

**Town of Superior  
Work Session  
Thursday, June 20, 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 4:15 p.m.

**B. SALUTE TO THE FLAG**

Mayor Valenzuela led the Salute to the Flag.

**C. OPENING PRAYER**

Mr. Fred Miramon led the opening prayer.

**D. ROLL CALL**

**Present:** Council Members Hank Gutierrez, John Tameron, Gilbert Aguilar (arrived after roll call at 6:50 p.m.), Soyla "Kiki" Peralta, Mayor Jayme Valenzuela and Vice Mayor Olga Lopez; **Absent:** Council Member Chris Tomerlin

**E. DISCUSSION**

1. 2012-2013 Budget Discussion

This was a continuation of the June 14, 2012 work session. Mr. Gutierrez asked questions about the staff organizational chart. Ms. Wentzel responded. Mayor Valenzuela said he was curious about the questions. Mr. Gutierrez said he was going to make budget recommendations and wanted information because he was not there for the first two hours of the June 14 meeting. This was not any different than they did in the last two budget cycles. He was asking a lot of questions because he felt it was necessary. The mayor said that was fine.

Ms. Wentzel said in follow-up to Mr. Gutierrez that re the notifications made to council, there was a list of calls made and the response based on the list. She said that the staff person actually spoke to Mr. Gutierrez in person about the meeting Tuesday. She remembered it distinctly. It is in her notes that when he answered the phone he said that town hall was calling. Mr. Gutierrez said he had actually spoken to that particular staff person a number of times and whether it was related to that he didn't know. He would have thought that there would have been a phone call that maybe Mr. Gutierrez didn't get the right information. Ms. Wentzel said she didn't know about the mistake in meeting time on some of the agendas until she came to the meeting. The attorney and minute taker came in

and said the agenda said 6:15; so they didn't know until it was too late, until it was 6:15 and he showed up.

Interim Town Clerk Wentzel reported on a previous question of not having a town manager and having the duties of town manager, clerk, and finance director performed by the same person. She discussed her conversations with the town attorney and with Mr. Tom Belshe, Arizona League of Cities and Towns. She said Mr. Belshe said there was no law or statute that says you can't have all of those positions in one individual. He had said the town's management had called and asked the same question when Ms. Oliver was all of those positions and he gave the same answer. He recommended that if there was a person who had been in municipal government in the past they go through League compliance training. Ms. Wentzel said she had done the training in the past. Mr. Belshe had said many communities do not have a town manager because they can't afford it. She had asked about budgets; he had said many communities had called him re that and had the same problem and his consistent recommendation is to increase direct revenue generation and reduce the Police Department.

Ms. Wentzel began the budget discussion. The placard that had been referenced during the June 14 discussion and placed on a table for everyone to see had been amended. The estimated numbers now were: **Revenue** (in general fund alone, an estimate) **\$1,528,909**, **Debt Service \$712,417**, **Available \$816,492** (estimated).

She referred them to a page in their packet that showed an updated debt servicing schedule. She had added the TPT tax they are repaying for the next three years because of an overpayment by contractors doing work at Resolution Copper.

The town's budgets exceed that available amount. She reminded staff that the expense budgets are pie in the sky. They need to start using spread sheets that show what actually came in to the general fund and the other funds during the month, then what was the expense and what the difference was, because they don't have enough money out of the general fund to pay bills. That was how they had gotten in trouble, using HURF and excise tax. That is why she is being strict. She explained restricted funds for debt service. What they really have to work with is the \$816,492. That is the worst case scenario. They have all kinds of bills they are not sure how they are going to pay. She gave examples and there were further comments in the room regarding the financial situation. The mayor said there were further questions but some they had heard already. They could return to them.

Public Works Director Jed Lant reported on HURF and excise funds.

Ms. Wentzel discussed a comment from Lieutenant Campbell to her on a staff member's information that for one year only people could choose to opt out of benefits. She would be one of those people because she was not an employee. She did not need benefits and wanted to prevent additional expense to the town. The town can offer this across the board as a cost saving measure for one year. However, next year penalties will be assessed under the Health Care Cost Containment legislation if employees opt out of their insurance benefits.

