

Minutes Regular Town Council Meeting February 22, 2018

Valerie Molina
Mayor

Minutes of the Guadalupe Regular Town Council Meeting held on Thursday, February 22, 2018, at 6:00 P.M., at Guadalupe Town Hall, 9241 South Avenida del Yaqui, Guadalupe, Arizona, in the Council Chambers.

Anita Cota
Vice Mayor

A. CALL TO ORDER

Mayor Molina called the meeting to order at 6:00 P.M.

Gloria Cota
Councilmember

B. ROLL CALL

Councilmembers Present: Mayor Valerie Molina, Vice Mayor Anita Cota, Councilmember Joe Sanchez, Councilmember Elvira Osuna, and Councilmember Ricardo Vital

Elvira Osuna
Councilmember

Councilmember Absent: Councilmember Gloria Cota, Councilmember Faustino Valenzuela

Staff Present: Jeff Kulaga – Town Manager / Clerk, Bob Thaxton – Finance Director, Wayne Clement – Fire Chief, Veronica Matuz – Senior Center Director, Jennifer Drury – Assistant to the Town Manager, Dave Ledyard – Town Attorney

Joe Sanchez
Councilmember

C. INVOCATION/PLEDGE OF ALLEGIANCE

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

Faustino Valenzuela
Councilmember

D. APPROVAL OF MINUTES:

Motion by Councilmember Sanchez to approve the February 8, 2018, Regular Town Council Meeting Minutes; second by Councilmember Vital. Motion passed unanimously 5-0.

Ricardo Vital
Councilmember

Approved the minutes of the Town Council Regular Meeting held on February 8, 2018.

E. CALL TO THE PUBLIC – None.

F. MAYOR and COUNCIL PRESENTATION – None.

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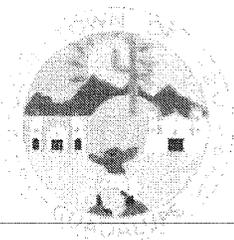
G. DISCUSSION AND POSSIBLE ACTION ITEM:

1. **AUDIT REPORT:** Matt Bingham of Colby & Powell, PLC, provided a presentation regarding the Town of Guadalupe audit report for the fiscal year ending 2016/2017.

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Jeff Kulaga, Town Manager / Clerk, introduced presenter Matt Bingham of Colby & Powell, PLC. Mr. Bingham thanked Town staff for their assistance during the recent audit report process. 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) 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. Audit and Financial Risk Statements, an Expenditure and Limitation Report, and a cover letter, have been provided to the Town Council.

Mr. Bingham discussed the Arizona State Retirement System and Public Safety Personnel Retirement System pension plans and the financial liabilities associated with each pension



plan. He then reviewed the government-wide and net position financial statements. He noted that the Town's unrestricted spending revenue went from \$713,324 in June, 2016 to \$335,040 in June, 2017.

In response to questions from Councilmembers, Mr. Bingham stated that based on the information in the audit report, the Town's budget is not sustainable. The Town has assets such as infrastructure and equipment, but lacks revenue. His recommendation is to increase revenues or cuts costs, or a combination of both.

Valerie Molina
Mayor

Mayor Molina noted that the pension liabilities outlined in the audit report were not included in a recent budget update provided to the Town Council. In response to a question, Mr. Bingham stated that the impacts of pension rates is unknown; historically, pension rates have increased over time. The audit report includes all Town liabilities.

Anita Cota
Vice Mayor

Mayor Molina stated that the Town Manager / Clerk should explore increasing revenues, including consideration of development opportunities.

Gloria Cota
Councilmember

Vice Mayor Cota noted that the strategic planning process will be helpful with the budget process; and, that previous employee furloughs did not result in considerable costs savings. Mayor Molina added that cutting departments would also not be helpful, due to the minimal staffing levels.

Elvira Osuna
Councilmember

Jeff Kulaga, Town Manager / Clerk, stated that on April 26, he will be presenting a proposed budget to the Town Council. Councilmembers will be provided a menu of options such as increasing revenues, decreasing costs, and combinations of both. The proposed budget will not be dependent upon fund balances.

Joe Sanchez
Councilmember

Regarding the Capital budget, Mr. Kulaga noted that the Town's infrastructure is deteriorating. In the upcoming budget proposal, staff will be proposing grant funding to address infrastructure improvements.

