

**Town of Superior  
Work Session  
Wednesday, July 11, 2012, 4:00 P.M.  
Superior Senior Center  
360 W. Main Street, Superior, AZ 85173  
MINUTES**

**A. CALL TO ORDER**

Mayor Jayme Valenzuela called the work session to order at 4:19 p.m.

**B. SALUTE TO THE FLAG**

Mayor Valenzuela led the Salute to the Flag.

**C. OPENING PRAYER**

Council Member Chris Tomerlin led the opening prayer.

**D. ROLL CALL**

**Present:** Council Members Hank Gutierrez, Chris Tomerlin, John Tameron, Gilbert Aguilar, Soyla “Kiki” Peralta (arrived at 4:22 p.m. following roll call), Mayor Jayme Valenzuela and Vice Mayor Olga Lopez; **Absent:** N/A

**E. DISCUSSION**

1. 2012-2013 Budget Discussion

Council recessed from 4:23 to 4:31 p.m. for Mr. Tameron to get his packet. Ms. Wentzel then began the budget discussion.

She referenced Schedule D, Debt Servicing. They had corrected the General Fund once, now needed to correct it one more time. She had not included the purchase of the Roosevelt School in their debt servicing. She is still waiting for the title company to send the paperwork that she understands is a 30 year mortgage at \$333.33 a month, which is what they have been paying. So they have to add another \$4,000 to their annual debt servicing in the general fund, which makes it \$716,417. It takes the general fund available money down to \$812,492. She and former Deputy Town Manager Lou Digirolamo responded to council questions regarding the mortgage details. Ms. Wentzel said in her opinion, and she had been a banker, they were over extended in their debt servicing but that was not to say they were not going to make some more money and get back on board.

She called their attention to Schedule E, which barely changed. What a disappointment that they had made all their budget reduction suggested changes and only saved \$10,000 in the general fund. Everything they did, and they had cut to bare minimum, was not going to do

the job. She had wanted to bring that up immediately because they could go through the budgets again, but in reality they are kind of nickel and diming at that point.

Mr. Gutierrez discussed how he had told a constituent that they could cut salaries or a position but that would not get them where they needed to go. He spoke about how they were looking at a shortfall of \$3 million. Ms. Wentzel said that was correct, and another debt servicing of \$812,000.

There were further comments and questions from council for Ms. Wentzel, to which she responded. She went on to make recommendations.

Ms. Wentzel spoke about things the town may not be able to do in future, touching on some services, facilities and in-kind help or contributions to organizations or events. She said the town had to take care of its fiduciary responsibility. The money belongs to the taxpayers. It comes out of somebody else's pocket and they give it to the town. If the town did not know in the past, now they know; this is not the way the town can function.

Mayor Valenzuela asked to hear the numbers. Ms. Wentzel said she thought they could no longer provide the services that are not required under incorporation. Those are going to the things that cut to the heart. She is not sure how the town can say to the Little League they are no longer going to pay for their concession stand utilities and water anymore, but they'll keep the library open, or can say to the Food Bank that the town cannot pay its electric bill but will continue to pay the senior center electric bill.

The mayor asked for an explanation of functions that are required under incorporation. Ms. Wentzel said under incorporation you need to provide administration so you can pay your employees. You provide police, fire and streets, not public works but streets. Wastewater treatment plant is not a part of incorporation but because the voters elected to close the district and to put in the wastewater treatment plant under the town, she would say that would also be required. Mr. Tameron asked if fire came under police. Ms. Wentzel said it is under public safety. She said ambulance is also not part of that. Cemetery is not part of that. These are all functions the town has taken on because the community wanted that, that the town wanted because they thought somehow they could pay for that, and they can't. So they have to look at it a different way.

The other thing they needed to do is implement a furlough day. This may not be the way to go because you can't furlough police and fire. What you do is say to police and fire that everyone else has volunteered to take furlough days and not get paid. What police and fire would have to do is give up days of pay. She is not clear on the process and will research it.

She said the only other thing she could tell them is their staff is highly qualified and highly paid in some respects. There are communities that have taken their staff salaries back to \$7.65, minimum wage, especially if they are receiving their benefits. The town could do that or not provide a benefit package anymore. Benefits are more expensive in most cases than salaries.

