

Minutes Town Council Work Study Session January 10, 2019

Valerie Molina
Mayor

Ricardo Vital
Vice Mayor

Mary Bravo
Councilmember

Anita Cota
Councilmember

Gloria Cota
Councilmember

Elvira Osuna
Councilmember

Joe Sánchez
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 Work Study Session held on Thursday, January 10, 2019, immediately following the Regular Council Meeting beginning 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 6:00 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 Joe Sánchez

Staff Present: Jeff Kulaga – Town Manager / Clerk, Wayne Clement – Fire Chief, Bob Thaxton – Finance Director, Jennifer Drury – Assistant to the Town Manager, Alan Romania, Fire Captain, Jason Douglas, Fire Captain, David Ledyard – Town Attorney

C. CALL TO THE PUBLIC – None.

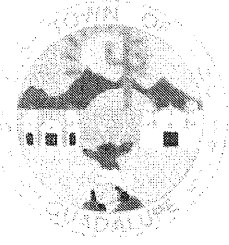
D. DISCUSSION AND POSSIBLE ACTION ITEMS:

1. **FEMA SAFER GRANT FISCAL ANALYSIS:** Jeff Kulaga, Town Manager / Clerk, provided a fiscal analysis of the short term and long term costs and savings for the FEMA Safer Grant (Grant) for the Town of Guadalupe (Town) Fire Department; and, the grant process schedule.

Mr. Kulaga reviewed the meeting packet material that outlines what costs are eligible to be covered by a Grant that involves the hiring of three sworn, full-time, firefighters for the Town Fire Department. For the first two years of the Grant, the Grant will fund 75% of the costs associated with firefighter wages and benefits, with the Town being responsible for the remaining 25%. For the third year, the Grant will fund 35% of wages and benefits, with the Town being responsible for 65%; and, in year four the Grant expires, leaving the Town being responsible for funding 100% of wages and benefits for the three firefighters. The annual Grant cycle runs from March 1 – February 28, which does not align with the Town's fiscal year budget cycle. Implementation of the Grant would be March 1, 2019.

In addition to wages and benefits, there are other costs and savings involved, which staff has reviewed. Cost saving measures to the Town include the elimination of three firefighter reserve positions. When the Grant expires, the cost to the Town is estimated to be approximately \$200,000 annually. The total savings will depend upon the hourly wage for each firefighter. During the three-year Grant funding period, the savings to the Town is estimated to be approximately \$140,000.

Per the Automatic Aid Agreement, four firefighters are required to man fire trucks. It is challenging to utilize reserve firefighters to man the fire trucks, which leads to an increase in overtime pay.



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Wayne Clement, Fire Chief, discussed previous staffing models used by the Town Fire Department. Currently, firefighters are offered minimum wage at the point of hire, compared to surrounding jurisdictions that offer firefighter wages that are as much as four times what the Town is offering. By hiring three firefighters, it will bring the Town's Fire Department up to previous staffing levels, which is the goal.

In response to a question, Mr. Clement stated that during the economic downturn, when firefighters would leave the Town, the Town Manager at the time chose not to fill those vacancies. Annually, staff requests that firefighter vacancies be filled. The most recent vacancy that was filled was in July 2018, when one firefighter position was added into the budget. The Grant could fund two additional full-time firefighters.

In response to a question, Mr. Clement stated that when a firefighter takes on additional responsibilities, that individual does not receive a promotion. Councilmembers voiced concern about employee retention and how that relates to promotional opportunities. Alan Romania, Fire Captain, added that employee raises are typically not forthcoming until a firefighter is promoted to Captain.

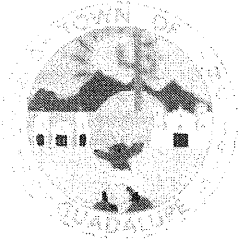
In response to a question, Mr. Clement stated that the newly hired firefighters will be academy trained. Mr. Romania discussed the impact new hires have on the overtime budget. Overtime is typically needed when firefighters are on vacation.

Councilmembers discussed consideration of implementing a property tax to address budgetary concerns and the needs within the community. Mr. Kulaga stated that the Grant funds will improve firefighter service levels locally and regionally through the Automatic Aid Agreement. The long-term challenge will be funding these personnel positions after the Grant funding expires.

In response to a question concerning the need to increase revenues, Mr. Kulaga stated that the Town owns approximately five acres of vacant land. His recommendation is not to sell the land, but rather to work with developers who are willing to invest in the community. Improving public spaces such as the Mercado is a long term approach to attracting investment. Preservation of cultural heritage is also important. Implementing a property tax would also increase revenues. Reducing expenses and employee pay reductions is another approach to generating revenue. Staff will be providing financial updates and forecasts within the next few months for Council consideration and discussion. Should the Council wish to place a property tax on an election ballot, it would have to occur in May, per State Statute. Bob Thaxton, Finance Director, added that the process for placing a property tax measure on a May ballot typically begins in November. Mr. Kulaga noted that there is a public process and timeline associated with placing items on election ballots. Councilmembers discussed approaching the budgetary concerns in a progressive fashion.

