



Minutes Town Council Regular Meeting April 22, 2021

Valerie Molina
Mayor

Ricardo Vital
Vice Mayor

Mary Bravo
Councilmember

Gloria Cota
Councilmember

Elvira Osuna
Councilmember

Joe Sánchez
Councilmember

Anita Cota Soto
Councilmember

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Town Council Chambers
9241 S. Avenida del Yaqui
Guadalupe, AZ 85283
Phone: (480) 730-3080
Fax: (480)-505-5368

Minutes of the Guadalupe Town Council Regular Meeting held on Thursday, April 22, 2021, at 6:00 P.M., at Guadalupe Town Hall, 9241 South Avenida del Yaqui, Museum Room, Guadalupe, Arizona.

A. Vice Mayor Vital called the meeting to order at 6:05 p.m.

B. ROLL CALL

Councilmembers Present: Mayor Valerie Molina. The following councilmembers participated via video conference: Vice Mayor Ricardo Vital Councilmember Mary Bravo, Councilmember Gloria Cota, Councilmember Joe Sánchez

Councilmembers Absent: Councilmember Elvira Osuna and Councilmember Anita Cota Soto

Staff Present: Jeff Kulaga – Town Manager / Clerk, Jennifer Drury – Assistant to the Town Manager, Cachi Castorena, MCSO Deputy, and David Ledyard – Town Attorney (via video conference)

C. INVOCATION/PLEDGE OF ALLEGIANCE

Mayor Molina called for a moment of silence in remembrance of a recent fallen Police Officer. Mayor Molina then led the Pledge of Allegiance.

D. APPROVAL OF MINUTES

1. Approval of March 25, 2021, Town Council Regular Meeting Minutes.
2. Approval of the April 8, 2021, Town Council Regular Meeting Minutes.
3. Approval of the April 14, 2021, Town Council Special Meeting Minutes.

Motion by Vice Mayor Vital to approve agenda items D1, D2, and D3; second by Councilmember Bravo. Motion passed unanimously on a voice vote 6-0.

1. Approved the March 25, 2021, Town Council Regular Meeting Minutes.
2. Approved the April 8, 2021, Town Council Regular Meeting Minutes.
3. Approved the April 14, 2021, Town Council Special Meeting Minutes.

E. CALL TO THE PUBLIC: No one spoke.

F. MAYOR and COUNCIL PRESENTATIONS:

Mayor Molina read a proclamation declaring April as Acknowledge, Respect, and Celebrate Children and Youth (A.R.C.) month and declared April 30, 2021, as Día de Los Niños Day in the Town of Guadalupe.



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G. DISCUSSION AND POSSIBLE ACTION ITEMS:

1. ARIZONA STATE UNIVERSITY PROJECT – SALARY STUDY & PERSONNEL RULES AND REGULATIONS

Jeff Kulaga, Town Manager / Clerk, introduced Arizona State University (ASU) Master of Public Administration students Jinxin, James, Nate, Rob, who presented a PowerPoint presentation of their findings and recommendations of a municipal employee salary study and modifications to the Town of Guadalupe Personnel Rules and Regulations Manual regarding recreational marijuana and social media.

Social Media: Jinxin stated that the proposed social media for the Town of Guadalupe consists of two parts: 1) social media policy during working hours; and, 2) social media use policy. The purpose of instituting a social media policy is to set expectations for employees for appropriate behaviors during work hours and to preserve the Town's reputation as a local government.

There are four components in each policy: purpose, social media definition and varieties, procedures, and compliance. Procedures were selected and created after carefully reviewing different cities' public social media policies. Unless authorized by the Town Manager, employees are prohibited from accessing social media and engaging in social networking during work hours. Jinxin then discussed social media definitions and varieties, procedures, and compliance with the social media policy.

Recreational Marijuana: Nate stated that in 2020, voters passed Proposition 207, legalizing the use of recreational marijuana. This triggered an update to the Town of Guadalupe Employee Handbook. Employees will continue to be prohibited from using marijuana. Students assessed employee handbooks from jurisdictions where marijuana is now legal.

