

**Notice of Public Meeting
Town of Superior
Special Council Meeting
Thursday, July 28, 2011-7:00 P.M.
Superior Senior Center
360 Main Street, Superior, AZ 85173
MINUTES**

A. CALL TO ORDER

Mayor Hing called the meeting to order at 7:06 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

Present: Council Members Hank Gutierrez, Chris Tomerlin, John Tameron, Mayor Michael Hing, Vice Mayor Olga Lopez

Absent: Council Members Gilbert Aguilar and Soyla "Kiki" Peralta

E. CONSENT AGENDA – N/A

F. COMMUNICATION

A. Manager's report—Deputy Town Manager Lou Digirolamo

a) Employee Pay Schedule

Council Members and Deputy Town Manager Digirolamo discussed a list of salaries for employees that had previously been requested.

B. Finance Report – Nicole Welty

- a) Annual expenditure report 2008
- b) Exempt Lease Tax
- c) Property tax formula
- d) TPT Form (rental report)
- e) Update accounts payable/receivable

Ms. Welty and other staff members presented items listed in the report and/or responded to council questions.

C. Presentation by Mila Lira on the creation of an Economic Development Corporation

Mayor Hing said that Ms. Lira was there to report on the creation of an Economic Development Corporation. He said to Council Member Gutierrez that this was per request regarding the cost.

Ms. Lira presented preliminary budget figures for the creation of a 501c3 Economic Development Corporation. These were attached to council packets. A skeleton budget for the operation of such a corporation was also included.

She discussed this report verbally and said that as they could see just to get the 501c3 started would be about \$5,255. She also included a vacant operating budget so they could be aware that the cost would be more than just the 501c3. She said what they were seeing for a part-time director would probably cover a full-time director for this particular area and for this particular market.

She made further comments and responded to questions and discussion by council and the mayor.

G. PUBLIC HEARING (motion to go into public hearing)

1. Public hearing for discussion, input, comments for or against the proposed budget for fiscal year 2011-2012

MOTION: Council Member Tameron moved to go into the public hearing at 8 p.m. Vice Mayor Lopez seconded.

VOTE: The vote to go into the public hearing was unanimous of all present.

Mayor Hing said they were now in public hearing and asked that those who come up state their name for the record. He gave background for the record that the tentative budget amount is \$4,896,634. It had been printed in the local paper. The budget included the property tax issues. He asked Finance Clerk Nicole Welty for the total amount anticipated to be received from the property tax levy.

Ms. Welty said the property tax levy is \$776,004.

Mayor Hing said, \$776,004 levied at 5.9020, correct?

Ms. Welty: Correct.

Mayor Hing: And of course that is assessed towards the water treatment plant and the fire department?

Ms. Welty asked to make a comment and Mayor Hing said okay. Ms. Welty then clarified an earlier question that had been made about where the property tax amount showed up on the schedules.

Mayor Hing continued discussing the budget. He pointed out anticipated revenues for local sales tax to be \$275,000. These are inputs of other than property tax. Another number is the

state sales tax of \$216,000, the urban revenue sharing \$239,000, vehicle tax \$125,000, other majors are Resolution's commitment to the fire and police service of more than \$100,000 and also the urgent needs account that could add up to \$100,000.

Council Member Gutierrez asked about Schedule C revenues for 2011, about the difference between estimated and actual town sales tax.

Ms. Welty responded and Mayor Hing said the manager had wanted to assess the addition of the new businesses such as the Dollar Store with the additional revenue tax that would come in through that process. So they don't get exact numbers but even with the loss of the dealership there have been some monies coming in through the local sales tax.

Council Member Gutierrez made further comments and asked what was going to change.

Ms. Welty commented on the functionality of the new software.

Mayor Hing said are you saying then that at some time in this past fiscal year or in this current fiscal year, some businesses didn't pay their license?

Mayor Hing said he thought the chief (deputy town manager) researched a couple of businesses and found out they hadn't paid their operating license.

Deputy Town Manager Digirolamo explained the process with the new software in relation to capturing the proper business license fees.

There were further questions from Mayor Hing, Council Member Gutierrez and staff regarding the software and the new look of business licenses that would be seen if not this year, perhaps next year.

Council Member Gutierrez questioned the difference between actual fines and estimated fines in 2011. He asked if that was from Redflex.

Deputy Town Manager Digirolamo said yes. The first couple of months that they (Redflex) were in have really increased revenue from the magistrate court. The only thing he has a concern about is July 20 the legislature had come in and put different requirements on those notices and one of the biggest ones is you don't have to answer the summons.

Mayor Hing said is that why you made a lower estimate? It is quite a bit.

Deputy Town Manager Digirolamo said basically they would have to wait and see as it just went into effect eight days ago.

Mayor Hing said to the public that the revenue stream from this device in 2011 brought in over \$27,000. They were only anticipating in the next fiscal year \$7,000 because of the comment and what the action might be taken at the state level.

There was further discussion of Redflex and how it was paid. Deputy Town Manager Digirolamo explained that the town collected funds but more than they pay. It is a self-sufficient program.

Council Member Gutierrez asked about other reimbursements. They went from actuals of \$217,000 approximately to up to an additional \$270,000, which brings it up to \$488,400.

Ms. Welty said yes, referring to a work session and a number of different reimbursements that go into that calculation.

Mayor Hing said to Council Member Gutierrez that you have to put the money in the budget but if more money came in than the four hundred and some thousand, we would be able to use it in that fiscal year.

Council Member Gutierrez asked if it could be less.

Ms. Welty said yes.

Council Member Gutierrez explained his concern was they are basing other expenditures on that estimate.

