

# Minutes

## Town Council Regular Meeting

### April 26, 2018

Valerie Molina  
Mayor

Minutes of the Guadalupe Town Council Regular Meeting held on Thursday, April 26, 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.

#### B. ROLL CALL

Gloria Cota  
Councilmember

Councilmembers Present: Mayor Valerie Molina, Vice Mayor Anita Cota, Councilmember Gloria Cota, Councilmember Joe Sanchez, Councilmember Ricardo Vital, and Councilmember Faustino Valenzuela (*arrived at 6:19 p.m.*)

Elvira Osuna  
Councilmember

Councilmember Absent: Councilmember Elvira Osuna,

Joe Sanchez  
Councilmember

Staff Present: Jeff Kulaga – Town Manager / Clerk, Bob Thaxton – Finance Director, Wayne Clement – Fire Chief, Gerardo Moreno – Public Works Director, Nancy Holguin, Community Development Coordinator, Jennifer Drury – Assistant to the Town Manager, Catalina Alvarez – CAP Director, Jason Douglas, Captain, Josh Lind, Reserve Firefighter, Shaun Willhite, Reserve Firefighter, Greg Pinion, Reserve Firefighter, Kay Savard – Deputy Town Clerk, and Dave Ledyard – Town Attorney

Faustino Valenzuela  
Councilmember

#### C. INVOCATION/PLEDGE OF ALLEGIANCE

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

Ricardo Vital  
Councilmember

#### D. APPROVAL OF MINUTES:

1. Motion by Councilmember Sanchez to approve the April 12, 2018, Town Council Regular Meeting minutes; second by Councilmember Vital. Motion passed unanimously 5-0.

Approved the minutes of the Town Council Regular Meeting held on April 12, 2018.

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#### E. CALL TO THE PUBLIC – No one spoke.

#### F. MAYOR and COUNCIL PRESENTATIONS – None.

#### G. DISCUSSION AND POSSIBLE ACTION ITEMS:

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

#### 1. EXECUTIVE SESSION:

**Motion by Vice mayor Cota to convene into Executive Session; second by Councilmember Cota; motion passed unanimously 5-0.**

*Councilmembers convened into Executive Session at 6:02 p.m., and reconvened the Regular Meeting at 6:19 p.m.*

*All Councilmembers were present with the exception of Councilmember Osuna.*



2. **PUBLIC HEARING:** Held a public hearing for a variance request from G.T.L. LLC (d/b/a The Mint - a medical marijuana dispensary) located at 5210 S. Avenida del Yaqui to amend the hours of operation for its' marijuana dispensary as set forth by the Town of Guadalupe Zoning Ordinance, Article 2, Part III, Section 1, Subsection C, Paragraph 5, limiting the hours of operation to not earlier than 8:00 AM and not later than 6:00 PM. The variance application includes the following requests:

Valerie Molina  
Mayor

- 1: an extension of the current variance approved by Town Council on June 29, 2017, permitting the hours of operation open to the public from 8:00 AM to 9:00 PM, seven days a week; and,
- 2: a second variance to extend the hours of operation open to the public from 9:00 PM to 11:00 PM, seven days a week.

Anita Cota  
Vice Mayor

Mayor Molina opened the public hearing.

Gloria Cota  
Councilmember

Louie Lujan, applicant representative, CIMA Law Group Director of Government Relations, stated that the meeting materials include several arguments that the applicants believes justifies approval of the variance requests. Since the initial approval of the existing variance, The Mint continues to be a professionally operated business that promotes economic growth, is involved in the community, is committed to ensuring public safety, has generated significant revenue for the Town of Guadalupe (Town), has added jobs, and has donated to various causes and events. There have been no major incidents at the business location. The Mint is among one of the highest volume dispensaries in Arizona.

Elvira Osuna  
Councilmember

Mr. Lujan urged Councilmembers to support agenda items G3 and G4. The previous variance approved by Councilmembers was based on findings by the applicant, Town staff, and Town legal counsel, related to special circumstances that were not created by the applicant. Approval of the variances is for the benefit of residents, and will not be detrimental to people employed in the vicinity of the business location. The findings remain unchanged.

Joe Sanchez  
Councilmember

Faustino Valenzuela  
Councilmember

Raul Molina, applicant, welcomed Councilmembers and meeting attendees to visit The Mint to learn about how the facility operates; and, noted that educational classes will also be held at the facility.

