

MINUTES

LEAGUE OF ARIZONA CITIES AND TOWNS

EXECUTIVE COMMITTEE MEETING

Friday, November 6, 2009
League Office Building
1820 W. Washington, Phoenix

MEMBERS

President

Boyd Dunn, Mayor, Chandler

Vice President

Robert Walkup, Mayor, Tucson

Treasurer

Larry Nelson, Mayor, Yuma

Marie Lopez Rogers, Mayor, Avondale
Doug Von Gausig, Mayor, Clarkdale*
Gilbert Lopez, Councilmember, Coolidge
Byron Jackson, Mayor, Eloy*
Elaine M. Scruggs, Mayor, Glendale*
Fernando Shipley, Mayor, Globe

Jim Cavanaugh, Mayor, Goodyear
Mark Nexsen, Mayor, Lake Havasu City
Thomas L. Schoaf, Mayor, Litchfield Park
Scott Smith, Mayor, Mesa*
Paul Loomis, Mayor, Oro Valley
Kenny Evans, Mayor, Payson
Bob Barrett, Mayor, Peoria
Claude Mattox, Councilmember, 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
Robert Strain, Mayor, Sierra Vista*
Mark Mitchell, Councilmember, Tempe
Bob Rivera, Mayor, Thatcher

*Not in attendance

President Dunn called the meeting to order at 10:03 a.m. Executive Committee members recited the Pledge of Allegiance. President Dunn then recognized the new members of the Executive Committee in attendance: Mayor Schoaf of Litchfield Park, Councilmember Mattox of Phoenix, Mayor Adams of Sedona and Mayor Lane of Scottsdale.

1. REVIEW AND ADOPTION OF MINUTES

President Dunn asked if there were any corrections or changes to the minutes as presented. Mayor Nelson moved that the minutes of the September 2, 2009, Executive Committee meeting be approved. Mayor Barrett seconded the motion and it carried.

2. LEGISLATIVE UPDATE

President Dunn called for the Legislative Report, moving the third agenda item to the front, in an effort to provide background on other agenda discussions.

Jeff Kros, Legislative Director, noted a Fourth Special Session is predicted for the end of November. During the Third Special Session, which adjourned in September 2009, Governor Brewer vetoed SB

1025 preventing a sweep of Vehicle License Tax (VLT) from cities to education. The budget approved then also made cuts to state agencies, which agency directors have been attempting to implement throughout the fall. The Fourth Special Session is anticipated to focus on agency spending authorizations; specifically the Department of Education, and the Department of Economic Security. State Shared Revenues have not been mentioned in the “Call of the Session.”

Jeff reminded members of Governor Brewer’s election announcement and recent staffing transitions. Election cycles always play into the nature of legislative sessions, and this year will be no exception.

Next, he reported on the status of several stakeholder efforts underway at the State Capitol. The first involves State Land Reform, which seeks to streamline auctions for land, acquisition of rights-of-way, alternative financing options and water sustainability. This issue is the subject of a 2010 League Resolution, and the League will be tracking this process closely and reporting back to its members accordingly.

Secondly, Dale Wiebusch was called upon to give a status update on the sanctuary city stakeholder process Senator John Nelson (District 12) is coordinating. Senator Russell Pearce’s (District 18) proposed legislation includes a mandate on all law enforcement to report the presence of a suspected illegal alien to Immigration and Customs Enforcement (ICE), and the Department of Homeland Security; failure to do so will result in penalties. President Dunn asked if this process had been reduced to writing, and Dale said there is a draft; he would send out materials to the League’s membership.

Jeff continued onto the next set of issues regarding public records reform and public notices. These issues are a carry-over from previous years. The League will be educating legislators on technologies that may help to reform public records management during the coming session. Secondly, we will continue working to remove mandates on local governments requiring public notices to be printed in the newspaper at cost.

The last stakeholder issue related to Certificates of Necessity for ambulance services, which is also a League Resolution. Contact has been made with sponsoring cities and state agencies in an effort to flesh out details and prepare draft bill language. It was noted the Arizona State Legislature identified November 15, 2009, as the start of the bill filing administrative process. The League will begin filing bills and tracking legislation that week. Our membership will be kept updated as information develops.

