



## NOTICE OF WORK STUDY SESSION OF THE TOWN OF GUADALUPE COUNCIL

JANUARY 10, 2019

### IMMEDIATELY FOLLOWING THE REGULAR COUNCIL MEETING WHICH BEGINS AT 6:00 P.M.

Pursuant to A.R.S. 38-431.02, notice is hereby given to the members of the Town of Guadalupe Council and to the general public that the Town of Guadalupe Council will hold a Work Study Session, open to the public, immediately following the Regular Council Meeting which begins at 6:00 P.M. on Thursday, January 10, 2019, at 6:00 P.M., at Guadalupe Town Hall, 9241 South Avenida del Yaqui, Museum Room, Guadalupe, Arizona.

### AGENDA

A. CALL TO ORDER

B. ROLL CALL

C. **CALL TO THE PUBLIC:** An opportunity is provided to the public to address the Council on items that are not on the agenda or included on the consent agenda. A total of 3 minutes will be provided for the Call to the Audience agenda item, unless the Council requests an exception to this limit. Please note that those wishing to comment on agenda items posted for action will be provided the opportunity at the time the item is heard.

D. DISCUSSION AND POSSIBLE ACTION ITEMS:

1. **FEMA SAFER GRANT FISCAL ANALYSIS:** Staff will provide a fiscal analysis of the short term and long term costs and savings of the FEMA Safer grant for the Guadalupe Fire Department and the grant process schedule. Council may provide direction to the Town Manager.

2. **SPECIAL EVENTS FISCAL ANALYSIS:** Staff will provide a financial summary of the recent Town of Guadalupe Tree Lighting and Navidad en Guadalupe special events. Council may provide direction to the Town Manager.

3. **TOWN COUNCIL FISCAL REVIEW SESSIONS:** Staff will present a schedule of fiscal review agenda items for presentation to Council to be scheduled at future meetings. Council may provide direction to the Town Manager.

E. ADJOURNMENT

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)

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January 4, 2019

To: The Honorable Mayor and Town Council

From: Jeff Kulaga, Town Manager / Clerk

**RE: January 10, 2019 Town Council Work Study Session Information Report**

The purpose of this report is to provide brief information regarding each of the study session's agenda items.

**Agenda Items:**

**D1. FEMA SAFER GRANT FISCAL ANALYSIS:**

The Guadalupe Fire department has been awarded a Federal Grant (FEMA) referred to as a SAFER grant that will allow the Town to be reimbursed a portion of 3 firefighter positions over 3 years. One of the Firefighter's was already appropriated for 6 months in this fiscal year's approved budget.

These three new positions will eliminate three reserve firefighter positions and impact the overall town budget as follows:

Starting in March 2019, if awarded, the grant will pay for 75% of 3 new firefighter positions' wages and benefits for the first two years with the Town paying 25%. The third year the grant will pay 35% of their wages and benefits and the Town will pay for 65%. The fourth year the Town will be paying 100% of their benefits and wages.

The following table illustrates overall costs and FEMA and Town responsibility:

<b>Wages and benefit Costs (1)</b>	<b>Year 1 18/19</b>	<b>%</b>	<b>Year 2 19/20</b>	<b>%</b>	<b>Year 3 20/21</b>	<b>%</b>	<b>Year 4 21/22</b>	<b>%</b>
FEMA Pays (2)	\$206,408	75%	\$206,408	75%	\$96,323	35%	\$0	0%
Town Pays	\$68,802	25%	\$68,802	25%	\$178,887	65%	\$275,211	100%
<b>Total Costs (3)</b>	<b>\$275,211</b>	<b>100%</b>	<b>\$275,211</b>	<b>100%</b>	<b>\$275,211</b>	<b>100%</b>	<b>\$275,211</b>	<b>100%</b>

(1) Eligible SAFER Grant reimbursement costs

(2) FEMA pays 75% years one and two and 35% year three when grant ends

(3) Years are defined as March 1 to February 28 annually

These estimates do not include overtime, as overtime is not a grant eligible expense. Overtime per year for the three new firefighter positions is estimated at \$13,737 per year or \$41,213 for the three grant period and is the responsibility of the town. The hourly rates of \$16.68 and \$29.65 for a reserve firefighter and a fulltime firefighter respectively were used to determine these forecasts.

