

Minutes Town Council Regular Meeting January 24, 2019

Valerie Molina
Mayor

Ricardo Vital
Vice Mayor

Mary Bravo
Councilmember

Anita Cota
Councilmember

Gloria Cota
Councilmember

Elvira Osuna
Councilmember

Joe Sánchez
Councilmember

Agendas available at
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, January 24, 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 6:03 P.M.

B. ROLL CALL

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

Councilmember Absent: Councilmember Gloria Cota

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

C. INVOCATION/PLEDGE OF ALLEGIANCE

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

D. APPROVAL OF MINUTES – None.

E. CALL TO THE PUBLIC – None.

F. MAYOR and COUNCIL PRESENTATIONS – None.

G. DISCUSSION AND POSSIBLE ACTION ITEMS:

1. **AUDIT REPORT:** Matt Bingham, Colby & Powell, PLC, provided a slide presentation outlining the Town of Guadalupe audit report for fiscal year 2017/2018, ending June 30, 2018. Mr. Bingham reviewed the various categories of government/business activities that are included in the audit report. He then discussed the Generally Accepted Auditing Standards (GAAS) and Government Auditing Standards (GUS) that were used during the audit process; an internal control assessment; and, noted that the audit findings resulted in a “clean” opinion in all of the categories audited. GUS is a federal requirement because the Town receives federal funding. Audit and Financial Risk Statements, an Expenditure and Limitation Report, and a cover letter from Colby & Powell, PLC that provides a summary of the audit findings, have been provided to the Town Council. The auditor’s took a risk-based approach to identify areas where improvements may be needed.



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While the audit findings revealed no significant deficiencies or weaknesses, Mr. Bingham noted that there is an area where there is room for a process improvement in the Community Action Program. Currently, one staff member determines if an applicant is eligible for a utility assistance voucher, which is provided to the Town from the (Pascua Yaqui) Tribe. The audit report recommends that there be an additional staff review of each application to confirm whether or not an applicant is eligible to receive a program voucher.

Accounting standards now require that pension liabilities and retirement benefits be included in financial statements. Pension programs include the Arizona State Retirement System (ASRS) and the Public Safety Personnel Retirement System (PSPRS). Mr. Bingham compared the current pension liabilities for both pension funds to last year's liabilities. Mr. Bingham then discussed the Town's financial net position, and how that is calculated.

In response to a question regarding how hiring three firefighters will impact the Town's financial position, Jeff Kulaga, Town Manager / Clerk, stated that a portion of the pension funding for these positions was factored into the funding calculations for those positions. Pension funding scenario's/forecasts will be presented to the Council at an upcoming meeting. Staff will also provide follow-up pension funding information to the Council.

Mr. Bingham invited Councilmembers to contact him if they have any questions about the audit report.

In response to a question regarding how to offset a deficit of \$712,382 in unrestricted funds, Mr. Bingham stated that it would require an increase in revenue or a decrease in spending.

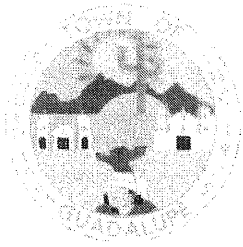
In response to a question, Mr. Kulaga stated that in June, 2018, the Town Council approved a budget that included \$5.5 million in revenue, \$5.3 million in expenditures, and \$451,000 in budget transfers. Approximately \$230,000 has been used for deficit spending. Staff has been frugal in expenditures.

In response to questions, Mr. Bingham stated that the audit includes the annual depreciation of Town assets, based on their purchase price. To his knowledge, no new Community Block Grant (CDBG) funding has been received during this audit period. The current CDBG balance is \$862,240.

Mr. Kulaga voiced appreciation for there being no significant deficiencies found during the audit. He will be working with Community Action Program staff to address the area of concern in reviewing applications to determine eligibility for utility assistance vouchers. The audit also revealed that the budget was \$474,000 better than what was initially forecasted by staff. Going forward, staff will assess previous budget trends and prepare more accurate budget forecasts.

Motion by Vice Mayor Vital to approve agenda item G1; second by Councilmember Osuna. Motion passed unanimously 6-0.

2. BICYCLE/PEDESTRIAN BRIDGE OVER I-10 AT HIGHLINE CANAL: Included in the 2017 Interstate 10/Interstate 17 Corridor Master Plan Study (Spine Study) is a planned bicycle/pedestrian bridge over I-10 at the Highline Canal alignment that is located within the Town of Guadalupe and the City of Phoenix. Councilmembers discussed consideration of directing the Town Manager to submit a letter to the Maricopa Association of Governments (MAG) and the Arizona Department of Transportation (ADOT) requesting that the design and construction of this bridge occur in the later phases of the freeway construction project, an estimated 3 to 5 years from 2019.



