

# MINUTES

## LEAGUE OF ARIZONA CITIES AND TOWNS

### EXECUTIVE COMMITTEE MEETING

Friday, May 23, 2008  
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  
Gilbert Lopez, Councilmember, Coolidge  
Byron Jackson, Mayor, Eloy \*  
Joe Donaldson, Mayor, Flagstaff  
Steve Berman, Mayor, Gilbert \*  
Elaine M. Scruggs, Mayor, Glendale

Stanley M. Gibson, Mayor, Globe  
Jim Cavanaugh, Mayor, Goodyear  
Monica Badillo, Mayor, Hayden \*  
Les Byram, Mayor, Kingman  
Claudia Walters, Vice Mayor, Mesa  
Paul Loomis, Mayor, Oro Valley \*  
Mike Vogel, Councilmember, Payson \*  
Greg Stanton, Councilmember, Phoenix  
Harvey Skoog, Mayor, Prescott Valley  
Verlyn Michel, Mayor, Quartzsite  
Mary Manross, Mayor, Scottsdale  
Gerry Whipple, Councilmember, Show Low \*  
Robert Strain, Mayor, Sierra Vista  
Mark Mitchell, Councilmember, Tempe  
Bob Rivera, Mayor, Thatcher  
Kenneth Edes, Mayor, Williams \*

\*Not in attendance

President Dunn called the meeting to order at 10:06 a.m.

#### 1. REVIEW AND ADOPTION OF MINUTES

Mayor Byram moved that the minutes of the February 15, 2008 Executive Committee meeting be approved. Mayor Cavanaugh seconded the motion and it carried.

#### 2. FINAL LEGISLATIVE REPORT

President Dunn recognized Ken Strobeck to present a final legislative update for the year.

Ken spoke of how we started the session by monitoring over 400 bills, but that overall the session has been less daunting than some of the previous ones. He cited the work staff has done in building relationships and reaching across the aisle as being the root of our success this year and last, as well as the cities' responsiveness to the economy and the visits to legislators by municipal officials. As a result there have been fewer attacks on cities and towns. He told the Executive Committee about working with Rep. Farley on our theory that any revenue sharing cuts that benefited the General Fund would need 2/3 vote; that position appears to be solid now. He did cite that the League remains watchful for any attempts to decrease shared revenue and usurp local control, such as when Senator Chevront tried to cut

shared revenues in the 2007-08 budget with a surprise floor amendment; Cheuvront only mustered 3 votes and the amendment had a Prop. 108 clause.

Ken then turned things over to Jeff Kros, Legislative Director.

Jeff started with GPLET (Government Property Lease Excise Tax). After taking on retail tax incentives last year, Senator Cheuvront set his sights on doing away with GPLET this session. The bill stalled for a while in the Senate, but the House had a hearing in Ways & Means. The League mustered strong opposition, including working with developers. The bill failed in committee. A more reasonable approach – Nelson’s HB 2803 – was supported by the League. HB2803 has not moved recently.

Jeff then asked Cheyenne Walsh, Legislative Associate, to speak.

Cheyenne then spoke about impact fees. Last year’s bill, SB 1423, was a consensus bill that the League brought forward to address transparency issues without compromising cities’ ability to charge fees. The remaining issue from that discussion was grandfathering. The League had worked out an agreement with the Southern Arizona Home Builders Association (SAHBA) to grandfather developments from NEW fees for 18 months. However, early in the session President Bee’s office reconvened the impact fees stakeholders for a bill that further addressed the developers’ concerns. This was a priority for him. Based on that, SAHBA decided to incorporate our grandfathering agreement into that discussion rather than run it separately.

After several weeks of long meetings, the League, along with several cities, fought against the Home Builders’ Association of Central Arizona proposals, which included limiting what fees can be charged for, refunds, dollar for dollar offsets, a review/appeals process, etc. Ultimately, SB1406 was introduced without those provisions, instead focusing on the grandfathering provisions. The bill grandfathers individual developments for 2 years from new fees, or increases in existing fees. The bill allows for indexing. Mayor Manross asked what kicks in the 24 month period; Cheyenne answered the final plat approval.

The League is neutral on the bill- the grandfathering provision is a departure from the ‘growth pays for itself’ concept but was a compromise option that eliminated the other more onerous provisions. Having been at the table and negotiating in good faith, the League cannot oppose the bill.

