

## Minutes Town Council Regular Meeting May 30, 2019

Valerie Molina  
Mayor

Ricardo Vital  
Vice Mayor

Mary Bravo  
Councilmember

Anita Cota  
Councilmember

Gloria Cota  
Councilmember

Elvira Osuna  
Councilmember

Joe Sánchez  
Councilmember

Online agendas and results  
available at  
[www.guadalupeaz.org](http://www.guadalupeaz.org)

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, May 30, 2019, at 6:00 P.M., at Guadalupe Town Hall, 9241 South Avenida del Yaqui, Guadalupe, Arizona, in the Council Chambers.

### A. CALL TO ORDER

Mayor Molina called the meeting to order at 6:02 P.M.

### B. ROLL CALL

Councilmembers Present: Mayor Valerie Molina, Vice Mayor Ricardo Vital, Councilmember Mary Bravo, Councilmember Anita Cota, Councilmember Gloria Cota, Councilmember Elvira Osuna

Councilmember Absent: Councilmember Joe Sánchez

Staff Present: Jeff Kulaga – Town Manager / Clerk, Wayne Clement – Fire Chief, Jennifer Drury – Assistant to the Town Manager, Gerardo Moreno – Public Works Director, Nancy Holguin, Community Development, Catalina Alvarez – CAP Director, Veronica Matuz, Senior Center Director, Kay Savard, Deputy Town Clerk, and David Ledyard – Town Attorney

### C. INVOCATION/PLEDGE OF ALLEGIANCE

Councilmember Bravo provided the invocation. Mayor Molina then led the Pledge of Allegiance.

### D. APPROVAL OF MINUTES:

1. **Motion by Vice Mayor Vital to approve the May 9, 2019, Town Council Regular Meeting minutes; second by Councilmember Anita Cota. Motion passed unanimously 6-0.**

Approved of the May 9, 2019, Guadalupe Town Council Regular Meeting minutes.

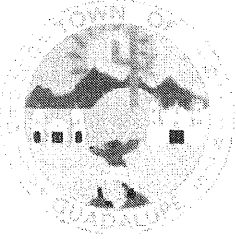
E. CALL TO THE PUBLIC – A community member discussed a letter he received from the Town of Guadalupe concerning work he is doing in his garage. He requested a copy of the Town ordinance that concerns this matter. Mayor Molina asked the Town Manager to follow up with the community member.

F. MAYOR and COUNCIL PRESENTATIONS: Mayor Molina read a Proclamation declaring Sunday, June 2, 2019, as Graduation Sunday in the Town of Guadalupe.

### G. DISCUSSION AND POSSIBLE ACTION ITEMS:

1. **PUBLIC HEARING – APPEAL OF BUSINESS LICENSE ADMINISTRATOR'S DECISION:** Held a public hearing for the appeal of the Business License Administrator's decision to deny a business license to operate the Garden of Eden Holistics, 8410 South Avenida del Yaqui, Guadalupe, Arizona. The Applicant is Star Lopez-Ruiz.

Star Lopez-Ruiz, Applicant, requested that the Council reconsider the Business License Administrator's decision, and allow her to operate a health and wellness store that sells CBD products. Ms. Lopez-Ruiz stated that the proposed business is not a dispensary or a smoke shop. CBD does not contain the THC chemical; and is safe to use for all ages.



Valerie Molina  
Mayor

Ricardo Vital  
Vice Mayor

Mary Bravo  
Councilmember

Anita Cota  
Councilmember

Gloria Cota  
Councilmember

Elvira Osuna  
Councilmember

Joe Sánchez  
Councilmember

Online agendas and results  
available at  
[www.guadalupez.org](http://www.guadalupez.org)

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

Daniel Tye discussed the growing CBD industry; and, that he has family members that use CBD products.

**Motion by Vice Mayor Vital to close the public hearing; second by Councilmember Osuna. Motion passed unanimously 6-0.**

2. **APPEAL OF BUSINESS LICENSE ADMINISTRATOR'S DECISION:** Councilmembers approved the appeal to reconsider the Business License Administrator's decision to deny a business license to operate the Garden of Eden Holistics, 8410 South Avenida del Yaqui, Guadalupe, Arizona. The Applicant is Star Lopez-Ruiz.

In response to a question regarding if there is anything in the Town Code that prohibits this type of business from operating in the Town, David Ledyard, Town Attorney, stated that jurisdictions around the country are struggling with how to regulate CBD. The Food and Drug Administration (FDA) is scheduling public hearings on CBD edible products; CBD remains untested by the FDA, and CBD is not yet considered legal by the FDA. The League of Arizona Cities and Towns is developing a model ordinance for local jurisdictions. There is nothing in the Town Code to prohibit CBD from being sold. Surrounding communities have allowed the sale of CBD products.