Faustino Valenzuela
Councilmember

Vice Mayor Cota noted that the Town may save money on engineering costs in the upcoming budget cycle.

Ricardo Vital
Councilmember

Mayor Molina thanked staff for assisting the auditor's during the audit report preparation process.

Motion by Vice Mayor Cota to accept the audit report (agenda item G1); second by Councilmember Sanchez. Motion passed unanimously 5-0.

2. Approved a Field Internship Agreement with the Maricopa County Community College District, on behalf of the Town of Guadalupe Fire Department, and authorized the Town Manager to execute the agreement. **(Contract No. 2018-04)**

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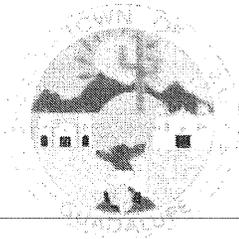
Jeff Kulaga, Town Manager / Clerk, stated that the initial Field Internship Agreement was approved in 2001, and is outdated. There is no cost to the Town for this youth career development agreement. The Town's Fire Chief is the point of contact for this agreement.

Mayor Molina suggested that staff consider partnering with the Guadalupe Learning Center.

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Motion by Councilmember Vital to approve agenda item G2; second by Councilmember Sanchez. Motion passed unanimously 5-0.

3. Approved amendment to an intergovernmental agreement with the Ak-Chin Indian Community modifying Article VI, Section 4.1 of the agreement by increasing the amount awarded from \$95,000 to \$112,000, toward the purchase of a Type 1 Fire Engine and authorized the Mayor to sign all necessary documents. **(Contract No. 2017-01A; Resolution No. R2017-21)**



Motion by Councilmember Sanchez to approve agenda item G3; second by Councilmember Vital. Motion passed unanimously 5-0.

4. Approved the January, 2018, check register totaling \$349,260.68.

Motion by Councilmember Vital to approve agenda item G4; second by Vice Mayor Cota. Motion passed unanimously 5-0.

H. TOWN MANAGER'S REPORT

Jeff Kulaga, Town Manager / Clerk, thanked Councilmembers for the participation in a recent town visioning session. There were approximately 25 community members in attendance. The facilitators are in the process of compiling the data and will be prepared to present the information to Councilmembers on March 8, in preparation for the March 15, visioning session.

I. COUNCILS' COMMENTS

Councilmember Osuna

- Concerned about nails on the roadway due to construction activity.
- Thanked staff members for attending the meeting.

Vice Mayor Cota

- Sunday, March 4, 2018 – Guadalupe Youth Council, Town Hall Museum Room.
- Saturday, February 24, 2018 – Post 124 Auxiliary Unit parade.
- Tuesday, March 6, 2018 – Frank School rebuild open house.

Councilmember Sanchez

- Thanked staff members for attending the meeting.
- Concerned about the lack of presence of Animal Control vehicles.
- Concerned about graffiti at Biehn Park.

In response to a question, Jennifer Drury, Assistant to Town Manager / Clerk, noted that the maintenance yard project has been completed.

Mayor Molina

- Thanked staff members for attending the meeting.
- Thanked staff for their work on the Dia de Guadalupe.
- Requested volunteers to distribute fliers for the Frank School meeting.
- Saturday, March 17, 2018 – Guadalupe Little League event, Stottlemire Park.
- Welcomed Lydia Montiel in her new role as Senior Center Assistant.

Councilmember Vital

- Thanked staff members for attending the meeting.
- Great representation at the community garden grand opening; it also serves as a gathering space for the community.

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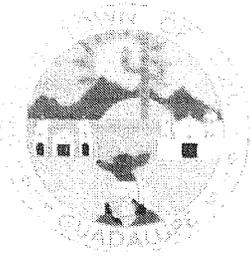
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J. ADJOURNMENT

**Motion by Councilmember Sanchez to adjourn; second by Councilmember Vital.
Motion passed unanimously 5-0.**

Valerie Molina, Mayor

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Vice Mayor

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Elvira Osuna
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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 Regular Town Council Meeting of the Town Council of Guadalupe, Arizona held on the 22nd day of February, 2018. I further certify the meeting was duly called and held and that a quorum was present.

Jeff Kulaga, Town Manager / Town Clerk

Approved by the Town Council on March 8, 2018.