

SUPERIOR TOWN COUNCIL
Regular Council Meeting-September 5, 2015
360 Main Street @7:00 P.M.

Call to Order: Meeting was called to order at 7:00pm by Mayor Valenzuela.

Roll Call: Councilmember Alonzo, Councilmember Estatico, Councilmember Tameron, Councilmember Peralta, Vice Mayor Lopez, Mayor Valenzuela.

Absent: Councilmember Aguilar-family illness.

Invocation: Pastor Dennis Van Gorp, Family Life Christian Center

Pledge of Allegiance-Mayor Valenzuela

1. Summary of Current Events:

- A. Council Members: Councilmember Alonzo expressed his gratitude to Councilmember Peralta for all of her hard work and her efforts. Councilmember Estatico express gratitude for her work on the council said it is hard work being on the council and appreciates all she did, also welcomed Mila to the board, Councilmember Tameron “no comment”, Mrs. Peralta “no comment”, Vice Mayor Lopez appreciation to Councilmember Peralta for her hard work and enjoyed the years of working together with her. Councilmember Peralta does have a comment. She would like to thank people for their support. Also I have total confidence in this Council that they will do the right thing not only for Resolution but for the whole community and they will not sell us out. Thank You.
- B. Mayor: Thank you for serving on the Council also you are a good friend. We had an election and the people have spoken. Now we will welcome Ms. Besich-Lira to the council and move forward and do our best for the best interest for the Town of Superior. Mayor pointed out the two sign in sheets and instructed the public the purpose of those two sheets. Also discussed the call to the public after discussing this with several attorneys and this is a practice all over the state not just this community but we will no longer allow comments on action items as we go thru the items, comments will be made during “call to the public”. If it is a heated debatable item it is at the council’s discretion to allow for public comments to be made at that time.
- C. Town Manager: The application for the zoning & site review for the new Circle K is still moving forward. They are proceeding with the initial filing of the application. The next step is application in the application will be going to the planning and zoning commission so they can consider rezoning the property. Margaret met with Circle K’s representatives and they are looking forward to moving ahead.

2. Special Presentations:

- A. Rural Water Association of Arizona Award for Andy Arriola, Interim Town Manager- Margaret Gaston, Andy Arriola was chosen as Waste Water Manager of The Year 2013. We are very, very proud of Andy, one of our own. Andy thanked Mayor Valenzuela, Vice Mayor Lopez for their support. Sam Polk nominated him for the award his partner Chris Bribiescas he helped me this award right here is just not for me, it is for him too and I say thank you to everybody. Mayor thanked Mr. Arriola for representing the town.

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3. Adjourn Regular Meeting- Mayor moved to adjourn regular meeting and move on to call to order board of adjustment hearing.
4. Call to Order Board of Adjustment
 - A. Discussion and Consideration of approval of VA-2013-01; Request to Amend A Condition of approval of VA-2013-01, Required Number of Parking Spaces-Ms. Gaston- Introduction of Richard Turner from Wildan, March of last year the town Council acting as board of adjustment approved the variance for the number of spaces for the Magma Hotel. There will be a trade of sorts in order to save the existing planter in front of the Magma Hotel. The plan is to use 2 public parking spaces right across the street. This hearing is to modify the condition of the approved variance. Motion to accept this variance application made by Councilmember Tameron Motion was seconded by Vice Mayor Lopez, Motion carries unanimously.
5. Adjourn Board of Adjustment- Mayor moves to adjourn board of adjustments
6. Reconvene Regular Session- Mayor reconvenes to regular session.
7. Consent Calendar- Mayor asking for anyone wishing to speak on these items at this time. Motion to accept the consent calendar by Councilmember Estatico, second by Councilmember Alonzo, Motion carries unanimously.
8. New Business;
 - A. Resolution No. 547 A Resolution of the Mayor and Town Council of the Town of Superior, Pinal County, Arizona Declaring and Adopting the Results of the Recall Election Held on August 27, 2013. Mayor thanked Ms. Peralta for her service, stated that he had a plaque ordered for her to thank her for her service but unfortunately it was not available in time for the presentation.

Councilmember Estatico moved to approve Resolution No. 547; Councilmember Alonzo seconded, vote was called for and motion carried unanimously.
 - B. Oath of Office Administered by Judge Orzell, Kearny Magistrate Court, to Mila Besich-Lira, Council Member.

Judge Orzell administered oath to Mila Besich-Lira, she was received as new Councilmember for the Town and Councilmember Besich-Lira took her place on the board with the other Council members. Councilmember Besich-Lira thanked the public for their support and promised to do the very best to make the right decisions for the Town.
 - C. Discussion and Consideration of Approval of a Contract with Albert Holler & Associates to Conduct a Sales Tax Audit. On July 18, 2013, the Council adopted the Budget for the fiscal Year 2013-14 for the Town of Superior. One of the considerations in adopting the budget was

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the concern of lack of revenue. The Council did adopt the property tax levy that would continue to bring in the same amount of revenue for property taxes, but another consideration was to increase the sales tax. Citizens during the public comments suggested a sales tax audit. The Mayor and Council listened to the people in the town, and that's why we have this agenda item for a sales tax audit.

The Town of Kearney has a 3% sales tax and collected \$536,500 for 2011-2012; Kearny has a population of 1,950 and is not located on a major state highway. The town of Miami has a 2.5% sales tax and collected \$243,407; Miami has a population of 1,837, they are located on a major state highway, but don't have a lot of business. The Town of Superior currently has a 2% sales tax and collected \$278,779; Superior has a population of 2,837, and is located on a major state highway, and has numerous businesses on the highway. If you especially compare Superior with Kearny, it makes no sense to only collect \$278,779 compared to \$536,500 for Kearny.