Municipal Employee Salary Study: James stated that many Town of Guadalupe employees have cross functional duties that span multiple departments. The Town's job descriptions have evolved since they were last updated. The proposed job descriptions reflect current responsibilities and reporting structures. Employee compensation has an impact on overall employee performance. Organizations typically spend approximately 50-80% of gross revenues on employee salaries and benefits.

Rob stated that the Town of Guadalupe is unique because it is surrounded by large cities, while being less than a square mile with a low population count. The salaries of surrounding jurisdictions is not necessarily realistic when comparing wages to Town employees. Because of this the study not only compared surrounding jurisdictions salaries, but also compared towns with comparable populations to Guadalupe. Comparable populations also led to comparable budgets. Included in the salary study is the average and median salaries for each of the town's employee job descriptions.

Jinxin noted that the findings revealed that the Town employee salaries are lower than the average municipal salary. The recommendation is to raise employee salaries to the average of the minimum in comparable jurisdictions.

Rob stated that the student recommendations are to incorporate social media and recreational marijuana policies in the Town Employee Handbook, update employee job descriptions, and raise employee salaries.

Councilmembers discussed the 394 residents to 1 employee ratio in Guadalupe; and, thanked the ASU students for providing the data and recommendations. Mr. Kulaga commended ASU students for their work and emphasized that the recommendation concerning recreational marijuana is to prohibit the use of recreational marijuana, similar to drugs and alcohol. Staff recommends moving forward with the social media policy and recreational marijuana policy. Mr. Kulaga stated that there are 5 full-time staff members in Town Hall. Given the budget limitations, it is challenging to provide employee raises.



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2. INTERGOVERNMENTAL AGREEMENT WITH MARICOPA COUNTY ANIMAL CARE AND CONTROL DEPARTMENT (RESOLUTION NO. R2021.08)

Jeff Kulaga, Town Manager / Clerk, stated that the current contract with Maricopa County Animal Care and Control (MCACC) expires on June 30, 2021. This is a new contract with the initial term of the agreement being from July 1, 2021 through June 30, 2022. The cost of service for the initial contract term is \$31,271. This is a complaint-based service whereby calls are prioritized by MCACC. When in Town, MCACC will provide some level of pro-active enforcement.

In response to a question, calls for service data is included in the meeting packet materials. Chris Kunszt, MCACC representative, stated that MCACC would be happy to have a presence and provide educational materials at community events. Billing for calls for service are triggered when calls are placed directly to MCACC from a Town resident.

In response to a question, Mr. Kulaga stated that Town staff will work with MCACC to include informational material in customer water bills regarding proper animal care and control.

In response to a question regarding animals tied to trees and not having access to shade, food, or water, Mr. Kunszt stated that the Maricopa County Sheriff's Office would regulate cruelty to animals.

Motion by Councilmember Bravo to approve agenda item G2; second by Councilmember Cota. Motion passed unanimously on a voice vote 5-0.

Councilmembers adopted **RESOLUTION NO. R2021.08**, authorizing the Mayor, or designee, to sign an intergovernmental agreement (agreement) (Contract #C2021-32) with Maricopa County (County) by and through its Animal Care and Control Department (MCACC) and the Town of Guadalupe for the provision of animal control services. The contract may be renewed for up to two successive two-year terms by mutual agreement of both parties. The contractual level of service is based on demand or calls for service. MCACC operates a regional program and responds to calls based on priority.

3. WITHDRAWN AT THE REQUEST OF THE APPLICANT: PUBLIC HEARING – VARIANCE REQUEST FOR 5300 SOUTH PRIEST DRIVE

Mayor Molina read agenda item G3 and announced that this agenda item has been withdrawn at the request of the applicant:

Hold a public hearing to receive public input regarding a variance request of the Town of Guadalupe Zoning Code of Ordinances to increase allowable density from C-2 standards to 43.5 dwelling units per acre. The property is located at 5300 South Priest Drive, Guadalupe, AZ, APN 301-10-011Q, where a hotel is presently operating. The Applicant is Harc Holdings LLC. Council may provide direction to the Town Manager / Clerk. *Continued from the March 25, 2021, Regular Council Meeting at the request of the Applicant. (related to item G4)*

