

MINUTES

LEAGUE OF ARIZONA CITIES AND TOWNS

EXECUTIVE COMMITTEE MEETING

Friday, May 11, 2012
League of Arizona Cities and Towns
1820 West Washington Street
Phoenix, AZ 85007

MEMBERS

President

Doug Von Gausig, Mayor, Clarkdale

Vice President

Mark Mitchell, Councilmember, Tempe

Treasurer

Jay Tibshraeny, Mayor, Chandler

Marie Lopez Rogers, Mayor, Avondale
Gilbert Lopez, Councilmember, Coolidge
Lana Mook, Mayor, El Mirage
Elaine M. Scruggs, Mayor, Glendale
Fernando Shipley, Mayor, Globe
John Salem, Mayor, Kingman
Mark Nexsen, Mayor, Lake Havasu City

Thomas L. Schoaf, Mayor, Litchfield Park
Scott Smith, Mayor, Mesa
Kenny Evans, Mayor, Payson
Bob Barrett, Mayor, Peoria
Greg Stanton, Mayor, Phoenix
Harvey Skoog, Mayor, Prescott Valley
Lynne Skelton, Mayor, Sahuarita
W.J. "Jim" Lane, Mayor, Scottsdale
Rob Adams, Mayor, Sedona
Gerry Whipple, Councilmember, Show Low
Rick Mueller, Mayor, Sierra Vista
Bob Rivera, Mayor, Thatcher
Jonathan Rothschild, Mayor, Tucson*
Alan Krieger, Mayor, Yuma

**Not in attendance*

President Doug Von Gausig called the meeting to order at 10:03 a.m. He welcomed everyone and led them in the Pledge of Allegiance. President Von Gausig informed the committee that a few of the League staff employees will introduce themselves to the Executive Committee before each meeting. This will give a better understanding of each employee's role at the League. League Communication and Education Associate Mary Vinzant and Office Manager Sandy Morari both provided the Executive Committee a brief description on their duties. President Von Gausig emphasized that League staff wear several hats and are doing a great job.

1. REVIEW AND ADOPTION OF MINUTES

President Doug Von Gausig asked for review and approval of the minutes as presented. Mayor Adams moved that the minutes of the February 10, 2012, Executive Committee meeting be approved. Mayor Krieger seconded the motion and it carried unanimously.

2. LEGISLATIVE AND STATE BUDGET REPORT

League Executive Director Ken Strobeck recognized Legislative Director Jim Ogsbury to provide a legislative report. Mr. Ogsbury said that the year was expected to be relatively easy due to elections, the budget “surplus,” and the speed of last year’s session, but this was not the case. In addition, three legislators resigned for various reasons. The session adjourned on day 116. A total of 1,395 bills were introduced, 45 more than in 2011. He noted that bills signed into law by the governor will be effective August 2 unless otherwise specified.

The League defeated bills that included the liberty charter legislation, the regulatory tax credit, legislation banning all use of photo radar, intrusive regulatory reform legislation, fireworks preemptions and several other bills that would have interfered with local control. Bills supported by the League that were enacted included alternative government deposits and the establishment of an online portal for sales tax collection. Additionally, there were three bills the League asked Governor Brewer to veto, including: HB 2729, guns in public buildings (which she did); HB 2826, consolidated elections; and SB 1442, the use of construction sales tax to help build infrastructure for large manufacturing facilities—a bill that was first supported by the League until it was changed in the last hours of the session and put state shared revenue at risk. The governor also vetoed a measure the League opposed, which would have provided a new definition of “intersection” to thwart photo radar.

Mr. Ogsbury said that the greatest victories of the year related to the budget. This included the elimination of the assessment on municipalities to help fund the Department of Water Resources thus saving cities and towns up to \$7 million per year. Additionally, the Highway User Revenue Fund (HURF) shift away from cities and towns for the Motor Vehicles Division (MVD) was eliminated, giving cities and towns a \$26.5 million increase in HURF funding. Lastly, there was no sweep of funding for 9-1-1 emergency services.

Mr. Ogsbury also mentioned that success this year was in result to the active political engagement of mayors and other city officials. The League thanked them for their support, cooperation and active participation. President Von Gausig applauded the League’s legislative team for the great things they have done, noting that the Monday called and Friday Intergov meetings have made a big impact on the League’s success.

Mayor Nexsen asked that Mr. Strobeck speak about a conversation they had with Charlie Cassens that morning regarding Mohave County. Mr. Strobeck said that in one section of a budget reconciliation bill it says that counties can use any county funds over which county supervisors have control. Mohave County supervisors interpret this to allow them to withhold flood control money from cities using it to balance their budget. He noted that this language has appeared in previous budgets; however, it has never been interpreted in such a manner. Mr. Strobeck stated that the League will reach out to groups like the County Supervisors Association for additional insight. Mayor Nexsen expressed concern that if Mohave County is successful, then other counties may follow suit. Mayor Salem provided some historical background on the issue and expressed similar concerns.