The bill awaits Committee Of the Whole in the House- there is an agreement that the bill will not be amended by either side, though some cities have requested amendments from their legislators, which so far have been unsuccessful. Amending the bill may have negative consequences, not only for this session (Bee still controls the bill and can take it to conference committee) but also on the League’s credibility for future sessions. We believe the changes to impact fee legislation needs to stop for several sessions while we assess how the provisions of 1406 and 1423 impact the development fee process. If the bill becomes law, the League will put out an implementation strategy for this bill, which has a delayed effective date of January 1, 2009. We requested this date to give cities enough time to adopt/amend ordinances and determine how the provisions will be administered.

Mayor Byram asked if this bill would affect applying impact fees to churches and non-profits, and Cheyenne stated no, the statute doesn’t allow for that.

Cheyenne then went on to the Resolutions process. She cited that there are fewer resolutions proposed so far this year than in the past. This works to our advantage to have a focused and thoughtful agenda. She then reviewed some of this year’s resolutions successes:

- Protect Shared Revenues- ongoing but so far so good.
- Economic development tools- GPLET retention

Several more resolutions have been successfully resolved this session:

- City input into liquor licenses- the League continues to develop relationships with the Department of Liquor Licenses and Control and State Liquor Board- including hosting a Title 4 forum for cities to discuss issues directly with those entities.
- Transfer development rights- signed by the Governor
- Protecting critical infrastructure- signed by the Governor
- Exempt rights of way from public auction- included in proposed legislative referendum on state trust lands, though that discussion stalled due to other stakeholder concerns. The provisions are currently included in the filed initiative.
- Small town revenue sharing
- Heritage Fund
- 911 Telecom Fund

Jeff then recognized Dale Wiebusch, Legislative Associate.

Dale gave a brief overview of bills related to immigration and citizenship.

- 2745 – employer sanctions – signed May 1. Portions of this bill refined last year’s 2779 of the same name. Of particular note to cities and towns are requirements to check legal status of license applicants, ensure contractors verify their employees’ status and only grant economic incentives to employers registered with and participating in the e-verify program. The applicants and employers have the onus of proof in these situations. Most of these provisions are effective after Sept. 30, 2008.
- 2807 – immigration, local enforcement – vetoed. Would have prohibited cities and towns from having policies restricting the ability of law enforcement to contact federal officials related to persons’ immigration status when arrested or other circumstances. Funding for training local law enforcement would have to come from federal or state sources. The Governor cited the unfunded mandate for training as the main reason for her veto. The League worked with the sponsor to make the bill as palatable as possible.

President Dunn stated that the League has done an excellent job this session and congratulated Ken and the rest of the League staff on their successes.

### **3. 2008 CONFERENCE UPDATE**

President Dunn recognized Matt Lore to give an update on the upcoming 2008 League Conference which is scheduled to be held in Paradise Valley on August 19-22.

Matt updated the Executive Committee on preparations for the conference. He recognized and thanked those Executive Committee members that participated in a brainstorming session for the conference: President Dunn, Mayor Scruggs, Mayor Donaldson, Vice Mayor Walters, Mayor Nelson and Mayor Berman.

Matt then briefly overviewed the conference program and stated that the general structure is consistent with past years. He stated that early registration activity indicates that the conference turnout will also be consistent with past years.

### **4. RESOLUTIONS PROCESS FOR 2008**

Mayor Dunn stated that Mayor Walkup has agreed to serve as Committee Chairman for the 2008 Resolutions process. Mayor Dunn then recognized Cheyenne Walsh to present the resolutions process for 2008.

Cheyenne began by stating that the Resolutions process for 2008 would remain largely the same as the last few years, with a few new innovations in order to continue to streamline the process. She referred the Executive Committee members to the Resolutions Committee Calendar, and then briefly described the timeline and deadlines for the Resolutions process. She noted that at this time, the only major change would be some form of an amendment process that staff is currently working on developing.

Mayor Gibson asked if the resolutions process will be explained to those who will attend the upcoming Newly Elected Officials workshop. Ken Strobeck replied that it is not something that is currently on the agenda, but that there is a possibility to discuss it at the program.

Councilmember Lopez asked if there was a way to find out what resolutions other cities are working on before submittal in order to reduce the possibility of duplicate submissions. Cheyenne stated that usually she is not aware of what resolutions cities are working on until they have been submitted to the League.

Ken stated that the resolutions process has been continually streamlined and refined over the past few years and thanked staff and Executive Committee members for their efforts.

## **5. LEAGUE BUDGET FOR 2008-2009**

President Dunn asked Ken Strobeck to present the 2008-2009 League budget.