4. WITHDRAWN AT THE REQUEST OF THE APPLICANT: VARIANCE REQUEST FOR 5300 SOUTH PRIEST DRIVE:

Mayor Molina read agenda item G4 and announced that this agenda item has been withdrawn at the request of the applicant:

Council will consider and may take action to approve or deny a variance request to increase allowable density from C-2 standards to 43.5 dwelling units per acre for the property located at 5300 South Priest Drive, Guadalupe, AZ, APN 301-10-011Q, where a hotel is currently operating. The Applicant is Harc Holdings LLC. *Continued from the March 25, 2021, Regular Council Meeting at the request of the Applicant. (related to item G3)*



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5. EMINENT DOMAIN RIGHT-OF-WAY ACQUISITION AND TEMPORARY CONSTRUCTION EASEMENTS (RESOLUTION NO. R2021.07)

David Ledyard, Town Attorney, stated that adoption of Resolution No. R2021.07 would authorize the Town Attorney's to file a condemnation lawsuit on behalf of the Town of Guadalupe in Maricopa County Superior Court. This eminent domain process is the taking of permanent right-of-way (56 square feet adjacent to a sidewalk) and temporary construction easements.

Mayor Molina clarified that the Town will not be taking the entire property but instead, the Town will be taking 56 square feet of property. Mr. Ledyard added that this process will assist in remedying the property title defect. The property owners have been cooperative throughout this process. Once the condemnation lawsuit has been filed, the court will set a hearing date.

Motion by Councilmember Bravo to approve agenda item G5 authorizing the Town Attorney's Faith, Ledyard and Faith, PLC to file a condemnation lawsuit on behalf of the Town of Guadalupe in the Superior Court of Maricopa County Arizona and authorize the Town Attorney's to sign all necessary documents in furtherance thereof; second by Councilmember Sánchez. Motion passed unanimously on a voice vote 5-0.

Councilmembers adopted **RESOLUTION NO. R2021.07** authorizing the Town Attorney's, Faith, Ledyard and Faith, PLC, to file a condemnation lawsuit on behalf of the Town of Guadalupe in the Superior Court of Maricopa County, Arizona. This eminent domain process is the taking of permanent right-of-way and temporary construction easements. Adoption of this Resolution authorizes the Town Attorney's to sign all necessary documents in furtherance thereof.

6. COVID-19 ACTION UPDATE

Jeff Kulaga, Town Manager / Clerk, provided an update regarding current Town of Guadalupe COVID-19 positive case rates, vaccination information, Town service and steps taken to safeguard public health and safety in response to the Coronavirus. Based on the efforts of the Town's leadership, its staff, and community partners, 44% of Guadalupe residents have been vaccinated.

Councilmembers commended the Vice Mayor and community partners for their leadership throughout the pandemic. Councilmembers encouraged residents to get vaccinated.

Vice Mayor Vital stated that Saturday, May 8, is an upcoming drive through vaccination event. No registration is needed. Masks remain mandatory in Town.

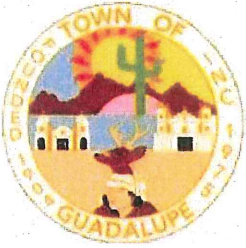
7. PROPOSED FISCAL YEAR 2021/2022 TOWN BUDGET INTRODUCTION

Jeff Kulaga, Town Manager / Clerk, provided a proposed Fiscal Year (FY) 2021/2022 Town Budget totaling \$11,532,660. This is the introduction for the FY 2021/2022 annual budget. Final budget adoption is scheduled in June, which allows time for adjustments and accounting for external factors.

The General Fund is comprised of 56% and the Grant Fund is 18% of the total budget. There are 13 funds in the budget. Mr. Kulaga reviewed each of the 13 funds and their purposes. The fund balance for the Mercado is reaching zero, which will require a policy decision by the Council on whether to subsidize the Mercado with General Fund monies. Mr. Kulaga then reviewed the current proposed budget compared to previous years and how much revenue is anticipated per fund.