Mayor Adams asked about the efforts to address the governor’s veto of Representative Karen Fann’s bill on state parks. Mr. Ogsbury explained that the heart of the effort was incorporated into the budget. Then Mayor Krieger raised the idea of using the Monday calls to assist in their lobbying efforts. President Von Gausig responded by indicating that to some extent the calls already serve such a function. Mayor Tibshraeny asked Legislative Associate René Guillen about a special session for a

referendum to run a competitive ballot measure against the open primary initiative. Mr. Guillen responded by providing an overview of the proposed initiative.

Mayor Smith applauded the great press that cities and towns received statewide this year. He also praised the members of the League Communications Subcommittee for their work and efforts. President Von Gausig echoed the mayor's comments and praised Mayor Salem's work on the Communications Subcommittee and Mayor Nexsen's work on the League Budget Subcommittee.

Next, Mayor Adams asked how state shared revenue became a part of SB 1442. President Von Gausig provided some background on the bill and the efforts to oppose it. Responding to a question from Mayor Adams, Mr. Strobeck stated that he has asked League General Counsel Joni Hoffman to look into possible legal arguments for a lawsuit. Discussion then focused on state shared revenues. Mayor Lopez Rogers expressed concern with bills like this, believing that they are not good for all of the cities and towns as they cause conflict amongst them. She said cities must push back on bills that involve reductions in state shared revenue. Mayor Smith asked the League to work to dissuade the governor's office from signing the bill. Mayor Tibshraeny then explained what the governor's office changed and Chandler's opposition to it.

The discussion then turned to legal issues regarding the bill, specifically focused on Prop 108, which were then addressed by League General Counsel Joni Hoffman. The discussion continued regarding contacting the governor for a meeting to express the League's opposition directly. President Von Gausig explained what the League has done so far to oppose the legislation. On the same note, League Deputy Director Tom Belshe detailed how the money would flow under SB 1442 and its impacts to state shared revenue. Chandler Intergovernmental Affairs Coordinator Patrice Kraus explained the provisions of the bill and how it morphed throughout the legislative process. The issue was discussed at length and the Executive Committee agreed to have staff draft a letter to the governor expressing concerns over the changes made to the bill and its impact on municipalities. After completion of the draft letter it was then approved and signed by all members of the Executive Committee that were in attendance.

3. REPORT ON *TUCSON V. ARIZONA*

President Von Gausig recognized League General Counsel Joni Hoffman to discuss the Tucson v. Arizona case. Ms. Hoffman first reviewed the history of the case and then the final court decision from the Arizona Supreme Court. She noted that legislation was passed in 2009 that was aimed at Tucson which modified their election system. Tucson sued and won a victory at the Arizona Supreme Court. Ms. Hoffman said this victory clearly states that local elections are a matter of local concern. However, it is her opinion that this is a charter city issue and at this point does not seem to apply to non-charter cities. Mayor Smith said that he agreed with Ms. Hoffman and there seems to be broader implications. She concluded by saying that this decision helps define an overall relationship between the Legislature and cities and towns.

4. REPORT OF LEAGUE BUDGET SUBCOMMITTEE/ LEAGUE BUDGET FOR 2012-2013

President Von Gausig recognized Mayor Nexsen to provide an update from the Budget Subcommittee and League budget for 2012-2013. First, Mayor Nexsen addressed previous concerns over the Valley Schools Health Insurance program during the last meeting. Mayor Nexsen met with Valley Schools

and noted that any issues are under the management group and not with the trust with which the League is working. He then discussed the report that compared League staff salaries to similar municipal jobs. Mayor Stanton asked a question regarding the expenditures for contract lobbying and consulting in regards to communications. Mr. Strobeck noted that expenditures under lobbying and consulting were for the possibility of having additional resources. Mayor Stanton asked if this applied to the public relations as well and Mr. Strobeck responded that this line item is for a possible new “Strong Cities”-style public relations campaign with collateral and materials which would be bid out separately.

Mayor Rivera motioned to pass the 2012-2013 budget; Mayor Mueller seconded the motion. Motion passed unanimously.

President Von Gausig called for a recess at 12:00 p.m. Then meeting resumed at 12:07 p.m.

5. REPORT OF LEAGUE COMMUNICATIONS SUBCOMMITTEE/SURVEY RESULTS

President Von Gausig recognized Mayor Salem to provide an update on the League Communications Subcommittee and survey results. Mayor Salem noted that it was agreed upon by the League Executive Committee to create a Communications Subcommittee to help get the word out on legislation that affects cities and towns. This is done through a two-part strategy. The first component is working with Scutari & Cieslak on media relations. The second part is to consider implementing a campaign similar to the “Strong Cities Make a Strong State” campaign that was launched in 2000. To help with ideas on possible themes, the subcommittee hired HighGround, Inc. to conduct a statewide survey. Mayor Salem then turned the discussion over to Executive Director Ken Strobeck to review the survey results.

