

MINUTES

LEAGUE OF ARIZONA CITIES AND TOWNS SPECIAL EXECUTIVE COMMITTEE MEETING

Friday, July 6, 2012
League of Arizona Cities and Towns
1820 West Washington Street
Phoenix, AZ 85007

MEMBERS

President

Doug Von Gausig, Mayor, Clarkdale

Thomas L. Schoaf, Mayor, Litchfield Park
Scott Smith, Mayor, Mesa*

Vice President

Mark Mitchell, Mayor, Tempe

Kenny Evans, Mayor, Payson*

Bob Barrett, Mayor, Peoria

Greg Stanton, Mayor, Phoenix*

Treasurer

Jay Tibshraeny, Mayor, Chandler

Harvey Skoog, Mayor, Prescott Valley

Lynne Skelton, Vice Mayor, Sahuarita*

W.J. "Jim" Lane, Mayor, Scottsdale*

Marie Lopez Rogers, Mayor, Avondale*

Rob Adams, Mayor, Sedona

Gilbert Lopez, Vice Mayor, Coolidge

Gerry Whipple, Councilmember, Show Low

Lana Mook, Mayor, El Mirage

Rick Mueller, Mayor, Sierra Vista

Elaine M. Scruggs, Mayor, Glendale

Bob Rivera, Mayor, Thatcher

John Salem, Mayor, Kingman

Jonathan Rothschild, Mayor, Tucson*

Mark Nexsen, Mayor, Lake Havasu City

Alan Krieger, Mayor, Yuma

**Not in attendance*

1. CALL TO ORDER

President Doug Von Gausig called the meeting to order at 1:02 p.m.

2. CONSIDERATION OF LEAGUE POSITION ON BALLOT PROPOSITIONS INCLUDING:

President Von Gausig informed the committee that the purpose of the meeting was to consider a couple of League positions on ballot propositions. He explained that members of the committee would be primarily concerned with identifying whether they would support or oppose each of the propositions. Secondly, Mayor Von Gausig wanted to address in what way they will present their decision; either through a press release, ballot statement or by not making any public announcement.

Proposition 118

League Executive Director Ken Strobeck began by giving a brief rundown of Proposition 118. He explained that Proposition 118, which is called the Establishment of Permanent Funds, is a constitutional amendment that would increase the amount of distribution to various public institutions of permanent funds that the state has until FY 2020-2021. The distribution formula would then revert to its current formula that is an average of the previous five fiscal years. Mr. Strobeck said this proposition came to the League's attention in a meeting with State Treasurer Doug Ducey. Mr. Ducey advanced this particular referral by emphasizing that it would mean an increase in the distribution to school districts, thereby lessening the pressure on legislators to consider taking shared revenue for any purpose other than shared revenue.

President Von Gausig asked for committee members to discuss their thoughts on Proposition 118. Mayor Adams asked if there was a downside to the proposition. Mr. Strobeck said that he saw no downside and there was no known opposition to this proposal. He continued to explain that it seemed to be a technical change that would last for a period of eight or nine years and then revert back. Mayor Adams then asked if the money is distributed from interest or if it is directly taken out of an accumulated fund. Mr. Strobeck explained that it is state trust land permanent funds.

Mayor Nexsen asked why it extends for a period of eight years and then reverts back. Mr. Strobeck said he did not know the reason for that provision. Mayor Elaine Scruggs expressed her concern about the fact that the schools are not taking a position on Proposition 118. Sharing Mayor Nexsen's concerns, she continued to say that the committee should not get involved with an issue they do not fully understand.

Mayor Schoaf suggested that the committee see an analysis that would compare the distributions under the new formula against the formula currently in the Constitution. Mayor Tibshraeny then agreed by stating that more information was needed and proceeded to suggest that the committee further discuss Proposition 118 at the next Executive Committee meeting at the League Annual Conference in August.

Mayor Tibshraeny then motioned that further discussion about Proposition 118 be put off until the August Executive Committee meeting at the League Annual Conference. Mayor Bob Rivera seconded. Mayor Rivera then asked what the result of the League taking a position on Proposition 118 would be. President Von Gausig answered by explaining the possible benefits but he also agreed that the committee does not know enough to act on the proposition.

