

# MINUTES

## LEAGUE OF ARIZONA CITIES AND TOWNS

### EXECUTIVE COMMITTEE MEETING

Friday, May 14, 2010  
League Office Building  
1820 W. Washington, Phoenix

#### MEMBERS

##### President

Boyd Dunn, Mayor, Chandler

##### Vice President

Robert Walkup, Mayor, Tucson

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 10:01 a.m. Executive Committee members recited the Pledge of Allegiance.

#### 1. REVIEW AND ADOPTION OF MINUTES

President Dunn asked members to review the minutes as presented. Mayor Rivera moved that the minutes of the February 12, 2010, and April 7, 2010, Executive Committee meetings be approved. Councilmember Mitchell seconded the motion and it carried.

#### 2. LEGISLATIVE REPORT

President Dunn then called on League Legislative Director, Jeff Kros, to provide a legislative report. Jeff started by stating that the Arizona State Legislature adjourned *sine die* on Thursday, April 29, 2010. He also mentioned the Legislature may convene in Special Session over the interim, conditioned on the outcome of the May 18, 2010 special election.

The League is compiling the 2010 New Laws Report for members. Per the usual, several bills were introduced this session directed at local government finances and authority. Thankfully, Jeff said, many of those proposals will not be in this year's report. For example, a \$20M sweep of state shared revenues to fund the transfer of the Juvenile Corrections Department from the state to counties was

defeated at the beginning of session. The League has maintained a zero tolerance policy on this core principle. However, traditional sources of revenues did not go unscathed; local transportation assistance funds (LTAFI and LTAF II) were swept and later permanently repealed from statute.

Some of the bills that did pass this year fall under the theme of transparency, requiring municipalities to maintain databases of their financial transactions and contractual obligations. The State of Arizona presently has a mandate on it to create a records database and the League will be monitoring the progress of their process. The proposals involving cities and towns are a work in progress and have a delayed effective date including **HB2209** *public meetings; notices* (study committee to review meeting notices posted on website over newspaper publication); **HB2282** *political subdivisions; government transparency* (municipalities with a population over 2,500 must maintain a database of transactions greater than \$5,000 by 2013) and **HB2260** *regulatory rule making* (Secretary of State must maintain a copy of local ordinances on a website by 2016).

Highlights of other bills include:

- After years of negotiations and intense stakeholder meetings this session, **HB2504** *GPLET; lease records and reporting* was reformed. The bill changes the existing rate structure; however the compromise preserves government property lease excise tax as a viable economic development tool for municipalities.
- Moving on, **HB2246** *regulation of fireworks*, permits the use of fireworks by the general public, yet enables a municipality to prohibit the use of fireworks during times when there is a reasonable risk of wildfires.
- Numerous eminent domain bills were introduced, yet only one bill passed this session. **SB1366** *eminent domain; relocation assistance* requires local governments to adhere to relocation assistance provisions used by the federal government.
- Lastly, with the concerted effort of all League members, **SB1239** *city sales tax; residential rental* failed on the House floor. This bill would have treated landlords differently in tax policy. Jeff thanked members for their time and follow up on this bill.

As noted, there were a number of bills that attacked local control and local government tax authority; many of these were returning issues such as political signs. Yet with the help of members these bills faded away.

Following Jeff's report, President Dunn, Mayor Skelton and Councilmember Mitchell thanked the legislative team for a job well done this session.

President Dunn then called on Tom Belshe, Deputy Director, to comment on the League's newest member, the Town of Tusayan. Tom noted that in March, voters approved an incorporation measure, which is pending approval by the Coconino County Board of Supervisors. The League will be assisting the community with its start up administrative functions over the next few months, in addition to serving as an expert witness in a pending lawsuit over its incorporation status.

### 3. UPDATE ON HB2008 LAWSUIT

Executive Director Ken Strobeck was called upon to provide an update for this agenda item. Ken provided history on HB2008, which was passed during the Third Special Session in September 2009.

The bill addressed both development impact fees and immigration/public benefits in its language. The League filed a special action suit against the bill for technical reasons: policies outside the scope of the Governor's Call were incorporated into a budget bill. The Arizona Supreme Court declined to hear the case, suggesting the League file the case with the Arizona Superior Court instead.