Mr. Strobeck said that they used some of the same questions that were used one year ago in order to highlight any trends in public opinion. Mr. Strobeck reviewed the results of the survey to the Executive Committee that highlighted questions related to the economy, government spending, legislature and local government performance, municipal maintenance of essential services and confidence in government. Mr. Strobeck noted that these questions help to find out how local governments are performing in the eyes of the public, as well as the kinds of messages the League and cities may construct to appeal to the voters and populations municipalities serve.

Mr. Strobeck then directed the discussion to League Communication and Education Director Matt Lore to discuss questions in the survey specifically focused on communications themes. Mr. Lore reviewed the six themes that were presented in the survey. The overall favorite among survey respondents was, “Strong Cities make a Strong State.” Lastly, he reviewed messages that were tested among the participants regarding services provided to citizens. He concluded that the information from the survey will help to find themes for a potential long-term program that will resonate with citizens.

Mayor Salem thanked the efforts of all the hard work and support from members of the subcommittee.

6. 2012 CONFERENCE UPDATE

Communication and Education Director Matt Lore updated the committee on the 2012 League Annual Conference. He provided the contact information for the Hyatt Gainey Ranch Group Reservations Coordinator Sarah Clem and asked that members to contact her to book their rooms. Mr. Lore also

noted that online registration would be sent out in the next week to all cities and towns. Mayor Lane then said that he was glad to be hosting the annual conference in Scottsdale this year, the 75th year of the League.

7. DISCUSSION OF *QUALITY EDUCATION AND JOBS* INITIATIVE AND STATE PARKS INITIATIVE

President Von Gausig introduced Christie Statler and Bill Meeks with the Arizona State Parks Foundation to discuss the State Parks Initiative and how it will make state parks more sustainable in the future. Ms. Statler provided an introduction of the initiative and said that the intent is to encourage citizens to save Arizona's natural resources. Mr. Meeks, Larry Landry and former Phoenix Mayor John Driggs were introduced to discuss the results of polling that surveyed a representative sample of 450 voters. Mr. Landry noted that these polling results will have a great impact on the ballot measure. President Von Gausig asked that once they finalize the wording for the ballot measure, the committee will put the item back on the agenda for the August meeting to possibly adopt a resolution in support of the initiative.

President Von Gausig then recognized Ann-Eve Pederson, president of the Arizona Education Parent Network and chair of the state Quality Education and Jobs Initiative to provide a report on their initiative. She also recognized that she was accompanied by David Martin from the Associated General Contractors and George Cunningham, treasurer of the state Quality Education and Jobs Initiative. Ms. Pederson briefly reviewed the initiative. She said she knew there was some concern that this initiative did not include funding for state shared revenue. However, she said this issue came to their attention too late so that is why it was not included in the language.

Ms. Pederson recognized George Cunningham to further discuss the impact on state shared revenue in the measure. President Von Gausig asked him to clarify how HURF is protected through this measure. Mayor Scott Smith addressed concerns over the shift of funds to education from other areas that are historically distributed to cities and how this would affect municipalities. Mr. Cunningham and Ms. Pederson concluded their presentation by responding to the concerns raised by Mayor Smith.

8. RESOLUTION OF SUPPORT FOR ARIZONA'S PORTS OF ENTRY WITH MEXICO

President Von Gausig recognized Mayor Lopez Rogers to discuss the Resolution of Support for Arizona's Ports of Entry with Mexico. Mayor Lopez Rogers asked the committee to support this resolution, saying that it is intended to streamline access through ports of entry between Arizona and Mexico, and to improve our position regarding global competitiveness. She mentioned that the Maricopa, Pima and Central Arizona Association of Governments have all passed this resolution. Mayor Rivera made a motion to support the resolution, Mayor Shipley seconded and the vote carried unanimously.

9. RECOGNITION OF OUTGOING EXECUTIVE COMMITTEE MEMBER

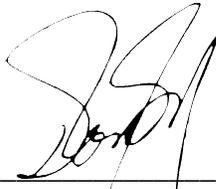
President Von Gausig thanked Mayor Fernando Shipley for his dedicated service to the League of Arizona Cities and Towns. Mayor Tibshraeny supported the recognition of Mayor Shipley as outgoing

Executive Committee member, Mayor Lopez Rogers seconded the resolution of appreciation and it carried unanimously.

President Von Gausig asked if there was any further business, and seeing none adjourned the meeting at 1:20 p.m.



EXECUTIVE DIRECTOR



PRESIDENT