Mr. Al Holler has proposed to perform the sales tax audit for a total cost of \$24,000 per year; to be paid on a monthly basis of \$2,000. The contract can be terminated with a 30 day notice. Mr. Holler also stated if he cannot find any businesses that are not paying their sales tax, or why Superior is not collecting more sales tax, he will terminate the contract himself. Mr. Holler has been successful with the sales tax audit in Coolidge and other communities. This will give the Council answers regarding the sales tax collections. Mr. Al Holler will be here Thursday evening to answer any additional questions regarding a sales tax audit. The contract is attached and also the Scope of Work to be performed. It is my recommendation that Council approves the contract with Albert Holler & Associates for a total of \$24,000 per year beginning September 15, 2013. Council proceeded to get some background information from Mr. Holler regarding his experience and what cities he has done work for.

After several minutes of discussion there was a motion by Councilmember Besich-Lira to approve a contract with Albert Holler & Associates to Conduct a Sales Tax Audit, Second by Vice Mayor Lopez, motion carries unanimously.

- D. Ordinance No. 117: An Ordinance of the Town of Superior, Arizona, Relating to the Privilege License Tax; Amending the Town Tax Code by Increasing the General Rate of Taxation from Two Percent(2%) to Four Percent (4%); Providing penalties for the Violation Thereof; Providing for Severability; Designating an effective Date and Making Provision for Existing Contracts. The Town of Superior Town Council does have tough decisions to make in the coming year. Previously the

Council discussed having a sales tax audit conducted for the Town of Superior. The most immediate concerns the lack of sales tax collected for the Town of Superior. The audit is one answer, but the Council needs to address the issue that if the audit does not increase the sales tax to 4%. Ordinance No. 117 will increase the sales to 4%. If the Council adopts Ordinance No.117 at the Council meeting on the 5th of September, the Ordinance will not go into effect until December 1, 2013. The Ordinance does contain a "sunset" clause, which states it shall automatically be repealed on November 30, 2015, unless extended by the Town Council. By adopting the Ordinance, the Council is continuing to look forward by providing revenue for the Town of Superior. Superior owes \$1.5 million to the HURF Fund, \$74,000 to the Local Transportation Assistance

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Fund (LTAF) and \$932,457 to the Pinal County Transportation Tax Fund. These are the main issues. A power point was presented by Margaret Gaston-Interim Town Manager going over budget and the need for revenue. Ms. Gaston's recommendation is that the Council adopts Ordinance No. 117 to provide for Superior's future.

Motion to adopt Ordinance No. 117 by Vice Mayor Lopez, second by Councilmember Alonzo. Mayor Valenzuela, Vice Mayor Lopez & Councilmember Alonzo, Councilmember Estatico, Councilmember Tameron voted "aye"; Councilmember Besich-Lira "nay".
Motion passed.

- E. Discussion and Acceptance of Bids for CDBG Project 140-12; Awarding a Contract for CDBG 140-12 and Approving a Notice to Proceed to the Winning Bidder. Interim Town Manager Margaret Gaston – The Town of Superior was awarded a CDBG Project 140-12 for the wastewater treatment plant. Bid opening was held on August 15, 2013, for the project. The engineer's estimate was \$240,000, the bids came in at Jonovich Companies, Inc. \$305,378.75; and Hunter Contracting Co. \$305,620.13. A discussion was held with Willdan Engineering, Ken Hebert from CAG, and staff from the Town regarding the bids. Willdan contacted the bidders and requested the removal of items 6 through 13, see attached. Also Jonovich reduced their mobilization costs by \$13,000, item #14. Hunter could not be asked legally to reduce their mobilization costs; so Jonovich remained the low bidder.

Willdan Engineering recommends, and I concur Council needs to accept the bids and award the bid to Jonovich Companies, Inc. in the amount of \$225,355.00 for the CDBG Project No. 142-12. The balance in the CDBG Project as of 7/10/13 was \$322537.51, including Administration and the Project. After several minutes of discussion and concerns from the council to Mr. Anderson motion was made.

Motion to accept the bids and award the bid to Jonovich Companies, Inc. was made by Councilmember Tameron, second by Councilmember Besich-Lira, Motion carries unanimously.

9. Action Items- nothing

10. Call To The Public – Mayor open call to the public portion of meeting.

1. Freddie Miramon- Thanked Ex-Councilmember Peralta for all of the hard work on the Council and wished her well. Welcomed Councilmember Besich-Lira to the board and gave words of encouragement and obligation for all to work together in unity.
2. Aja Dezeeuw -She agreed with Ms. Gaston and that the council does have some very hard decisions to make to get this town back on track. She also requested that Council

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consider moving the call to the public back to the beginning of the agenda so that the public has an opportunity to speak on items that will be voted on. Mayor closed call to the public with no else to speak.

11. Executive Session- Motion to move into executive session made by Councilmember Estatico, Second by Vice Mayor Lopez, motion carries unanimously meeting adjourned to go into executive session.
Motion by Mayor Valenzuela to come back into regular session, Motion by Councilmember Tameron, second by Vice Mayor Lopez, unanimously passes.
12. Post Executive Session-
 - A. Approval of Contract with MSG Consulting, LLC: Motion from Councilmember Estatico to approve contract with MSG Consulting, LLC, second by Councilmember Besich-Lira, motion carries unanimously.
 - B. Approve Listing of Town Owned Properties for Public Bids- Mayor and council direct staff to go and get value on the properties and come back with the information and at that time we will discuss or act on this item.
12. Scheduling of Meeting- Is scheduled for September 19, 2013.
14. Adjournment- Mayor asked for a motion to adjourn meeting, Motion by Councilmember Estatico, second by Councilmember Tameron, motion carries unanimously, meeting adjourned.

Jayne Valenzuela, Mayor