In two special meetings of the Executive Committee held December 2009 and January 2010, the League was directed to devise a legislative fix to HB2008 before pursuing further litigation. Ken was pleased to report a legislative fix to both issues were obtained during the Second Regular Session of the Arizona State Legislature. Ken stated he participated in numerous impact fees stakeholder meetings with Representative Andy Biggs, the homebuilder lobby and staff from the City of Avondale and the Town of Queen Creek. HB2249 *municipal development fees; refunds* and HB2259 *development fees; proportional share* were the focus of the debate at first, yet these bills were unworkable from a League perspective in light of conflicting provisions. In exchange for killing both of these bills and obtaining a retroactive date for HB2008 to benefit impacted communities, an agreement was reached to extend the impact fee moratorium through June 30, 2012. Consensus language was amended onto HB2478 with assistance from Representative Bill Konopnicki and Senator Jay Tibshraeny and the bill was signed by the Governor.

As for modifications to the public benefit issue, the Governor's Office and legislative leadership encouraged the League to work with Senator Russell Pearce (R-Mesa) on a legislative fix. The League, together with the City of Chandler and the City of Mesa, met with the Senator, who wanted time to review amendment language with his confidants and a legal opinion from the Arizona Attorney General. After several weeks of delay and the desired legal opinion, the Legislature's attention was focused on SB1070 *immigration; law enforcement; safe neighborhoods*. House members expressed serious concern about the bill and floor amendments were being coordinated. However Senator Pearce promised his counterparts that he would introduce a trailer bill to address their concerns if they voted SB1070 out of the chamber. Shortly after, SB1070 was approved and transmitted to the Governor.

Next the Legislature used HB2162 *illegal immigration; border security committee* as a vehicle for further amending SB1070. HB2162 was amended on the Senate floor by Senator John Nelson, with support from Representative Russ Jones from the House, over objections from Senator Pearce. Because HB2162 was introduced in the House first, it was sent back to the chamber for concur/refuse. Representative Nichols refused the Senate's amendments, sending the bill into a free conference committee for further review. After additional meetings with the Governor's Office, Senator Pearce and the League, the conference committee approved amendment language that both modified SB1070 and provided a legislative fix for HB2008. The primary provisions of the bill 1) clarifies that the law only applies to natural persons; 2) requires the loser pay attorney fees in litigation arising from the and 3) states that a public benefit is not something that is generally available to the public as a whole, such as parks, buses, libraries, etc. The League recommended these provisions as the legislative fix, providing a balance between strategy and policy. The League no longer needs to sue over HB2008, as no harm has been incurred.

President Dunn elaborated on this overview, thanking Mayor Smith of Mesa for his efforts, before facilitating questions from Executive Committee members. Discussion ensued as members, including Councilmember Mattox, Mayor Lopez Rogers and Mayor Nexsen as well as others, expressed concern over not filing a lawsuit on principle. However, the committee recognized that due to the fixes to HB2008, a suit was not necessary at this time. Sedona's Mayor Adams then inquired about how the League came to oppose SB1070. Ken responded legislative positions are based on core principles and municipal policy statement, as bringing every issue to the Executive

Committee before taking action on every bill would make the League ineffective in the legislative arena. Mayor Evans of Payson then noted the impact of SB1070 would vary by community depending upon size and geographical location. Mayor Smith suggested guidelines be issued on HB2008 after the bill is vetted with municipal attorneys and police chiefs; Ken agreed information could be compiled and distributed.

Mayor Adams asked if an initiative was going to be filed regarding SB1070. Ken noted that two such efforts to challenge the bill have already failed and that should an initiative effort be defeated at the polls, the bill would be voter-protected.

Discussion then turned to the growing national trend of boycotts against Arizona as a result of SB1070, stating that such boycotts hurt municipalities, when in fact this is exactly the interest group a national agenda should be trying to help. The question arose if whether cities, through the League, should be proactive at a national level to tone down the implications of a boycott. Glendale's Mayor Scruggs warned that this bill will touch upon many state aspects, including domestic violence, and cities should wait to address their concerns until more information is available regarding financial impacts. Mayor Loomis of Oro Valley suggested the League ask municipal attorneys and police personnel for guidelines in the meantime.

