

PASSED, APPROVED and ADOPTED by the Mayor and City Council of the City of San Luis, Yuma County, Arizona this 9th day of July 2018.



Gerardo Sanchez, Mayor

ATTEST:



Sonia Cornelio, City Clerk

APPROVED AS TO FORM:



Kay Marion Macuil, City Attorney