In closing, Jeff Kros made two announcements. First, the League will be sponsoring a retreat for Intergovernmental Relations personnel in the City of Payson on Thursday, December 10 through Friday, December 11, 2009. The purpose of the retreat is to align the League with intergovernmental relations (IG) staff before the start of a challenging legislative session in January. Lastly, the Executive Committee was asked to welcome Stephanie Prybyl as the League’s new Legislative Associate.

President Dunn also mentioned that some Executive Committee members were in attendance for the recent Arizona Town Hall. He briefly noted the findings and recommendations of the Town Hall, saying that the leaders praised local government for their actions in these difficult economic times and also said that the Legislature should leave shared revenue and impact fees untouched. Mayor Adams requested that the findings of the Town Hall be shared with the committee. Executive Director Ken Strobeck said that he would send the preliminary report of the Arizona Town Hall to

the Executive Committee and also noted that he was recently featured on a Horizon show to discuss the outcome of the Town Hall.

3. DISCUSSION OF HB2008

President Dunn said the next agenda item would be the discussion of HB2008 and asked if the committee would like to move to executive session. Mayor Rivera motioned that the Executive Committee go into executive session to discuss the bill. Councilmember Lopez seconded the motion and it carried. Executive session began at 10:17 a.m.

Executive session adjourned at 11:13 a.m. Mayor Dunn and Executive Director Ken Strobeck noted that if the League should move forward with litigation, it would likely be financed through a special assessment, as that is how the League typically finances special items outside of the approved budget. Mayor Dunn and Ken noted that the lawsuit from 2009 had a very high compliance rate, with almost 90 percent of cities and towns contributing their portion of the special assessment.

Discussion ensued among Executive Committee members on whether to proceed with litigation over HB2008. Mayor Cavanaugh asked Ken for clarification on which groups opposed a League lawsuit. Ken noted that the Governor's staff, the Legislature and homebuilders had voiced concern and opposition to the League filing a special action suit.

Councilmember Mattox expressed his gratitude for Governor Brewer and her support of cities and towns throughout the last year; however, he expressed concern over the precedent that would be set by not filing suit over HB2008. He also said cities will continue to grapple with this issue during subsequent legislative sessions and the League must remain vigilant about protecting its revenues. Mayor Dunn expressed similar unease about the situation, though he mentioned the pending lawsuit would not be a reflection of the League's relationship with the Governor, rather it would be about Constitutional principles the League would fight to uphold. Mayor Lopez Rogers said that she these were not optimal circumstances but the cities must take a stand to protect their revenues. She then made a motion to file the special action suit. Councilmember Mattox seconded the motion. Mayor Cavanaugh asked that if there was an expectation that the Legislature may cure this issue before the League lawsuit would even makes it to court. Mayor Dunn said he was unaware of a plan by the Legislature to address the issues.

Mayor Skelton inquired about the impact previous agreements Ken and League staff made with the Governor's office would have on the pending lawsuit. Ken explained the League originally made an agreement with the Governor's staff regarding a two-year freeze on impact fees to avoid the three-year moratorium that was initially presented as part of the first budget package. The two-year freeze was included as part of the second budget package, which was vetoed on July 1. Ken explained the deal was off after the package was vetoed and the items reappeared in Special Session, when the League had been told only budgetary items would be addressed; further a retroactive date was never part of any agreement with the Governor's staff. Discussion continued among members regarding the pros and cons of filing a special action suit, particularly in regards to the long-term impact a suit may have on relationships with the Governor and legislators.

Mayor Shipley said the League may have a stronger case due to the bankers also filing suit regarding issues addressed in the Special Session outside the Governor's call. President Dunn explained the fact that the bankers filed sooner than the League and were also represented by our law firm created a conflict of interest and necessitated the search for a new law firm. He also said it may be a challenge to recruit another firm to represent us in two weeks.

Councilmember Mitchell asked about bringing the issues back to the city councils before voting, however, members agreed that time was of the essence. Mayor Dunn said the committee would be able to decide on cities' contributions later. Mayor Adams said he would feel uncomfortable voting on the suit without meeting with his council first. Mayor Loomis pointed out that as members of the Executive Committee, they must act in representation all of Arizona's cities, not just those where they are elected.

