1. DISCUSSION OF ADOPTING RESOLUTION IN SUPPORT OF PROP 100

President Dunn started the meeting saying that members of the Executive Committee should have received a draft of the resolution and asked for any feedback from the Committee after their initial review. Mayor Shipley asked if the resolution would address the possible issue of further cuts if the temporary tax was passed by voters; President Dunn explained that it was not possible to address this issue in the resolution.

Mayor Lane expressed his concern over the resolution because of the issues that would arise if the tax was continued in three years due to a level of dependency that may be created by the temporary revenue source. President Dunn called on Executive Director Ken Strobeck to further clarify the proposed temporary tax. Mr. Strobeck said that, if passed in May, the temporary sales tax would be enacted as a constitutional amendment. Accordingly, by law, it could not be continued without being approved again by the voters. He also mentioned that the resolution is worded such that the tax is meant to be a temporary bridge to address the current deficit, not to be an ongoing solution.
Discussion ensued about the language included in the resolution. Members agreed to add to the third paragraph a note regarding the need for the Governor and Legislature to address and develop a plan to solve the ongoing deficit. Mayor Evans made a motion to adopt the resolution with the amended third paragraph. Councilmember Mitchell seconded the motion and President Dunn then asked if there were any other comments.

Mayor Cavanaugh offered another change to language; Mayor Evans’ and Councilmember Mitchell’s motion and second were amended accordingly. The motion passed with a vote of 20-1.

2. OTHER BUSINESS

President Dunn then provided a brief update to Executive Committee members on his and Mayor Smith’s continuing efforts on HB2008. The League recently received an opinion from the Attorney General on HB2008, and therefore, President Dunn said he had made an effort to contact Senator Pearce to resume discussions on possible amendments to the bill in regards to immigration. He also said there has been good progress on the issue of impact fees. Members expressed concern over other problematic portions of HB2008 and after some discussion, President Dunn said the Committee would vet these items further at the next Executive Committee meeting on Friday, May 14, 2010.

3. ADJOURNMENT

President Dunn asked if there was any other business. Seeing none, he adjourned the meeting at 11:29 a.m.
A RESOLUTION IN SUPPORT OF PROPOSITION 100
ON THE BALLOT MAY 18, 2010

Whereas, the State of Arizona is experiencing severe economic conditions resulting in hardships on our citizens as well as major reductions to state and local government revenues, making our state’s economy one of the most troubled in the nation; and

Whereas, the State of Arizona has an ongoing structural deficit that currently does not match annual tax revenues with annual expenditures except through the use of fund sweeps, rollovers and other accounting practices; and

Whereas, the Governor and Legislature must address and develop a plan to solve the ongoing deficit without further damaging vital public services such as education and law enforcement; and

Whereas, the Legislature has referred a Constitutionally-protected, three-year, temporary one-cent sales tax (TPT) increase to the ballot in the form of Proposition 100 on May 18th, and

Whereas, Arizona’s local governments—cities, towns and counties—normally receive a dedicated portion of the state sales tax but have offered to voluntarily forego our portion of the Prop 100’s temporary tax, representing the loss of approximately $600 million to cities and towns over the three-year period of the tax in order to help restore fiscal balance to the operations of state government; and

Whereas, without the proceeds of this temporary tax, Arizona’s education, public safety and other vital services may be seriously harmed; now therefore,

Be it resolved that the League of Arizona Cities and Towns encourages the voters of Arizona to vote “Yes” on Proposition 100;

Be it further resolved that the League of Arizona Cities and Towns calls on the Governor and Legislature to use the proceeds of Proposition 100 to help restore a sustainable, long-term state budget process that balances annual tax revenues with spending.

Approved by a vote of the Executive Committee of the League of Arizona Cities and Towns April 7, 2010.

Boyd W. Dunn, President