There was a discussion of the cost of medical benefits and a pay cut across the board of 3 percent. Discussed was the impact of worker age and possibility of combining with other entities to increase the pool, importance of medical benefits and importance of a sustainable wage, public safety retirement being already increasing so those employees have already had a 3 percent pay cut already and it would be 6 percent.

Ms. Peralta said whether they like it or not they are going to have to cut positions. Mr. Gutierrez said if they are going to cut the meat off the bone, they are already down to the marrow. He agreed that it is the quickest and most effective way to just cut staff, but what is the cause and effect? He referenced the firefighters; it is pretty amazing how hard those guys work and the volunteers. He thought about their police department. If they do that they have to ask what they are willing to sacrifice in the community re public safety. He is not saying they shouldn't, but when people are injured or sick, they might not have that full EMT truck or a detective available.

Ms. Peralta said Mr. Lant was paid out of five different budgets. She asked Mr. Lant for his job description and he discussed these and answered questions.

Ms. Wentzel proposed an overall vehicle maintenance system for the town rather than each department handling their own.

The Emergency Service Agreement with Resolution Copper was discussed. Mayor Valenzuela said it sold the town short. They didn't figure into it personnel, equipment, or a basic charge. They need to implement more avenues of revenue from this. It is coming up and is time to renegotiate. The \$100,000 is spread between the police department, the ambulance and the fire department. It is chicken feed for the services the town provides them.

Mayor Valenzuela said he wanted an annual fee that encompassed their needs. That is why he brought it up because he got a copy of the agreement that expires June 30, 2013. They have to start working on it now. The mayor said the Mutual Benefits Agreement also needed to be revisited. In this, Resolution had asked for the town's support to move the land exchange bill through Congress. The town has done nothing but support the bill. The council has never voted against it. But Resolution is going to be there regardless of whether or not the land exchange goes through. They have said it. They are going to do business. They are saying in the Mutual Benefits Agreement that if the land exchange doesn't go through, the town doesn't get the money. That is not right for the town because they are still going to be there and Resolution is still going to be there. They are going to impact the town every day. He asked that no one took that out of there and said: "Jayme doesn't support the mine." He supported the mine but wanted what was fair for this community.

There was a discussion of workers' comp if the salaries of the council were zero. Ms. Wentzel said her question is that if you are on a salary and you are an elected official, why does workers' comp apply to you anyway? Regarding workers' comp, Town Attorney Chris Wencker said he knows it is possible in other contexts to set the value of the services of people who are not paid a salary. He would look into that.

Mr. Gutierrez recommended staff allocate funds to cover travel to Washington. Ms. Wentzel asked if that was a direction from the council. Mr. Gutierrez said it was his recommendation. He said their voice would be a lot stronger if Resolution did not subsidize it.

Mr. Aguilar said you have to remember that not everybody is for this. They have people who are against this land exchange. The council is there to speak for everyone. How could they allocate something that is not benefitting the whole town? "Because the money is coming from the public funds?" asked Ms. Wentzel. Mr. Aguilar said yes. He was sorry but there were people against the land exchange and there are people for the land exchange.

Mr. Gutierrez asked if Mr. Aguilar was saying he would rather have Resolution pay for the mayor to go if they offered. Mr. Aguilar said he had no problem with it. Mr. Gutierrez said he thought that would put the mayor in a potential problem. Mr. Aguilar said the council is voted in by the people of the town. Not everybody is for the land exchange.

Mayor Valenzuela asked if there were any other issues. Mr. Tameron asked Ms. Wentzel if staff had a plan to make the budget happen. Ms. Wentzel said she didn't see that everyone is on the same page yet. She didn't see clear direction from the council.

Mr. Gutierrez asked about professional services. He did not have enough clarity on that. It was a big dollar amount. He wanted to make sure that the professional services allocation from all departments had some good clear thinking as to what that is.

Ms. Wentzel presented a series of suggestions to reduce the General Fund Expense Budget along with related dollar equivalents

## F. ADJOURNMENT

**MOTION:** Vice Mayor Lopez moved to adjourn. Vice Mayor Lopez seconded. **VOTE:** The motion passed unanimously. Mayor Valenzuela adjourned the meeting 7 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 20<sup>th</sup> day of June, 2012. I further certify that the meeting was duly called and held and that a quorum was present.

/s/

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

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.