Mayor Dunn reminded members that the motion made was to proceed with litigation. He and other members voiced some concerns about voting before securing a law firm. Mayor Shipley said that if Executive Committee does agree to proceed with a lawsuit and is unable to find a firm or can only find one with exorbitant fees, that it would not change the committee's commitment to the issues. Mayor Shipley suggested we face those challenges as they come.

President Dunn took a vote based on Mayor Lopez Roger's motion: 12 members were in favor and eight were against. The motion carried. The League will move forward with securing a law firm as quickly as possible.

4. LEAGUE ANNUAL SURVEY RESULTS

President Dunn recognized Matt Lore, Communication and Education Director, to give a report on the League annual survey results to the Executive Committee. Matt explained that in 2002, the Executive Committee asked League staff to prepare an annual survey of League services. The League has conducted a survey each year since. The survey is e-mailed to mayors, council members, managers, clerks, attorneys, finance directors, intergovernmental coordinators and public information officers.

The 2009 survey results were included in the Executive Committee packets. Three general areas were addressed within the League survey: demographics, overall performance and League services. Responses for the survey were anonymous and 113 people participated this year. Matt said the League was highly rated in its overall performance, legislative program, conference and training program, technical assistance, as well as communication and outreach, noting the League's overall performance ranking was the highest it's been since the questions' inception in 2004. Approximately 98 percent of respondents marked League overall performance as excellent or good. According to the survey, the top five rated services were: lobbying, the Legislative Bulletin, the Annual Conference, budget and finance information, and the Newly Elected Officials training.

In conclusion, Matt informed members of the Executive Committee that the League takes this feedback seriously and uses the survey results to improve our programs. President Dunn and the Executive Committee thanked League staff for their service.

5. RECAP OF 2009 ANNUAL CONFERENCE

President Dunn called on Matt Lore again for a report on the 2009 Annual Conference. Matt explained that the League did not know what to expect for this conference due to the current economic conditions. However, both attendance and financials were strong in 2009. The conference brought in \$133,000 net gross, largely due to the \$148,000 in sponsorships. Matt also said 82 of the 90 cities were represented at the conference, which drew a total of 929 attendees. Both attendance and sponsorship were slightly down in comparison to past years, but not as much as they could have been in light of the economy, he explained. The conference received high marks in

the conference survey. Matt reminded Executive Committee members that the 2010 Annual Conference will be in Glendale at the Glendale Renaissance, August 24-27. Ken recognized Matt for a very well-organized and attended conference. He also noted the conference is the second largest revenue source for the League. Mayor Dunn and members of the Executive Committee thanked Matt and League staff, as well as Mayor Loomis and Oro Valley for hosting the event.

6. 2008-2009 AUDIT REPORT & CONTRACT RENEWAL

President Dunn called on Ken for a report on the 2008-2009 audit report and contract renewal. Ken informed members that a copy of the audit was included in their packets. The 2008-2009 audit report was prepared by the same auditor the League has worked with for three years, Larson Allen. Ken asked that we renew for another three years for Larson Allen. Mayor Rivera moved that the League renew our contract; Mayor Skelton seconded the motion and it carried.

7. OTHER BUSINESS

In other business, President Dunn called on Mayor Lopez Rogers to update the committee on her campaign for 2nd Vice President of NLC and wished her well in her campaign. Mayor Rogers explained she would be running at the upcoming NLC conference.

Mayor Walkup told committee members of the recent loss of Home Rule in Tucson and warned members to educate their voters on these issues to avoid the same situation in their own communities.

Mayor Dunn also said the Executive Committee was disappointed to hear Mayor Nelson was not reelected. He will remain with the committee through the end of the year. Lastly, President Dunn and Ken said the League would issue a press release today on the Executive Committee's decision to file a special action lawsuit.

8. ADJOURNMENT

President Dunn asked if there was any other business. Seeing none, he adjourned the meeting at 12:05 p.m.



EXECUTIVE DIRECTOR



PRESIDENT