In response to a question regarding a recent Supreme Court ruling, Mr. Ledyard stated that CBD is found in marijuana, but is not considered marijuana. He discussed various businesses that sell CBD products, including two in the Town of Guadalupe; and, stated that approving the proposed business license would not pose a liability to the Town.

Councilmember Anita Cota stated that it is not the role of Councilmembers to discuss the benefits of CBD products. She voiced concern about the proposed business location and its proximity to Frank Elementary School; and, asked the applicant if there was another business location that may be better suited for this business.

**Motion by Vice Mayor Vital to approve the issuance of business license.**

Motion died for lack of a second.

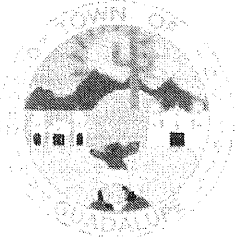
Councilmember Bravo noted that the CBD product has not yet been tested and could detrimentally impact to the Town. There are two businesses currently selling CBD products, in Town; and, it remains unclear how this product will be regulated.

Ms. Lopez-Ruiz stated that the CBD manufacturer provides her with test data that demonstrates there is no THC in the CBD products that they provide to her; and, that she independently tests the CBD products to verify that is the case. She discussed her commitment to the products she sells and the importance of maintaining her reputation. Ms. Lopez-Ruiz stated that the Principal at Frank Elementary School as well as surrounding business owners have all indicated that they are not in opposition to the proposed business location.

Mr. Ledyard stated that the business location is zoned commercial; public perceptions if there are existing businesses selling CBD in Town, as well as in the City of Tempe; and, enforcement if the product is deemed illegal. During the June hearings, the FDA will address the testing of CBG products.

A Councilmember discussed the possibility of issuing a provisional business license.

Jeff Kulaga, Town Manager / Clerk, stated that business licenses are renewed annually, from the date of issuance. The Town of Guadalupe Code does not provide for the issuance of provisional business licenses. A compromise could be to issue the business license for one year and schedule a follow up



Valerie Molina  
Mayor

Ricardo Vital  
Vice Mayor

Mary Bravo  
Councilmember

Anita Cota  
Councilmember

Gloria Cota  
Councilmember

Elvira Osuna  
Councilmember

Joe Sánchez  
Councilmember

Online agendas and results  
available at  
[www.guadalupeaz.org](http://www.guadalupeaz.org)

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

in one year's time. During that timeframe, staff will follow up with the FDA on its findings, and with the League of Arizona Cities and Towns regarding the status of the development of a model ordinance.

Mr. Ledyard stated that the Council has the option to approve or deny the business license; the FDA findings may change things; and, if the business license is approved, the Council could review the matter in one year.

In response to a question, Ms. Lopez-Ruiz stated that she currently resides in Town and would like to bring CBD to the community, to help the community. This will also attract business into the community.

In response to a question, Mr. Ledyard stated that there is nothing in the Town code to prohibit or disallow the sale of CBD products.

Mr. Tye stated that CBD is a dietary supplement.

**Motion by Vice Mayor Vital to approve the issuance of a business license; second by Mayor Molina. Motion passed 4-2 with Councilmembers Mary Bravo and Anita Cota voting no.**

3. **TENTATIVE FISCAL YEAR 2019/2020 BUDGET ADOPTION:** Councilmembers adopted the Fiscal Year (FY) 2019-20 Tentative Budget and set the time and date of 6:00 P.M., June 27, 2019, for the public hearing for final adoption of the Town of Guadalupe FY 2019-20 budget. The FY 2019-20 tentative budget totals \$12,008,297 which includes funding for a general fund budget of \$5,435,936; \$1,759,757 for enterprise and special funds; \$292,900 for debt service; and a \$4,528,704 grant fund.

Jeff Kulaga, Town Manager / Clerk, stated that budget preparation began last February; a five-year forecast was provided to Council; and, now it is time for Council to consider adopting a tentative budget. Final adoption of the budget is scheduled for June 27, 2019. Between the tentative and final budget adoption, changes to the budget should be minimal.

Mr. Kulaga stated that the total budget amount is \$12,008,297. A majority of the budget is comprised of the General Fund. Mr. Kulaga reviewed potential gaming grant revenue; anticipated revenues and expenditures; contingency fund; special funds; and, projected fund balances. He noted that no contingency funding was utilized during the existing budget year.

