

**Notice of Public Meeting  
Town of Superior  
Work Session  
Thursday, October 20, 2011-6:00 P.M.  
Superior Senior Center  
360 Main Street, Superior, AZ 85173**

**MINUTES**

**A. CALL TO ORDER**

Mayor Michael Hing called the meeting to order at 6:04 p.m.

**B. SALUTE TO THE FLAG**

Mayor Hing led the salute to the flag.

**C. OPENING PRAYER**

Mayor Hing led the opening prayer.

**D. ROLL CALL**

Mayor Hing said to let the roll call show this was a work session. He stated that he was present, Council Members Hank Gutierrez, Chris Tomerlin, and Vice Mayor Olga Lopez were present.

Other council members arrived at various times during the session.

**E. DISCUSSION**

1. Pinal County Excise Tax and letter from Auditor General/Overview of HURF funds

Mayor Hing said they had the town's response to the Pinal County Excise Tax issue and their claims of the funds not being addressed appropriately and a follow-up letter indicating the extension of time. Deputy Town Manager Digirolamo said this had been put on the agenda at the request of a council member. Mayor Hing verified with finance clerk Nicole Welty that this is addressing the normal county excise tax audit that is taken every five years. The claim is they didn't provide the records of the last five years. Deputy Town Manager Digirolamo said the last audit was done in 2006. There is a statute that says every five years the Pinal County Excise Tax will be audited. Mayor Hing explained that his response as stated before is that these and HURF are part of the town's working budget.

2. Review health insurance for Council and ability to reallocate budgeted funds if necessary

Vice Mayor Lopez said she requested this item because she understood they had put money in the budget for insurance for all seven council members but not all seven use the insurance. Finance Clerk Welty clarified that it had to either be budgeted for seven council members or not, citing what could happen if the make-up of the council changes and someone new wants the insurance. They could not just tell them it wasn't in the budget. Vice Mayor Lopez went on record that she had her own insurance, is retired and does not need the insurance. Vice Mayor Lopez said couldn't they just address that every year when they do the budget. Deputy Town Manager Digirolamo said you had to address the worst case scenario if all seven council members had insurance and at June 30 somebody might be replaced or there might not be a council member. At that time they could probably allocate that money somewhere else in the general fund. Vice Mayor Lopez said they'd keep that thought.

Council Member Gutierrez said they are a population of 2800 people. They have budget issues. He doesn't know how some of the smaller communities deal with this. He knows school board doesn't get medical coverage. Maybe they could do some research. He knows with this TPT tax they are going to be making \$4,000 a month payments for three years. Maybe they should suspend their health insurance for three years to pay that amount for the TPT tax. He would like to see a work session just for this so the public could see.

3. Home Rule Election in 2013

Deputy Town Manager Digirolamo reported on the upcoming Home Rule election. The way it looks is that will take place in the spring/primary election of 2013. In case it does not have to go to the general election. In response to a question, Town Attorney Christopher Wencker clarified two options: a) permanent base adjustment or a recurring election every four years for Home Rule.

4. Tracking of City Rental Tax

Finance Clerk Welty explained the process of how TPT tax is collected and ends up as a single item (sales tax) in Superior's budget. Vice Mayor Lopez asked if they ever know who is actually paying their fair share. Ms. Welty said there is a form but they do not have the manpower to actually go through that process. Council Member Gutierrez questioned regarding format the information is in. Deputy Town Manager Digirolamo said right now it is not in any order and he had just been shown that recently. He encouraged anyone who knows of a business that is not paying their fair share and has rental units and is not putting it down on the Arizona Department of Revenue form, they'd like to know about it so they can look at it.

5. Explanation of property taxes from sources and allocations of the property taxes once received

Ms. Welty explained Schedule B, Schedule C, and Schedule A of the budget and answered council's questions about these forms and property taxes. Vice Mayor Lopez asked about the enterprise zone. Deputy Town Manager Digirolamo said Superior had voted not to participate any longer in the enterprise zone and the enterprise zone had expired for Superior for the two properties.

6. Letter from Arizona Department of Revenue dated August 17, 2011 reference City Sales Tax

Mayor Hing called attention to the letter from the Department of Revenue concerning the sales tax issue that was given to them, taken from them, given to them and taken away from them. That was \$156,000. Council Member Gutierrez reiterated that is \$156,000 they have to pay back to the state and asked how much their payments are going to be. Deputy Town Manager Digirolamo said \$4,300 and some change. Council Member Gutierrez said they should look for other revenue sources. Mayor Hing said when you look at the sales tax up until September, they are almost halfway to meeting their goal and they are not even halfway through the budget year. They could pay that off in one year if they are at that same pace after three months. Council Member Gutierrez said they could use that additional money to do landscaping at the Magma Club. They should consider looking for revenue sources within their current budget, not projections. Deputy Town Manager Digirolamo said they had three years to pay it back.

**F. ADJOURNMENT**

**MOTION:** Council Member Gutierrez moved to adjourn. Council Member Tomerlin seconded. **VOTE:** The vote to adjourn was unanimous. Mayor Hing adjourned the meeting at 6:55 p.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Work Session of the Town Council of the Town of Superior held on the 20th day of October 2011. I further certify that the meeting was duly called and held and that a quorum was present.

/s/

**Lou Digirolamo** \_\_\_\_\_

**Deputy Town Clerk/Police Chief**

These Minutes were compiled and transcribed by  
Cindy Tracy

An Independent Contractor.

(Final editing of these minutes and their content is completed and verified by staff members of the Town of Superior.)