Ken referred the Executive Committee to the report included in their meeting packet. He stated that the League recognizes that cities and towns are feeling the effects of the economic downturn and therefore the proposed League budget reflects this reality. He states that any increases are modest and consistent with the rate of inflation.

Mayor Nelson inquired about the significant increase in revenue for the Annual Conference. Matt Lore explained that the increase was due largely to record levels of corporate sponsorship. He stated that while the hope is that these high levels of sponsorship will continue, it is difficult to predict, particularly during this time of economic uncertainty.

President Dunn asked if the early response from sponsors had been positive. Matt stated that while most have indicated a willingness to sponsor again in 2008, some had told him that they would not be able to sponsor due to restricted budgets. He did point out that most of our larger sponsors had committed. President Dunn encouraged Executive Committee members to reach out to potential sponsors in their communities.

Mayor Nelson moved to approve the 2008-2009 League budget as proposed. Mayor Rivera seconded the motion and it carried.

## **6. TRAININGS & UPCOMING CONFERENCES**

President Dunn introduced Matt Lore, Communication and Education Director, to update the committee on recent League trainings and upcoming conferences.

Matt explained that one of the core services that the League provides to its members is training and conference coordination. In addition to the Annual Conference, the League hosts a number of other conferences and trainings throughout the year. He stated that we assist many affiliate groups by staffing their associations and coordinating their trainings and conferences. Some of these groups include the Arizona City/County Management Association, the Government Finance Officers Association of Arizona, the Arizona City Attorneys Association and the Arizona Municipal Clerks Association.

Matt then highlighted some of the upcoming summer trainings and conferences. He referred the Executive Committee to their meeting packet which includes registration materials for some of the trainings. He stated that the League is always looking for relevant topics and ideas, and encouraged the committee members to contact him if they had any suggestions for trainings.

Mayor Lopez Rogers mentioned that a few of her councilmembers recently attended a League training and found it to be very worthwhile.

## **7. UPDATE ON LEAGUE BUILDING PROJECT**

President Dunn recognized Ken Strobeck to give an update on the latest developments regarding the possible construction of a new office building.

Ken stated directed Executive Committee members to their meeting packets, where he reviewed and explained the rough site plan that he had received from SunCor. Ken pointed out that on the site plan, the MAG line item was merely a hypothetical and that they are not considered a viable tenant.

He explained that SunCor would need an additional tenant or two that will utilize the available 50,000 sq. ft. before they would feel it was worthwhile to proceed with the project. If that were to happen, then they would be willing to finance the whole construction. Ken explained that we would pay rent, but have a stake in the future building. The next phase would be to sit down with all the parties involved and determine what equity position we would have in the future building.

Ken stated that it is extremely positive that SunCor is willing to take on all aspects of the project.

Mayor Nelson asked about the Arizona Capitol Times building. Ken stated that they are not willing to vacate their building, but that they may be in need of additional office space in our new building.

President Dunn also stated that he felt discussions were going very well, and that SunCor feels that the site is very workable.

Mayor Scruggs asked if SunCor would be willing to help identify the tenants we need to fill the outstanding 50,000 sq. ft. Ken answered that yes, they are willing to help find tenants. Ken encouraged the Executive Committee to also help identify potential tenants.

## **8. RECOGNITION OF OUTGOING EXECUTIVE COMMITTEE MEMBERS**

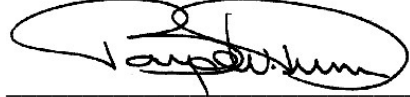
President Dunn stated that due to retirements and elections results, this will be the last meeting for several current Executive Committee members. He stated that their departure will be a great loss to the League. President Dunn then recognized the outgoing Executive Committee members: Mayor Byram, Mayor Gibson, Mayor Michel, Vice Mayor Walters, Mayor Edes and Mayor Donaldson.

With the exception of Mayor Edes who was not in attendance, each spent a few minutes thanking the Executive Committee for their support and reflecting on their time in local government.

Mayor Nelson moved that the Resolutions of Appreciation for Mayor Byram, Mayor Gibson, Mayor Michel, Vice Mayor Walters, Mayor Edes and Mayor Donaldson be approved. Councilmember Mitchell seconded the motion and it carried.

President Dunn asked if there was any other business. Vice Mayor Walters moved to reconvene as the Property Corporation. Mayor Rivera seconded the motion and it carried.

  
EXECUTIVE DIRECTOR

  
PRESIDENT