Ricardo Vital  
Councilmember

In response to a question regarding the guidelines set forth by the Arizona Department of Health Services Administrative Code, Section R9-17-310 concerning hours of operation, Mr. Raul quoted the Code as follows:

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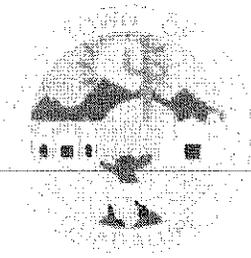
Ensure that the dispensary is operating to dispense medical marijuana to qualifying patients and designated caregivers at least 30 hours weekly between the hours of 7:00 a.m. and 10:00 p.m.

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Mr. Molina stated that the hours of operation are a suggestion; and, that the main concern of the Arizona Department of Health is that the facility be open for business a minimum of 32 hours a week.

In response to a question, Mr. Molina indicated that he would be willing to follow the state guidelines for hours of operation. The premises has been remodeled and it business is expected to increase by 50%.

**Motion by Councilmember Vital to close the public hearing; second by Councilmember Sanchez; motion passed unanimously 6-0.**



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Anita Cota  
Vice Mayor

Gloria Cota  
Councilmember

Elvira Osuna  
Councilmember

Joe Sanchez  
Councilmember

Faustino Valenzuela  
Councilmember

Ricardo Vital  
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The public hearing was closed.

3. **VARIANCE REQUEST:** Councilmembers discussed and approved an extension of the variance that was approved by the Town Council on June 29, 2017, related to the Town Zoning Code, Article 2, Part III, Section 1, Subsection C, Paragraph 5, for G.T.L. LLC (d/b/a The Mint – a medical marijuana dispensary) located at 5210 S. Avenida del Yaqui to continue extended hours of operation, open to the public, from 6:00 PM to 9:00 PM, seven days a week.

**Motion by Councilmember Vital to approve agenda item G3; second by Councilmember Sanchez. Motion passed 5-1 on a roll call vote with Vice Mayor Cota voting no.**

4. **VARIANCE REQUEST:** Councilmembers discussed a variance request of the Town Zoning Code, Article 2, Part III, Section 1, Subsection C, Paragraph 5, for G.T.L. LLC (d/b/a The Mint, a medical marijuana dispensary) located at 5210 S. Avenida del Yaqui to extended hours of operation, open to the public, from 9:00 PM to 11:00 PM, seven days a week.

Councilmembers discussed the possibility of the variance timeframe and the possibility of extending it to being effective for two years.

**Motion by Councilmember Vital to approve the variance request to extend the hours of operation from 9 p.m. to 10:00 p.m., for a two-year timeframe; second by Councilmember Cota. Motion passed on roll call vote 5-1 with Vice Mayor Cota voting no.**

David Ledyard, Town Attorney, stated that Councilmembers may wish to amend the motions for agenda items G3 and G4 to include that the same findings exist as when the variance was originally approved. Should that motion occur, Town staff can provide the applicant with the statement of findings from the date when the original variance was granted.

**Motion by Councilmember Vital to amend motions for G3 and G4, to include the findings from the Town staff to be similar findings for the next two years; second by Councilmember Valenzuela. Motion passed on roll call vote 5-1 with Vice Mayor Cota voting no.**

5. **RESOLUTION NO. 2018.09:** Councilmembers adopted **RESOLUTION NO. 2018.09** authorizing the Town of Guadalupe to enter into an intergovernmental agreement with Maricopa County for Regional Emergency Operations Management and Disaster Services, effective July 1, 2018; and, authorized the Mayor to execute all documents in furtherance of this agreement. **(Contract #2018-11)**

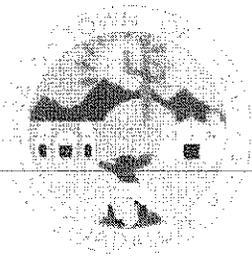
Jeff Kulaga, Town Manager / Clerk, stated that this intergovernmental agreement (IGA) is a renewal with Maricopa County for the preparation and execution of emergency programs and plans. There term of the IGA is through June, 2023, at an estimated cost of \$1,500 annually to the Town. Staff recommends approval of the IGA.

**Motion by Councilmember Vital to approve agenda item G5; second by Councilmember Sanchez. Motion passed unanimously 6-0.**

*Agenda items G7 and G8 were taken out of order.*

7. **CONTRACT:** Council approved the construction management services proposal from Dibble Engineering for the Calle Sahuaro flood remediation project in the amount of \$18,000; and, authorized the Town Manager to execute all necessary documents in furtherance of this contract. **(Contract #2018-12)**

Jeff Kulaga, Town Manager / Clerk, stated that agenda items G7 and G8 are related to the Calle Sahuaro flood remediation project. Item G7 is for construction management and



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oversight of the project. Staff recommends approval of this agenda item.