Council and staff continued to discuss details of the budget.

Mayor Hing said this was a public hearing and asked for any comments from the public.

There were further comments on the budget.

Parks & Recreation Director Barbara Arriola spoke about recreation and her plans for the department. She said that she worked a lot of volunteer hours and got very small pay for the hours she put in.

Council Member Gutierrez questioned her about an allocation for Little League in the budget. The bottom line: was she okay as recreation director that the town supports an extra \$6,000 a year for a nonprofit.

Ms. Arriola said that if it would benefit kids, she was okay with that.

Council Member Gutierrez said if she supported it, he supported it.

Mila Lira spoke as a parent who has kids in Little League. She appreciated revenue in the community, green grass for people, people that do not even have kids, that is a part of their recreation.

Sue Anderson had a question about the insurance benefits in the budget. Did they go up?

Ms. Welty said the reason is that they budgeted for every single person on the council to have insurance.

Ms. Anderson expressed concern over the possibility of people wanting to be on the council just for benefits.

Council Member Gutierrez asked Ms. Lira if the school board (which she is a member of) received benefits. Ms. Lira said the school board gets no compensation, no pay and no benefits.

Curt Williams said he sat in on as many meetings of the budget as he possibly could. At the budget work session at the school, Library Director Josie Campos had made a presentation. He said Ms. Campos has been the librarian for 30 years. The library serves more than any

other facility. He said the council had done her a terrible injustice and he pleaded and groveled for them to change those numbers.

Ms. Welty clarified that Ms. Campos is a full-time employee and hours had been added back to the library.

There were further comments.

MOTION: Council Member Tomerlin moved to go back into regular session at 9 p.m. Vice Mayor Lopez seconded.

VOTE: The vote to back into public session was unanimous of all present.

H. BUSINESS, POSSIBLE DISCUSSION AND/OR ACTION ON THE FOLLOWING

1. Discuss/Approve/Reject financial and logistical support from the Town of Superior to create an Economic Development Corporation

Council, staff and Mila Lira discussed and commented on this item.

MOTION: Council Member Gutierrez moved to allocate \$20,000 to the EDC: \$10,000 in cash start-up fee and \$10,000 matching money.

In response to a question by the mayor, he explained that they (EDC) go out to the business communities ... grants, whatever they can. They come up with \$5,000 and the town will pitch in another \$5,000 and up to \$10,000.

There was further discussion. Ms. Lira clarified that the EDC would only get the second \$10,000 if they fund-raised up to \$10,000.

There were further comments.

Council Member Tameron seconded the motion.

Mayor Hing asked for the motion to be repeated.

Council Member Gutierrez said the motion is to allocate \$20,000 to the private EDC with the following conditions: \$10,000 cash and up to \$10,000 in matching funds.

Ms. Lira said "if they receive other donations."

Council Member Gutierrez added "if they receive other donations."

Mayor Hing asked if Council Member Tameron had seconded that.

Council Member Tameron said yes.

VOTE: The vote to approve the motion was unanimous of all present.

2. Discuss/Approve/Reject proposed final budget for fiscal year 2011-2012. Resolution 528 confirming the adoption of a final proposed budget for FY 2011-2012

Council Member Gutierrez asked about the discussion of the EDC and if it had to be addressed.

Town Attorney Christopher Wencker explained that if you allocate \$20,000 you have to have a place to take it from. He said his recommendation would be to address that in the budget right now.

Council Member Gutierrez said he continued to support the idea of discontinuing medical benefits for council members. How should he separate that in addition to support of the EDC?

Attorney Wencker advised Council Member Gutierrez as to the kind of motion he could make if he chose.

Council Member Gutierrez said you see the dilemma here. That is a split vote because the rest of the body may support the first part of the motion but they won't support the second.

Attorney Wencker said that may be.

There were further comments.

MOTION: Mayor Hing proposed the adoption of the 2011-2012 budget with two changes. He asked counsel to direct him in the proper words.

Attorney Wencker asked that the adoption of Resolution 528 be added in the motion.

Mayor Hing added Resolution 528 into the motion and asked the attorney and Ms. Welty to advise him in wording.

Mayor Hing said that they wanted to increase to add an additional \$20,000 for EDC and decrease the contingency fund by that amount.

Council Member Tameron seconded.

Deputy Town Manager Digirolamo was asked to read the motion. It was to create a \$20,000 line item for the EDC, reduce the line item to \$780,000 from the contingency fund and approve Resolution 528.

VOTE: The motion carried unanimously of all present.

I. CALL TO THE PUBLIC

Curt Williams said that because the town council can't or won't talk about Melanie Oliver doesn't mean she has been forgotten.

Sue Anderson thanked the council for their allocation to the EDC. She said she knew there were a number of people including her who have worked on this for seven or eight years now and this is a major milestone and they appreciate the support.

J. EXECUTIVE SESSION

The Town Council may or may not vote to go into Executive Session pursuant to ARS38-431.03 (A-1) (A-3) & (A-7)

There was no executive session.

A-1 –PERSONNEL: A-3 LEGAL ADVICE WITH ATTORNEY

A-7 – LEGAL ADVICE ON SALE, LEASE OR PURCHASE OF REAL PROPERTY

K. COUNCIL COMMENTS

There were no council comments.

L. ADJOURNMENT

MOTION: Council Member Tomerlin moved to adjourn at 9:40 p.m. Council Member Tameron seconded.

VOTE: The vote to adjourn was unanimous of all present. Mayor Hing adjourned the meeting at 9:41 p.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Council Meeting of the Town Council of the Town of Superior held on the 28th day of July 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.)