Covid-19 impacts have posed a challenge in the budgeting process. Based on anticipated revenues compared to previous years, staff is forecasting that \$1.5 million will be needed from the General Fund balance to balance the budget.

Mr. Kulaga then discussed General Fund transfers to other funds and provided background information on each of the funds, including planned expenditures on needed equipment for the Fire Department. Additional funding is needed for the planned expiration of the Staffing for Adequate Fire and Emergency



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Response (SAFER) grant that funds firefighter salaries. Funding has also been allocated in reinvesting in the Town's infrastructure. Other than the reserve firefighters, no employee raises have been incorporated into the budget.

Fire and Police public safety operations make up the majority of the budget. If the Town needs to make budget cuts because of lack of resources, without consideration of the public safety costs, there is little else to cut.

A Councilmember noted that this information is helpful, and it is important that residents understand the financial condition the Town is in, staffing is limited, and that finding grants is challenging.

Mr. Kulaga discussed tentative General Fund expenditures including various infrastructure projects that were postponed due to Covid-19; and, proposed funding needed to undertake these projects. At this time last year, staff proposed options to generate revenue, reduce expenditures, study the Arizona State University property analysis, and the future of the Mercado.

With the closure of two hotels, and possibly a third hotel, there will be a loss of Bed Tax revenue that will have a financial impact to the Town. Generating stable, recurring revenues for the Town is critical within the next couple of years. One of the difficult assumptions included in the proposed budget is that the Arizona State Legislature is considering a 27% decrease in Urban Revenue Sharing distribution to cities and towns. If approved, it could decrease the Town's annual budget by approximately 5%, totaling \$250,000. Mr. Kulaga then reviewed estimated and proposed expenses and transfers to other funds from the General Fund.

Staff has submitted a grant request to fund the \$500,000 Highline Canal Lighting Improvement Project. Mr. Kulaga then reviewed various needed capital improvement projects and programs that are not funded totaling \$5.8 million.

A Councilmember urged residents to be aware that these Capital Improvement Projects and programs are needed, and that Council is aware of them.

Mr. Kulaga outlined what Council considered in the fiscal year 2019/2020 and 2020/2021 budget discussions regarding generating revenue, reducing expenditures, various infrastructure needs, and Town-owned property leases and condition of the properties.

Mr. Kulaga reviewed General Fund impacts and projected consequences related to generating revenue and seeking alternative service delivery for essential services.

Staff will continue to refine the proposed budget. Mr. Kulaga provided a timeline of scheduled budget review meetings and upcoming Council direction that will be needed.

A Councilmember noted that a property tax is not appropriate due to exemptions within the community; a desire to explore the creation of a Fire District and how that would impact the mutual aid agreement; and that she and Mr. Kulaga have met with state officials to convey the devastating impact that cutting income taxes would have on small communities.

A Councilmember requested that staff research the possibility of imposing a public safety tax that is unique to the Town of Guadalupe.



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8. SOLID WASTE COLLECTION SERVICE PROPOSED RATE INCREASE REVIEW

Jeff Kulaga, Town Manager / Clerk, provided a review of solid waste services including current financials, five-year projected revenues and expenditures, rate analysis, and proposed solid waste service rate increase options for Council consideration.

Mr. Kulaga stated that the current solid waste collection service provider was selected in January 2020. The service provider is increasing their rate by 1.7%. This fund should be a self-sustaining enterprise fund which would not need to be supplement by the General Fund moving forward. The current rate of \$20.75 per collection bin was implemented in 2009. The Saturday and weekly bulk collection costs were exceeding estimates.

Staff recommends discontinuing the quarterly bulk service and is proposing five rate options for Council consideration. Should a rate increase be proposed, to comply with Arizona Revised Statutes, public notice would be required on April 23, 2021; 60 days prior to the fiscal year 2021/2022 final budget adoption scheduled for June 24, 2021. The proposed rate increase information has been distributed in the water bills on several occasions and there has been an online survey to solicit public feedback. To date, 45 people have responded to the survey. If Council were to approve a rate increase, staff would initiate the public notification process tomorrow.