**Motion by Councilmember Sanchez to approve agenda item G7 second by Councilmember Vital. Motion passed unanimously 6-0.**

8. **CONTRACT:** Councilmembers awarded a construction contract to KCCI, LLC in the amount of \$417,850 for the Calle Sahuaro flood remediation project IGA2017A018; and, issued Order to Proceed to KCCI, LLC. **(Contract #2018-13)**

Jeff Kulaga, Town Manager / Clerk, stated that the staff received three bids for this project. The project includes the Maricopa County Flood Control District. Mr. Kulaga detailed the project costs, which totals approximately \$467,000, including design, engineering and construction management and noted that staff recommends approval of this agenda item.

**Motion by Vice Mayor Cota to approve agenda item G8; second by Councilmember Valenzuela. Motion passed unanimously 6-0.**

6. **PROPOSED FY 2018 / 2019 TOWN BUDGET INTRODUCTION:** Jeff Kulaga, Town Manager / Clerk presented a slide presentation of the proposed fiscal year 2018/2019 Town budget (budget). Staff will work to refine the budget over the next few months. He reviewed the budget timeline and the steps involved in developing the budget.

Mr. Kulaga emphasized that the operating budget does not include grant funding requests; however, Council approved grant requests and an additional \$1 million of budget capacity has been incorporated into the budget to provide for spending authority, should the grant funding requests be approved. Approved grant funding from SRP and Maricopa County CDBG has been incorporated into the budget.

Mr. Kulaga then reviewed the budget fund balances for the current fiscal year through March 30, 2018; funding sources; expenditures; 2018/2019 Operating Budget; utility and services expenditures; town responsibilities; 2018/2019 General Fund; Highway User Revenue Funds (HURF) and sewer fund analysis; grant requests; and, unfunded needs not included in grant requests.

Mr. Kulaga emphasized that expenditures are exceeding revenues; and, that approved grant funding will be allocated for specific purposes, and not for recurring operations expenses. Currently, fund balances are being used to offset 2018/19 operating expenses. This use of fund balances for operating expenses limit the Town's ability to provide local matching funding for projects and to be prepared for unexpected expenses. A complete analysis of the Town's aging sewer lines is needed to assess the condition of the sewer infrastructure.

In response to questions from Councilmembers, Mr. Kulaga stated that staff will provide detailed budget expenditures related to vehicle and equipment maintenance and graffiti removal. The risk in seeking grants for funding recurring operational expenses is finding ways to fund that expense when grant monies have been expended. He encouraged Councilmembers to provide feedback on potential revenue sources.

Councilmembers referenced the staff recommendations and suggested that the Town explore ways to develop commercial properties. Community members have indicated that public safety is a high priority; and, that the cost of public safety to the Town is not sustainable. Mr. Kulaga stated that at the current rate of spending to support public safety, funding would be available for up to four years. Reducing expenditures is difficult; seeking grants and developing Town land are revenue generating options.

Councilmembers discussed working with the Pasqua Yaqui Tribe to explore ways to develop their commercial land; and, the importance of providing the community with easy to understand budget data; and, educating the public about how gaming grants must be utilized for specific purposes.



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H. TOWN MANAGER'S REPORT – None.

I. COUNCILS' COMMENTS

- Councilmember Valenzuela  
Thanked staff members for attending the meeting.
- Councilmember Vital  
Friday, April 27, 2018 – Dia de Niño's event.  
Thanked staff members for attending the meeting.
- Councilmember Sanchez  
Voiced appreciation for the appearance of the marquee sign.
- Councilmember Cota  
Thanked staff members for attending the meeting.
- Vice Mayor Cota  
Thanked staff members for their clean-up efforts after the car show event.  
Thanked staff members for their fund raising efforts.  
Friday, April 27, 2018 – Teacher walk out activities.
- Mayor Molina  
Thanked staff members for the street and speed hump striping.  
Voiced support for Red for Ed that supports teachers and their support staff.  
Friday, April 27, 2018 – Dia de Niño's event.

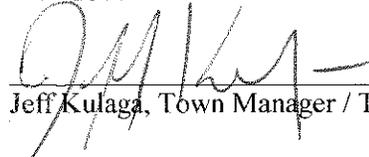
J. ADJOURNMENT

**Motion by Councilmember Sanchez to adjourn; second by Councilmember Vital.  
Motion passed unanimously 6-0.**

The meeting was adjourned at 7:33 p.m.

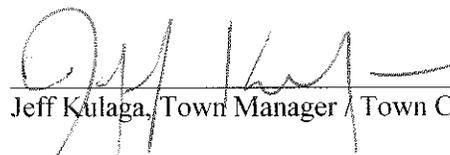
  
\_\_\_\_\_  
Valerie Molina, Mayor

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 26<sup>th</sup> day of April, 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 May 10, 2018.