

**Town of Superior
Public Hearing
Wednesday, January 10, 2013, 6:00 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 6:10 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 Irene Hansen, Chris Tomerlin, John Tameron, Gilbert Aguilar, Vice Mayor Olga Lopez and Mayor Jayme Valenzuela; **Absent:** Council Member Soyla “Kiki” Peralta

E. DISCUSSION

1. Review of Home Rule (Annual Expenditure Limitation) and State-Imposed Expenditure Limitation

Ms. Wentzel indicated that this was the time and date of the second of two required public hearings regarding Annual Expenditure Limitation, also known as Home Rule. Following this meeting, the Council will hold a Special Meeting to adopt a resolution to extend Home Rule so that it can be included on the ballot for the May 21, 2013 election.

Ms. Wentzel reviewed the state-mandated time-line from initiating the discussion to actual voter participation in the Home Rule proposition. Ms. Wentzel again described the differences between the use of the state-imposed limitation and alternate expenditure limitation, or Home Rule, for municipal budgeting purposes. She then discussed the specific calculations of the State-imposed Expenditure Limitation compared to those of the Alternate Expenditure Limitation for the next four years (handout).

The Town of Superior initiated Home Rule in 1995, and it has been renewed every year except for in 2007, but it was reauthorized by voters in 2009.

Mayor Valenzuela asked for any questions and comments at this time.

Council Member Aguilar asked if this goes to the voters. Ms. Wentzel indicated that first it must go to the Auditor General's office and, once approved, it would go to the voters at the May 21, 2013 election.

Mr. Sonnie Sansom asked for clarification of which amount could be spent if we did not have Home Rule. Ms. Wentzel indicated that the chart with the lower dollar amount would be followed without Home Rule.

Ms. Leslie Martin asked what would happen if the voters voted down Home Rule. Ms. Wentzel indicated that we would be subject to the state-imposed limitation. There would be a restricted budget so if there was a revenue windfall, we would not be able to spend that money but would need to put the money in the bank and save it. Prior to the initiation of Home Rule, there was quite a bit of money saved.

Mayor Valenzuela asked if Ms. Wentzel felt it was a good decision to initiate Home Rule when the Town did. Ms. Wentzel indicated that, in her opinion, it was a good decision at the time. There were several infrastructure and capital improvement projects that needed to be accomplished, and once we were on Home Rule, we were able to utilize our banked savings and leverage that money against grant funding. It gave us a springboard to be more independent and less dependent on the mine. The economy was better at that time and we were able to manage to our budget. Mayor Valenzuela asked what some of the improvements were. Ms. Wentzel indicated that some of the projects were: street bonds to resurface the Town's roadways, development of the Industrial Park, construction of a new Aquatics Center, purchase of the Belmont and Wing buildings on Main Street, remodel of the Belmont building, the US 60 Park and construction of a new fire station. Ms. Wentzel clarified that while the Industrial Park property was donated to the Town by BHP, there were various elements that needed to be addressed in order to develop the five (5) pads. We obtained three (3) grants from EDC, CDBG and HURF with a \$100,000 match from the community and negotiated with both OMYA Arizona and Superior Marble for the purchase of three (3) of the five (5) pads. Ms. Wentzel indicated that this was a several million dollar project and would not have been accomplished under the state-imposed limitation.

Mr. Sonnie Sansom, 203 Main Street, asked if the projections are closer to the revenue that came in last year or will it fall out of the sky. Ms. Wentzel indicated that it was somewhere in between the two. She further explained during the budget process we anticipate the expenses to be somewhat higher than what is anticipated so that if we receive some unanticipated revenue, we would be able to spend it during the budget year rather than bank it as we had done under the state-imposed expenditure limitation.

Ms. Leslie Martin asked if we did not have Home Rule could we operate this Town on \$1,674,000 and how would we do that. Ms. Wentzel indicated that we would be required to operate on that amount. In order to do so, we would be required to make some very serious changes, and they would be changes most of us would not like. We would not be able to run a pool, senior center, library, etc. Ms. Wentzel indicated what was required under incorporation included only a limited scope of public safety, streets, sanitation and administration. We may not be able to run the ambulance. She emphasized that when looking at state-imposed limitation, you need to limit your spending. Ms. Wentzel indicated

that it had been done in the past and if that was the will of the voters, it would need to be done in the future.

Council Member Tameron asked if the fire department, under public safety, could go back to a Fire District. Ms. Wentzel indicated that the voters directed the dissolution of the Fire (and Sanitation) districts because they were quite expensive, tax-wise, to the residents. The ambulance may be a problem. While currently have the staffing and apparatus, it is not a required service under incorporation. We chose to run the ambulance as it is a great service for our community and our travelers; however, it is quite costly.

Council Member Tameron asked if we could operate with that budget only providing the required services. Ms. Wentzel indicated that we could do so; however, we may not be able to offer the same level of service as we do today.

Ms. Wentzel made a personal comment that as a member of the community, when we failed to put Home Rule on the ballot in 2008, that perhaps the smartest thing we could have done was to manage to the state-imposed limitation rather than taking that year and exceeding the state-imposed limitation (and being assessed a fine) and then in the following year requesting an override (which was approved). I think that would have really brought our finances back into line where we need to be rather than having seven (7) or eight (8) years of continual spending and ending up where we are today. Ms. Wentzel indicated that was simply an observation as she didn't know if the Town could have put the brakes on that quickly and made a difference.

Mayor Valenzuela asked about the posting of the Agendas on the Town's website as there was one area where the date was not correct. Ms. Wentzel indicated that the actual agendas for the 10th were posted to both the Town's and the League's websites. Attorney Wencker viewed the Town's website and indicated that in the box area the meeting date was typed incorrectly; however, if you press the button to view the agenda and notice, the date is correct on both on the Town's and the League's websites. Attorney Wencker felt that we had done our due diligence.

Mr. Freddie Miramon asked if that would stay the same or be corrected. Mayor Valenzuela indicated we would address it.

F. ADJOURNMENT

MOTION: Council member Tomerlin moved to adjourn. Council member Tameron seconded.

VOTE: The motion passed unanimously.

Mayor Valenzuela adjourned the work session at 6:34 p.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Public Hearing of the Town Council of the Town of Superior held on the 10th day of January, 2013. I further certify that the meeting was duly called and held and that a quorum was present.

Rita M. Wentzel, Interim Town Manager/Clerk