In response to a question if the Town could seek a credit from RAD to help supplement the cost of service to customers, Mr. Kulaga stated that there is an existing contract and it is unclear if that would be appropriate. The proposed rate increase is not being initiated from the provider, Right Away Disposal (RAD). The proposed rate increase is for the fund to have a buffer to be able to pay for the rising cost of service delivery. If there is no rate increase, the Town will need to supplement the solid waste collection fund. The goal would be to increase the fund balance in order to fund the Town's infrastructure repair.

In response to a question, Mr. Kulaga explained that quarterly bulk trash collection is where the Town would supply 8-10 dumpsters at 8 locations throughout the Town for residents to utilize. This was discontinued due to overflowing trash collection bin issues. The Town maintenance yard is open on Saturday mornings for bulk trash drop off. Solid waste collection services entails a fleet of vehicles, trash collection bins, personnel, administration, permitting, tipping fees, and safety requirements.

9. NOTICE OF INTENT – SOLID WASTE COLLECTION SERVICE PROPOSED RATE INCREASE

Jeff Kulaga, Town Manager / Clerk, stated that the most recent solid waste rate increase occurred in 2009. The current contract is for an eight-year term.

Motion by Councilmember Bravo to approve a 15% solid waste collection service rate increase: second by Vice Mayor Vital. Motion carried unanimously on a voice vote 5-0.

Council approved a 15% solid waste collection service rate increase. To comply with Arizona Revised Statutes, staff will post public notice on April 23, 2021; 60 days prior to the fiscal year 2021/2022 final budget adoption scheduled for June 24, 2021. If approved on June 24, 2021, the rate would become effective on July 1, 2021.

A Councilmember noted that the proposed new rate will increase rates by \$3.11 for the initial trash collection bin, per customer.



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10. CLAIMS

Approval of the check register for March 2021, totaling \$411,973.58.

**Motion by Vice Mayor Vital to approve agenda item G10; second by Councilmember Sánchez.
Motion passed unanimously on a voice vote 5-0.**

Councilmembers approved the check register for March 2021, totaling \$411,973.58.

H. TOWN MANAGERS' COMMENTS

Jeff Kulaga, Town Manager / Clerk

- The remodel of the Community Action Program food storage area and office space have been completed. Touchless bathroom fixtures have been installed. The glass for the front desk reception area is on order. These steps are being taken in preparation for reopening Town Hall.
- As part of the Interstate 10 freeway expansion, on May 1 and May 2 the Arizona Department of Transportation (ADOT) will be taking roadway core samples from areas of Guadalupe that will be impacted by this project. Traffic will be impacted. This project benefits the Town by widening the bridge that leads into Phoenix and adds a much-needed sidewalk. Staff will provide updates as the project moves forward.

I. COUNCILMEMBERS' COMMENTS

Councilmember Cota

- Thanked Arizona State University students for their presentation.

Councilmember Sánchez

- Thanked Arizona State University students for their presentation.
- Thanked staff for their work.

Vice Mayor Vital

- Thanked everyone for attending the meeting. Encouraged public participation in upcoming budget meetings.
- Thanked staff for their work. Many employees are doing multiple jobs and are paid less than other municipal employees.

Councilmember Bravo

- Thanked Arizona State University students for their presentation.
- Commended everyone for their work on Covid-19 and the positive downward trend on infection rates.
- As residents, everyone needs to be responsible for the Town.

Mayor Molina

- The Senior Center is holding a fundraiser food sale on Friday, April 23, 2021.
- Thanked Arizona State University students for their presentation.
- Thanked staff for their work.



J. ADJOURNMENT

Motion by Councilmember Sánchez to adjourn the Regular Council Meeting; second by Councilmember Bravo. Motion passed unanimously on a voice vote 5-0.

The meeting was adjourned at 8:13 p.m.

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ATTEST:

Jeff Kulaga, Town Manager / Town Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the April 22, 2021, Town of Guadalupe, Town Council Regular Meeting. I further certify the meeting was duly called and held, and that a quorum was present.

Jeff Kulaga, Town Manager / Town Clerk