Mr. Tameron said that when he was on the council before, each council ran a department. It worked to the point where they had enough finances to start hiring department heads, with

the exception of the police and administration. Ms. Wentzel said it did work because the town was on expenditure limitation. There was a threshold so they could never get out of control. When money went into the bank then, it never came out. They need to get back to that. Mr. Tameron said maybe they could just volunteer to help cut back. Ms. Wentzel said that would be an asset. She didn't think everybody could participate in the same fashion.

The mayor asked if there were any more comments from the council. They know where they are at. They know what they have to do. It is not pretty. It is not something that is going to go away today or the next six months.

He allowed audience members the opportunity to speak:

**Sue Anderson:** Said this was the problem of all of them, the entire town, not just the council. She came from a town in another state that imposed emergency measures. She did not know if it was legal here but that town did it. They imposed a 3 percent tax on the sale of every piece of real estate. She sold a house for \$100,000 and paid \$3,000 from that to the city. They took it right from the title company. That is still in effect and that was 20 years ago. They imposed a 13 percent utility tax. That has been in effect for 20 years. Mr. Tameron asked what if they didn't pay. She said their trash and sewer bills went on their property tax bills, and that is in many places in California. The county liens your property if you don't pay it. That town has no delinquencies in the trash and sewer. She also wanted to know what expenses the town is incurring on behalf of the Chamber, because she wants to be able to go to the Chamber with that.

**Roy Chavez:** Said not to take it negatively but he had been telling them this for the past five years. This is the worst condition the town has ever been in. This situation wasn't caused by the economic downturn. It was caused by mismanagement, misappropriation and unprofessionalism and unloyalty to the people of the community. Also, they had more employees who work for the town who live outside than ever before. Here they are banging the mining industry and everyone else to hire from within and their own government operation is allowing people to just leave and not live there. Council does need to disclose the financial position the town is in. People are not going to understand until it impacts them, until the door is closed to the senior center and the kids can't go to the swimming pool and nobody can go to the library and use the computer anymore. Those things happened in other communities but Superior is different. They put themselves in that position. His stomach had turned when the former mayor sat up there and said they balanced the budget. There needs to be disclosure. In the press release they have to say who is to blame and that blame is the responsibility of the entire community. It is all of them. They are all to blame. It sounds like he is being negative but he isn't. They need a description of what needs to be done, the cutbacks. The reduction of services at the senior center and library could be part-time. There was a discussion of this and Ms. Wentzel gave the budgetary details. Mr. Chavez said if the services were cut it may not make a big dent but may send a message. If they cut, that means the fire and police departments. There was no intention of the town having a full-time fire department and the ambulance service is not a business; it was a service to the local citizens for safety and health. All employees working for the town of Superior should be living in Superior. He doesn't know three-quarters of the people who work for the fire department. They should know those people. They should have a vested interest in living in Superior. That would address some of the financial issues.

**Fred Miramon:** Said delinquent accounts had to be revisited again. If you want to keep the pool, the library or other facilities open, the public has to come forward and say, "Hey, we live in this town. We have to be responsible." He knew it would take a lot of time or paperwork, but get some of that money back. Go about it in a different manner so it is not going to create the hardship of losing their home. But something has to be done. Come up with a plan.

Mayor Valenzuela said they would go to council comments.

**Council Member Gutierrez:** Responded to some of Mr. Chavez' points, they had been addressed. A lot of those firefighters were volunteers. He disagreed with the comments about the press release. They have to talk about what they have to deal with today. They can talk to their constituents on how they got there. That is a different conversation, not in a press release. He also appreciated the extensive budget discussions. Others have sat in that chair and given different types of information. He likes what he is hearing because it is not all peachy cream. He doesn't know how it is going to be worked out but agrees with Mr. Chavez that they are going to come out the other end.

**Council Member Tomerlin:** Said he did not like hearing it but liked that they are finally hearing the truth, because they did get so many different stories and it was always: "We're okay. We'll be fine." He was glad they were hearing it because now they can move forward. Maybe it will get worse before it gets better, but it will get better because now they know. He thanked Ms. Wentzel for finally giving them the full and complete picture.

**Council Member Tameron:** Said he had said his piece.

**Council Member Peralta:** Said she had told them so. She had been telling them this for years.

**Council Member Aguilar:** Said it was difficult. He put a lot of blame on himself because he had voted on things that he now sees he should not have. He went on staff recommendations. He is not saying they were all wrong but there were a lot of things he should have looked into. He didn't do his job as a councilman, as a person the people out there depend on, and he should have. He should have really done his research and looked at things differently. All he could say was he was going to start, and make sure that they do get out of this. He is not going to give up.