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Jeff Kulaga, Town Manager / Clerk, stated that this is a \$480 million project. A portion of the project is within the Town limits. ADOT is in the planning stages of widening Interstate 10 (I-10). The Town of Guadalupe (Town) will be eligible to collect a portion of sales taxes for construction materials for the I-10 widening project that is within the Town limits, which will have a positive budgetary impact. The project includes three overpass bridges within a mile of one another, one of which is a bicycle/pedestrian bridge over I-10 at the Highline Canal, Baseline Road to the west. The City of Phoenix, ADOT, and staff, have concerns regarding the Highline Canal pedestrian overpass portion of project. Concerns include logistical challenges for the placement of the overpass, the Town would be responsible for the maintenance of this structure, and potential public safety issues. There are no Town funds available to provide maintenance for this portion of the project. The demand and usage for this type of bridge is unknown; and, the project impacts Salt River Project due to the proximity of the Highline Canal.

Staff is recommending that the Town Manager send a letter to MAG and ADOT requesting that the design and construction of this bridge occur in the later phases of the freeway construction project. The City of Phoenix, MAG, ADOT, and Salt River Project support the postponement of this portion of the project.

Motion by Councilmember Anita Cota to authorize the Town Manager to send a letter to MAG and ADOT requesting that the design and construction of this bridge occur in the later phases of the freeway construction project, an estimated 3 to 5 years from 2019; second by Councilmember Bravo. Motion passed unanimously 6-0.

3. **CLAIMS:** Councilmembers approved the check register for December, 2018, totaling \$389,296.69.

Motion by Councilmember Anita Cota to approve agenda item G3; second by Vice Mayor Vital. Motion passed unanimously 6-0.

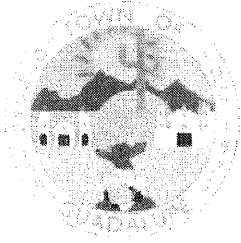
H. TOWN MANAGERS' COMMENTS

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

- Local First Arizona – 12 local businesses are participating in this program, beginning in February.
- Community Action Program (CAP) – Thanked CAP staff for coordinating the annual homelessness head count.
- January 30, 2019 – Fire truck dedication, 9:00 a.m., at the Town Fire Station. Members of the Ak-Chin Indian Community and the Tohono O'odham Nation tribal Councils have been invited. A press release will be issued on Monday.

I. COUNCILMEMBERS' COMMENTS

- Councilmember Bravo
She is enjoying her role as Councilmember.
Thanked staff members for attending the meeting.
- Councilmember Anita Cota
Thanked Catalina Alvarez, CAP Director for her work on the homelessness head count. Fire Truck dedication will include a blessing ceremony and a pledge of allegiance, with school children in attendance.
Thanked staff members for attending the meeting; and, thanked Jennifer Drury – Assistant to the Town Manager, for her work.



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- Councilmember Sánchez
Thanked staff for repairing mailboxes.
Thanked maintenance staff for contacting Salt River Project who repaired a power line that was down.
- Vice Mayor Vital
Saturday, January 26, 2019 – Regional Unity Walk.
Saturday, February 9, 2019 – Dia de Guadalupe event.
- Councilmember Osuna
Concerned about traffic flow at a 4-way stop on Avenida del Yaqui and Calle Carmen.
Thanked staff for attending the meeting and for their work.
- Mayor Molina
Concerned about the numerous amount of dogs located at Saguaro and Magdalena.
The corner of Montezuma/Sonora is blocked.

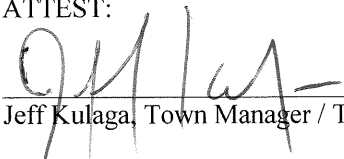
J. ADJOURNMENT

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

The meeting was adjourned at 6:48 p.m.

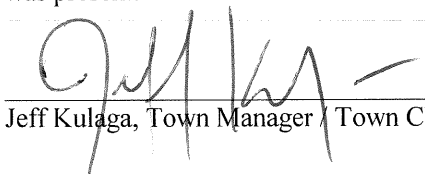

Valerie Molina, Mayor

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 Regular Town Council Meeting of the Town Council of Guadalupe, Arizona held on the 24th 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