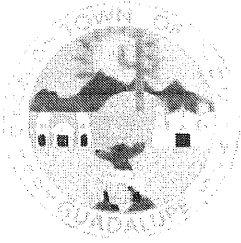
Mr. Kulaga stated that the Town recently received \$117,000 from the Arizona Department of Revenue, which is the result of a local sales tax reconciliation over a five-year span.

For the Mercado, revenues are exceeding expenditures. Rental activity for the multi-purpose room and patio are increasing. At this time, only moderate to minor building repairs are being done on the Mercado.

In response to a question regarding whether the Mercado tenants are current in paying their rent, Bob Thaxton, Finance Director, stated that the tenants are current in paying their rent.

Mr. Kulaga stated that the Town also received one-time funding of approximately \$197,000, as approved by the Arizona State Legislature HB2748, for transportation related purposes. This could be utilized for the Avenida del Yaqui Street Renovation Project, street resurfacing, pedestrian signals, etc. Mr. Kulaga emphasized that one-time funding does not solve the long-term budgetary gap between revenues and expenditures.

Mr. Kulaga discussed a Request for Proposals (RFP) for development of Town-owned land. Responses to the RFP are due on May 30, 2019. Staff will provide an update on this process to the Town Council on June 13, 2019.



Valerie Molina  
Mayor

Ricardo Vital  
Vice Mayor

Mary Bravo  
Councilmember

Anita Cota  
Councilmember

Gloria Cota  
Councilmember

Elvira Osuna  
Councilmember

Joe Sánchez  
Councilmember

Online agendas and results  
available at  
[www.guadalupeaz.org](http://www.guadalupeaz.org)

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

After researching the impacts of implementing a property tax, Mr. Kulaga stated that staff is not recommending this course of action.

In reducing expenditures, staff is exploring the possibility of seeking alternative service providers for police, fire, courts, and solid waste services. The Cities of Tempe and Tolleson have indicated that they are unable to provide police services to the Town of Guadalupe; and, that Tempe is currently exploring the feasibility of providing court services for the Town. Staff will be issuing a Request for Proposals for solid waste services.

Staff will be evaluating current lease agreement terms the Town has with various organizations. This is in an effort to seek long term fiscal sustainability.

Councilmembers discussed how the information at the budget forums has evolved, based on changing conditions; and, it was suggested that the most current information be included on the Town website and its Facebook page. Mr. Kulaga stated that the influx of one-time monies has added an additional year to the Town's financial stability; however, recurring expenses continue to exceed revenues. The June 1, 2019, budget forum has been advertised.

**Motion by Councilmember Anita Cota to approve the FY 2019-20 tentative budget which totals \$12,008,297, and includes funding for a general fund budget of \$5,435,936; \$1,759,757 for enterprise and special funds; \$292,900 for debt service; and, a \$4,528,704 grant fund; second by Councilmember Osuna. Motion passed unanimously 6-0.**

**4. 2019 PROPOSED GAMING GRANT REQUESTS AND APPLICATIONS:** Councilmembers approved the revised 2019 gaming grant applications which include 17 individual grants for Town services, programs, equipment, and infrastructure needs, totaling \$1.496 million.

Jeff Kulaga, Town Manager / Clerk, presented the status of tribal gaming grant requests. Under the next two agenda items, Council will consider the Pascua Yaqui Tribe (PYT) and Tohono O'odham Nation gaming grant resolutions. Mr. Kulaga reviewed the proposed PYT gaming grant requests and noted that staff has not requested grant funding for public safety costs associated with the annual car show, unlike previous years.

Presentation only. There was no action taken on this agenda item.

**5. RESOLUTION NO. R2019.04 – PASCUA YAQUI TRIBE GAMING GRANT:** Councilmembers adopted **RESOLUTION NO. R2019.04** authorizing the submittal of an application for a grant from the Pascua Yaqui Tribe for Elderly Activity Programming, event public safety needs and the Avenida del Yaqui Street Renovation Project, totaling \$515,000; and, authorized the Mayor, or designee, to sign all necessary documents in furtherance of this grant application.

**Motion by Councilmember Anita Cota to approve agenda item G5; second by Councilmember Bravo. Motion passed unanimously 6-0.**

**6. RESOLUTION NO. R2019.05 – TOHONO O'ODHAM NATION GAMING GRANT:** Councilmembers adopted **RESOLUTION NO. R2019.05** authorizing the submittal of an application for a grant from the Tohono O'odham Nation for fire and life safety equipment and training and Senior Center renovation purposes, totaling \$333,000; and, authorized the Mayor, or designee, to sign all necessary documents in furtherance of this grant application.

Jeff Kulaga, Town Manager / Clerk, stated that the reference to Stottlemyre Park be removed from Resolution No. R2019.05 and replaced with Senior Center renovations (roof and patio).