**Vice Mayor Lopez:** Said she agreed with Mr. Tomerlin. It was finally nice to get everything in black and white and be shown what they have, what they don't have, what's there, also what they can do as far as redemptions, cutbacks. Just because there is a check there doesn't mean they can write checks anymore and that's the truth. She felt like Mr. Aguilar did: they were given information they thought was the true picture, the whole picture. Where he said he might not have asked, she remembered asking several times, "Where's this, where's that?" She was told it was alright, never mind, she didn't have to worry about it. That's the way it was. It doesn't make it right. It doesn't make her feel any better, because they made decisions that were difficult; they made decisions that were wrong. Sometimes they made decisions 50/50 it was going to be good or it was going to be bad. They are in this hole now, without, unfortunately, having had the information to make

better decisions. But in the last six months there has been a big change, she believed, in the administration and this council, and the fact they are getting the information now. She believed they were all in the position where they are more vocal and are getting some answers back instead of just being told not to worry about it, ignore it. They are asking questions and that is the main thing, ask questions and if you don't get an answer, keep on. She did not know how Ms. Wentzel was doing it. She doesn't know how she gets to work every day with what they have put on her plate, and does it with the pay they are giving, because it isn't much for all she does for them. They appreciated the staff for their hard work. It is going to get harder. They think they are wearing a lot of hats now? It is going to get worse. There are a lot of cuts and if they have to make the decision to close down departments, it is going to be up to them to let their constituents know what difficult times they are in and that they are trying to handle them and that they need them to show up and give them directions or input. Be a part of the community. Don't just sit back until it hits them personally. They need to step up to the plate, they all do, and recognize that they are in a serious position and it is going to take them awhile to get out of it. This is just one year they are looking at. They have two more audits on top of this. It is going to double what they are seeing on that sheet of paper right now. All she is saying is to work together, they are here to ask questions and try to provide answers for everybody and move forward in a positive direction.

**Mayor Valenzuela:** Said he liked what he heard because he heard ownership from every one of the council members. He heard ownership from everyone up there. They all are accepting responsibility that the people have entrusted in them to run this town and to make the right decisions for this town. Each one of them was going to have to go to their constituency and explain the situation, as Ms. Lopez said, and tell them things aren't going to be easy for the next six months, the next year. Some services will be cut, some activities they probably won't participate in because they don't have the funds. They don't have the manpower. The one positive thing is they are not at the bottom yet. They are not there yet. They can fix it, still. One way, and other cities are doing it, is they have to increase their volunteers in all areas, in all departments. And each one of these other organizations such as the Chamber, the LOST, will have to step up to the plate with them, because they are in a bad spot right now. He is okay with it and takes ownership of it. When he ran, he knew they were going to hit some hard times; he didn't know it would be this hard but he knew they were going to hit hard times. Just as Mr. Chavez said, he believes in every one of the council members they have right now. He believes in the staff right now. Whether they believe it or not, he does. "I believe in you," he said to the staff. Right now they all have to wear different hats and go that extra mile. They don't need to cry about having to do something extra. "Let's just do it," he said. Because that is what this community is about; it is about everybody stepping up to the plate and taking their fair share of the work load and doing it. He thinks they have and he thinks with Ms. Wentzel still cutting back and doing what she has to do, they will get there. He thought this was a good budget meeting. He is glad there is more participation from the council. Everybody is asking questions. Everybody knows. He challenges anyone out there—their famous letter writer who writes every week in the paper about him—they all know who is behind those letters. They all know who is stepping up and writing them and putting those people up to doing that. He challenges them to come there and help. Don't be part of the problem, be part of the solution. Come and help. "Negativity gets us nowhere," he said. They all have to work together; can't they all just get along? That is what they needed to do.

**F. ADJOURNMENT**

**MOTION:** Vice Mayor Lopez moved to adjourn. Mr. Aguilar seconded. Mayor Valenzuela adjourned the work session at 6:26 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 11<sup>th</sup> day of July, 2012. I further certify that the meeting was duly called and held and that a quorum was present.

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**Rita M. Wentzel, Interim Town Clerk/Interim Town Manager**

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 Town of Superior staff members.