Members agreed that SB1070 is an emotional issue that raises a variety of opinions, and that these are difficult issues for local government to mediate. Mayor Lane of Scottsdale said that cities would have to exercise due diligence in implementing this bill in their respective communities.

Councilman Mattox noted that he drafted a letter to his colleagues from the NLC EENR Committee recommending that they oppose any suggestions to boycott meetings in Arizona, and asked whether the League could do something similar. There was consensus to direct staff to issue a Press Release from the League acknowledging the controversial nature of SB1070 but calling on other cities across the country to oppose boycotts of Arizona.

#### **4. 2010 CONFERENCE UPDATE**

President Dunn then recognized Communication and Education Director Matt Lore to update Executive Committee on the League Annual Conference, which will be held in Glendale, August 24-27. Matt explained that the theme of the 2010 conference is "Looking Up in Down Times," and will include more than 20 concurrent sessions and a statewide candidate forum, in addition to long-standing events such as the Showcase, receptions and golf tournament. Mayor Scruggs said Glendale had been working hard to prepare for the conference and looked forward to hosting the League. Matt then explained a sponsor competition for which the League requested participation from the Executive Committee. The aim of the competition is to encourage the renewal of past sponsors and attract new ones.

After Matt completed his report, President Dunn asked Ken Strobeck to update members on the 2011 NLC Conference, scheduled to be in Phoenix. Ken mentioned that there would be a NLC board meeting in July in Riverside, California, where the board would discuss the upcoming conference in light of the state's recent SB1070 attention. Ken said the League would remind board members that it is important to continue supporting Arizona's municipalities during these difficult times. He also mentioned that at this time, there was no indication the conference would be relocated.

**5. LEAGUE BUDGET FOR 2010-2011**

President Dunn asked the Executive Committee to review the 2010-2011 proposed budget included in their packets, noting the League’s voluntary 5 percent reduction in dues. As members reviewed the budget, Mayor Lopez Rogers asked if the League had considered hiring a contract lobbyist given the current state of affairs, as well as setting aside a legal fund. Ken Strobeck said that these expenditures are accounted for within the line item for professional services, should the League need to utilize them. Mayor Von Gausig also asked about the League’s reserve fund, to which Ken explained that the organization currently had a six-month reserve fund. President Dunn thanked Ken for continuing to run a lean budget and for offering the 5 percent reduction in dues. Councilmember Mattox moved to approve the proposed 2010-2011 budget; Councilmember Mitchell seconded the motion and it carried.

**6. RECOGNITION OF OUTGOING EXECUTIVE COMMITTEE MEMBER**

Two outgoing Executive Committee members were present at the meeting to receive their resolutions of appreciation. First, President Dunn recognized Mayor Loomis for his seven-year tenure on the League Executive Committee and 12 years of dedicated service as Mayor of Oro Valley. Mayor Lopez Rogers motioned to approve the resolution of appreciation; Mayor Von Gausig seconded the motion and it carried.

Also present was former Yuma Mayor Larry Nelson. The Executive Committee approved his resolution of appreciation at the February 12, 2010, meeting, but presented the resolution to the former mayor in May. President Dunn and the Executive Committee thanked former Mayor Nelson for his service to Yuma and the League.

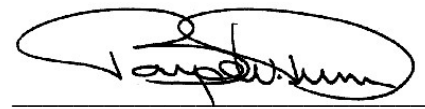
**7. LEAGUE HISTORY PROJECT**

Lastly, President Dunn called on Ken Strobeck to update the committee on the completion of the League History Project. Ken explained that former long-time League Executive Directors Jack DeBolske and Cathy Connolly authored the project, which chronicles the first 70 years of the organization’s history. Former Executive Director Cathy Connolly was present and said the book was the brainchild of former Director DeBolske, who expressed interest in a history project for several years. Accordingly, the former directors took it upon themselves to compile several hundred documents, photographs, facts and anecdotes to create the League History Project. Ken said that copies would be sent to all city and town libraries.

**8. ADJOURNMENT**

President Dunn asked if there was any other business. Seeing none, President Dunn adjourned the meeting by proclamation at 11:53 a.m.

  
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EXECUTIVE DIRECTOR

  
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PRESIDENT