The following table summarize specific costs and savings estimates related to the grant.

<b>Town Costs/(Savings)</b>	<b>Year 1: 18/19</b>	<b>Year 2: 19/20</b>	<b>Year 3: 20/21</b>	<b>Year 4: 21/22</b>
Salaries	\$68,802	\$68,802	\$178,887	\$275,211
Overtime	\$13,737	\$13,737	\$13,737	\$13,737
Reserve Coverage for academy	\$28,023			
Equipment & Uniforms	\$ 9,000			
Cost of Academy	\$ 9,000			
<b>Total TOG Costs</b>	<b>\$128,563</b>	<b>\$82,540</b>	<b>\$192,625</b>	<b>\$288,948</b>
Elimination of 3 Reserve Positions	<b>(\$145,716)</b>	<b>(\$145,716)</b>	<b>(\$145,716)</b>	<b>(\$145,716)</b>
Offset of % of 1 Hired FF Position (4)	<b>(\$68,803)</b>	<b>(\$68,803)</b>	<b>(\$32,108)</b>	
<b>Total Town Costs less Savings</b>	<b>(\$85,956)</b>	<b>(\$131,979)</b>	<b>\$14,801</b>	<b>\$143,232</b>
<b>YEAR 4 Estimate:</b>				<b>\$150,000- \$180,000</b>

(4) FEMA is paying for 75% of existing firefighter for year one and two and 35% of year three when grant ends.

Over the three year period, the Town will save an estimated \$203,134 with the FEMA grant and elimination of three reserve firefighter positions.

As an estimate, this savings may increase as a result of potential increases in pension contributions or insurance premiums, where these costs are eligible for reimbursement under the FEMA grant. Conversely, the savings may decrease due to additional overtime costs which are not eligible for grant reimbursement.

Beginning in year four, the SAFER grant expires, at which time the Town is responsible for the full cost of the three firefighters. Consequently, it is estimated that an additional \$143,232 will be needed to fund the three firefighters as uncertainties and unknown factors may surface. As a result, a forecast of \$150,000 to \$180,000 of added expenditures is a reasonable estimate to appropriate beginning in FY21/22 to fund the three firefighter positions.

#### Service Need:

The Automatic Aid Agreement requires full staffing levels as described in NFPA 1710 as a minimum of 4 members for all engines and ladders. Temporary reduction of 3 members for up 8 hours in a 24 hour period is allowable however, departments and districts with a 3 member staffing level shall have an active plan in place to accomplish full staffing. Should full staffing not be accomplished default to mutual aid is a possibility. The Town of Guadalupe entered into the agreement on December 14, 2017. The addition of two fulltime fire fighters would allow the Guadalupe Fire Department to better meet the Automatic Aid Agreement staffing level threshold. Maintaining this current staffing threshold has resulted in Fire Captains working overtime, these additional fulltime firefighters reduce the need for overtime and when needed fulltime firefighters (rather than hire paid Fire Captains) will be used first.

#### Schedule:

Presently, the Guadalupe Fire Department is recruiting for two firefighter positions. This recruitment closes on January 6, 2019. The interview process is scheduled for January 12, 2019 with decisions / offers scheduled for mid-February, 2019. This allows the newly hired firefighters to attend the March 2019 Fire Academy.

The Guadalupe Fire Department must notify FEMA of how that grant will be used by March 11, 2019.

Balance:

The short term fiscal impact to the Town's overall budget is manageable and is estimated to realize a savings. The long term fiscal impact beginning in year four adds a new appropriation of an estimated \$150,000 to \$180,000. However, the addition of fulltime fighters rather than reserve fire fighters better positions the Town to meet the Agreement requirements and reduce Captain level overtime costs.