**Motion by Vice Mayor Vital to approve agenda item G6, as amended; second by Councilmember Anita Cota. Motion passed unanimously 6-0.**



Valerie Molina  
Mayor

Ricardo Vital  
Vice Mayor

Mary Bravo  
Councilmember

Anita Cota  
Councilmember

Gloria Cota  
Councilmember

Elvira Osuna  
Councilmember

Joe Sánchez  
Councilmember

Online agendas and results  
available at  
[www.guadalupeaz.org](http://www.guadalupeaz.org)

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

**7. RESOLUTION NO. R2019.07 – ARIZONA DEPARTMENT OF TRANSPORTATION INTERGOVERNMENTAL AGREEMENT:** Councilmembers adopted **RESOLUTION NO. R2019.07** authorizing the Town of Guadalupe to enter into intergovernmental agreement 19-0007278-I (Contract #C2019-12) with the State of Arizona, acting through its Department of Transportation (ADOT) for the design and construction of sidewalks and bike lanes on Avenida del Yaqui, northbound and southbound, between Highland Canal and Calle Carmen; and, authorized the Mayor to execute all documents in furtherance of this agreement. The Project includes mill and overlay of the full roadway cross section of existing pavement and complete reconstruction of the concrete curb, gutter and sidewalk along both sides of the corridor, new pavement markings, traffic calming, enhanced pedestrian crossings, and Safe Routes to School improvements.

Jeff Kulaga, Town Manager / Clerk, stated that this project began with the Safe Routes to School project. The Maricopa Association of Governments (MAG) approved this program. The Town will receive a minimum of \$3.3 million in federal funding from MAG for this project. The Town's financial portion of the project is \$380,000. The Arizona Department of Transportation will oversee the design, engineering, and construction of the project. Construction is scheduled to begin in January, 2021.

In response to questions, Mr. Kulaga stated that community meetings will be held throughout the process. During the conceptual design process, it was determined that three right-of-way acquisitions may be needed; and, that additional right-of-way acquisitions may be necessary to relocate utilities.

**Motion by Councilmember Bravo to approve agenda item G7; second by Councilmember Osuna. Motion passed unanimously 6-0.**

**8. COUNCIL MEETING SCHEDULE:** Councilmembers reviewed the Town Council Regular Meeting schedule for June 2019 through December 2019.

No action was taken on this agenda item.

**H. TOWN MANAGERS' COMMENTS**

Jeff Kulaga, Town Manager / Clerk, reported the following:

- o Thanked Councilmembers for approving the intergovernmental agreement with the Arizona Department of Transportation.
- o A stove, dishwasher, and air curtain have been installed in the Senior Center, all of which were grant funded provided by the Area Agency on Aging.
- o Presented a plaque from the Guadalupe Little League to Councilmembers thanking the Council for their support.

**I. COUNCILMEMBERS' COMMENTS**

Councilmember Osuna

- o Thanked staff for attending the meeting and for their work.

Councilmember Gloria Cota

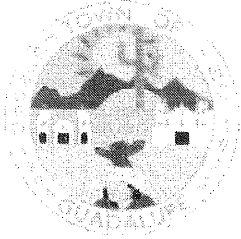
- o Thanked staff for attending the meeting.

Vice Mayor Vital

- o Saturday, June 1, 2019 – Community Budget Forum.
- o Thanked staff for attending the meeting.

Councilmember Anita Cota

- o Thanked staff for attending the meeting.
- o Friday, June 14, 2019 – Bingo night.
- o Post 124 is overseeing co-ed Cub Scouts.



Valerie Molina  
Mayor

Ricardo Vital  
Vice Mayor

Mary Bravo  
Councilmember

Anita Cota  
Councilmember

Gloria Cota  
Councilmember

Elvira Osuna  
Councilmember

Joe Sánchez  
Councilmember

Councilmember Bravo

- o Thanked staff for attending the meeting.
- o Reported a street light outage at Carmen/Avenida del Yaqui.

Mayor Molina

- o The Town is partnering with the Phoenix Indian Center on youth programming.
- o Summer Youth Program for children in grades 3-6, June 3 – June 26, 2019, Mercado.
- o Thanked staff for attending the meeting.

J. ADJOURNMENT

**Motion by Vice Mayor Vital to adjourn; second by Councilmember Osuna. Motion passed unanimously 6-0.**

The meeting was adjourned at 7:28 p.m.

Valerie Molina, Mayor

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 May 30, 2019, Town of Guadalupe, Town Council Regular Meeting. I further certify the meeting was duly called and held, and that a quorum was present.

Online agendas and results  
available at  
[www.guadalupeaz.org](http://www.guadalupeaz.org)

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