Mr. Strobeck then stated that more information would be gathered regarding this proposition.

President Von Gausig then took the roll call vote and the motion passed unanimously.

Proposition 119

Mr. Strobeck then moved to provide a background on Proposition 119. He said that Proposition 119 was a result of SCR1001 and would amend the Constitution to make it easier to enact trust land exchanges in order to protect land around military from encroachment. This is a concept that the League supported the last time this was on the ballot, but it was narrowly defeated.

Mayor Salem moved to support Proposition 119. Mayor Barrett seconded and the motion carried unanimously.

President Von Gausig explained that the next step is to identify how exactly to support it. Mayor Mueller suggested a press release and that it would be appropriate to also have something for the ballot booklet. Mayor Mueller moved to issue a press release in favor of Proposition 119, putting language in the ballot booklet, and notifying the Governor's Military Affairs Committee that the League does support this initiative. Furthermore, the motion included that the officers of the League would craft and approve the publicity pamphlet language. Mayor Barrett seconded and the motion carried unanimously.

Quality Education & Jobs Initiative

Next, Mr. Strobeck was asked to explain the *Quality Education & Jobs Initiative*. He said that this initiative enacts a new one cent sales tax replacing the temporary sales tax that expires at the end of 2013. Mr. Strobeck continued to say that it dedicates most of the proceeds of that sales tax to education, with a small portion going to infrastructure, defined as transportation projects. Mr. Strobeck said the greatest impact to cities and towns would be the likely elimination of future options for city sales tax increases as the combined rate would be prohibitively high.

This initiative has been rejected by the Secretary of State due to the fact that the language that was circulated on the petitions was different from that which was filed at the Secretary of State's Office. Mr. Strobeck added that the state's position is that this ballot proposition does not officially exist and is currently not on the ballot. Advocates of the proposition have sued to force it to be on the ballot and a hearing will be conducted July 18, 2012, to decide its status.

While several of the committee members expressed their adamant opposition to the initiative, President Von Gausig explained that he had heard from a few other mayors throughout the state that were not able to join the meeting. He noted other mayors who believed this was going to be a very popular initiative are now uncomfortable with the League expressing any opposition to it. More specifically, they are uncomfortable opposing it because they are worried that some people may read the League's opposition as opposing education. President Von Gausig said that this issue could be ameliorated by applying the right language in the publicity pamphlet that emphasizes the League's support of education. Mayor Krieger moved to oppose the initiative by ballot booklet and press release. Mayor Skoog seconded and the motion passed unanimously.

President Von Gausig then began the discussion on the ballot booklet language. He reiterated that Mr. Strobeck had drafted language for the pamphlet and that they had decided to take out some of the sections that were not strictly related to how this bill directly affects cities and towns.

Mayor Scruggs then asked if an additional bullet could be written that would inform voters that the entire state shared revenue formula has been voter-approved for numerous years. She said that she did not believe the average person in Arizona is aware of that. Mr. Strobeck and President Von Gausig recognized this as a good idea. Mayor Scruggs also suggested a reference in the first paragraph to the fact that cities and towns often contribute their own city general fund money toward assisting schools.

Mr. Strobeck said that many people may be waiting on the sidelines until the court decides whether or not this proposition will be on the ballot. He then explained that the purpose for holding the League discussion on this date was for the Committee to act in time to have a statement appear in the publicity pamphlet. The deadline for submissions is July 11.

Andrew Greenhill from the city of Tucson conveyed Mayor Rothschild's support of the *Quality Education and Jobs Initiative*. Mayor Tibshraeny requested an update to the League talking points on

the initiative in the event that the officers receive calls from the local press requesting them to address any questions they may have. Mayor Scruggs moved that given the discussion and the changes that Mr. Strobeck described, the League officers approve the publicity pamphlet language as discussed. Mayor Krieger seconded and the motion carried unanimously.

See no further discussion President Von Gausig adjourned the meeting at 1:43 p.m.



EXECUTIVE DIRECTOR



PRESIDENT