Options:

- ✓ Consider approving the addition of two full time firefighter positions to the general fund budget for only a period of three years.
- ✓ Consider approving 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.
- ✓ Consider continuing current staffing levels to provide fire service with reserve firefighters.
- ✓ Consider approving a FY 18/19 budget transfer of \$27,514 for salaries and overtime for the remaining months of this fiscal year and \$46,023 for equipment and academy costs for a total of \$73,537 from the General Fund Contingency Reserve account. As part of the FY18/19 budget adoption in July, 2018, Council appropriated \$245,101 in the General Fund contingency reserve and this transfer of \$73,537 will leave \$171,564 in contingency reserve for FY18/19. There is no material for this agenda item.

**D2. SPECIAL EVENTS FISCAL ANALYSIS:**

As summarized on the attached table, revenues received for the events totaled \$15,616.50 and total expenditures allocated to the Celebration Expenses – December in the Town Administration budget center totaled \$14,994.80. To note, in the approved FY2018/19 Town budget, \$6,000 were appropriated for the December events. An addition \$9,616.50 was received through sponsorships. The overall total cost of the event was \$19,625.82 when including MCSO security costs and staff overtime which were allocated to other cost centers. Using these revenues and costs as a baseline, a cost of \$17,400 is estimated for the December 2019 tree lighting and Navidad en Guadalupe events. **(Page 5)**

**D3. TOWN COUNCIL FISCAL REVIEW SESSIONS:**

Scheduled fiscal review agenda items for presentation to Council and possible Council action are as follows:

- January 10, 2019: FEMA SAFER Grant review
- 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

There is no material for this agenda item.

## 2018 Tree Lighting and Navidad en Guadalupe Financials

prepared: 1\_3\_2019

REVENUES	actual
7/1/2018 TOWN GF Budget Allocation	\$ 6,000.00
9/14/18 Cox Comm-xmas	\$ 1,000.00
10/31/18 American Legion Auxiliary 124- christmas donation	\$ 500.00
11/5/18 American Legion 124christmas donation	\$ 575.50
11/5/18 Hotel Tempe Phoenix Airport Resort- christmas donation	\$ 250.00
11/6/18 The Mint Dispensary-christmas donation	\$ 2,000.00
11/15/18 Maven Engineering-donation	\$ 500.00
11/26/18 D.V. Exhibit- christmas donation	\$ 91.00
11/27/18 Mission Market- christmas donation	\$ 500.00
12/3/18 Anonymous- christmas donation	\$ 200.00
12/3/18 Dibble Engineering- christmas donation	\$ 1,000.00
12/10/18 SPR- christmas donation	\$ 1,000.00
12/27/18 Harvest	\$ 2,000.00
<b>REVENUE TOTAL</b>	<b>\$ 15,616.50</b>

EXPENDITURES	actual	budget line item	2019 estimated
Treat Bags Sub Total	\$ 1,052.69	\$ 1,052.69	\$ 1,100.00
Movie Passes Sub Total	\$ 2,108.00	\$ 2,108.00	\$ 2,200.00
Sponsor Recognition Sub Total	\$ 754.09	\$ 754.09	\$ 750.00
S'Mores Central Sub Total	\$ 1,898.87	\$ 1,898.87	\$ 400.00
Chair Sub Total	\$ 175.12	\$ 175.12	\$ 200.00
Bands Sub Total	\$ 1,050.00	\$ 1,050.00	\$ 2,500.00
Parade Sub Total	\$ 319.18	\$ 319.18	\$ 400.00
MCSO Security Sub Total	\$ 3,585.00		\$ 1,850.00
Decorations Sub Total	\$ 1,636.85	\$ 1,636.85	\$ 1,000.00
Event Planner Sub Total	\$ 6,000.00	\$ 6,000.00	\$ 5,000.00
PW STAFF Overtime Sub Total	\$ 1,046.02		\$ 2,000.00
<b>EXPENDITURE TOTAL</b>	<b>\$ 19,625.82</b>	<b>\$ 14,994.80</b>	<b>\$ 17,400.00</b>