Councilmembers reviewed the various options concerning the Grant as it relates to Fire Department staffing levels and budgetary implications. Mr. Kulaga explained that the firefighter hired during the last budget cycle would be retained after the Grant expires; however, there will be budgetary challenges with retaining the remaining two firefighters at that point. Mr. Clement stated that staff postponed hiring a firefighter until after the Grant had been secured.

Councilmembers discussed the importance of discussing budgetary concerns with community members; and, what the public perception may be if the Town hires three firefighters. Mr. Kulaga stated that a large portion of the Fire Department budget is



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repair/replacement of capital equipment, which are one-time costs. The grant environment for repair/replacement of capital equipment is competitive. Renovation of the fire station is needed. The proposed Grant timeline provides staff time to assess the budgetary concerns and explore alternative funding options. Mr. Clement added that after the expiration of the Grant funding, the two firefighters could potentially be hired by a different agency. The Town's firefighter wages are the lowest in the Valley. Mr. Romania stated that if one of the three firefighters were to leave during the Grant funding period, the Town would be obligated to fill that vacancy for the duration of the grant funding period. Mr. Clement stated that the Grant has a provision that allows the Town to apply for amendments to the Grant, which could include declaring a hardship scenario.

Mr. Kulaga stated that it is his recommendation to approve the use of the FEMA SAFER Grant to fund two additional firefighter positions and the recently added firefighter position for only the three year duration of the grant. If Councilmembers concur, staff will work with the Town Attorney to draft an employment offer letter that outlines the three-year Grant funding timeframe. Mr. Clement noted that this approach is common practice among municipalities.

Mr. Kulaga stated that given the Town's budgetary position, the Town leadership is working to ensure that the terms of the Automatic Aid Agreement are met, over the span of the Grant funding period.

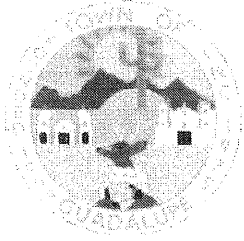
Councilmembers discussed the possibility of requesting additional funding from the (Pascua Yaqui) Tribe. Mr. Kulaga stated that the current public safety grant is specifically earmarked for general operating expenses. Staff and Councilmembers discussed how many calls for service are medical, and how many Tribal members are served; and, providing that information to the Tribe when seeking funding assistance for the Town Fire Department.

In response to a question, Mr. Clement stated that at some point, the Town may be seeking fire and public safety assistance from surrounding jurisdictions.

Councilmembers discussed the possibility of calling a joint meeting of the Town Council and the Pascua Yaqui Tribe. The need for funding assistance could be a topic of discussion for that meeting. Mr. Kulaga suggested that the joint meeting be scheduled after staff has presented the five-year financial forecast to Council. Mr. Romania added that it would take approximately three months to gather the requested data on calls for service.

Councilmembers directed Mr. Kulaga to schedule a joint meeting with the Pascua Yaqui Tribe in April; and, selected option 2 as follows: approve use of the FEMA SAFER grant to fund two additional firefighter positions and the recently added firefighter position for only the three year duration of the grant.

2. SPECIAL EVENTS FISCAL ANALYSIS: Jeff Kulaga, Town Manager / Clerk, stated that staff generated approximately \$15,000 in sponsorships for recent the Town of Guadalupe (Town) Tree Lighting and Navidad en Guadalupe special events. The overall cost to host these events was \$15,000. An additional \$4,000 was spent on public safety/security and staff overtime. In preparation for these events in 2019, staff estimates that these events will cost \$15,000 - \$17,000. Mr. Kulaga reviewed projected expenses, and suggested various items/activities for these events, later this year. Staff will be budgeting approximately \$5,000 - \$7,000 for these events with the understanding that sponsorships will be secured. This year the parade is scheduled for 6:00 p.m., followed by the tree lighting ceremony, which will reduce staff overtime.



3. **TOWN COUNCIL FISCAL REVIEW SESSIONS:** Jeff Kulaga, Town Manager / Clerk, presented the following schedule of fiscal review agenda items for presentation to Councilmembers as follows:

- January 24, 2019 FY2017/18 Audit Report
- February 14, 2019 Five year Town Financial Forecast & FY2018/19 Mid-Year Budget
- April 25, 2019 Proposed FY2019/2020 Budget
- May 23, 2019 Review FY 2019/2020 Budget
- June 27, 2019 Adopt FY 2019/2020 Budget

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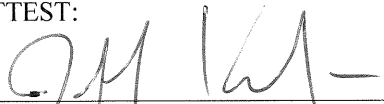
E. ADJOURNMENT

Motion by Vice Mayor Vital to adjourn; second by Councilmember Sánchez. Motion passed unanimously 7-0.

The meeting was adjourned at 7:53 p.m.

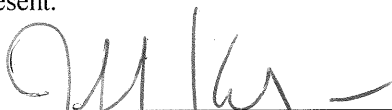

Valerie Molina, Mayor

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 Work Study Session of the Town Council of Guadalupe, Arizona held on the 10th day of January 2019. I further certify the meeting was duly called and held and that a quorum was present.


Jeff Kulaga, Town Manager / Town Clerk

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