

**MINUTES**

**LEAGUE OF ARIZONA CITIES AND TOWNS**

**EXECUTIVE COMMITTEE MEETING**

Friday, May 9, 2014 at 10:00 a.m.  
League Office Building  
1820 West Washington, Phoenix

**MEMBERS**

**President**

Doug Von Gausig, Mayor, Clarkdale\*

Thomas L. Schoaf, Mayor, Litchfield Park

Ed Honea, Mayor, Marana

Kenny Evans, Mayor, Payson

**Vice President**

Mark Mitchell, Mayor, Tempe

Bob Barrett, Mayor, Peoria

Greg Stanton, Mayor, Phoenix\*

Harvey Skoog, Mayor, Prescott Valley

**Treasurer**

Jay Tibshraeny, Mayor, Chandler

Lynne Skelton, Councilmember, Sahuarita

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

Rob Adams, Mayor, Sedona

Marie Lopez Rogers, Mayor, Avondale

Gilbert Lopez, Councilmember, Coolidge

Lana Mook, Mayor, El Mirage

John Lewis, Mayor, Gilbert

Jerry Weiers, Mayor, Glendale

Mark Nexsen, Mayor, Lake Havasu City

Rick Mueller, Mayor, Sierra Vista

Sharon Wolcott, Mayor, Surprise\*

Bob Rivera, Mayor, Thatcher

Jonathan Rothschild, Mayor, Tucson\*

*\*Not in attendance*

League Vice President Mark Mitchell called the meeting to order at 10:01 a.m.

The meeting began with **Agenda Item 10:**

**RESOLUTION OF APPRECIATION FOR FORMER MESA MAYOR SCOTT SMITH**

League Vice President Mark Mitchell asked to move agenda item # 10 – Resolution of Appreciation for Former Mesa Mayor Scott Smith – to be the first item on the agenda.

Vice President Mitchell read the Resolution of Appreciation to Scott Smith, former mayor of Mesa. He recognized him for his work as a mayor and member of the Executive Committee, as well as his work serving as president of the United States Conference of Mayors. Mayor Marie Lopez Rogers moved to pass the Resolution of Appreciation; Mayor Bob Rivera seconded the motion and it carried unanimously.

**1. REVIEW AND ADOPTION OF MINUTES**

Executive Director Ken Strobeck noted that there was a correction to be made on the Executive Committee Minutes from Friday, February 14. The correction was made to read: “The Executive

Committee Further discussed SB1413 and decided to oppose the bill unless the issues of concern to cities and towns were successfully addressed.”

Mayor Kenny Evans moved to approve minutes of February 14, 2014 Executive Committee meeting with correction; Mayor Harvey Skoog seconded the motion and it carried unanimously.

### **3. TPT IMPLEMENTATION UPDATE**

Vice President Mark Mitchell recognized League Deputy Director Tom Belshe to discuss the progress between the League and the Department of Revenue (ADOR) in the TPT Implementation. Mr. Belshe introduced David Raber, Director of the Arizona Department of Revenue. Mr. Raber noted that ADOR had developed a great relationship with the League and several of its member cities, meeting weekly to discuss TPT reform.

Mr. Raber then introduced John Millster from ADOR to present the new system that will eventually be implemented. Mr. Millster demonstrated for the group how an online program was created to establish maps with boundaries of all the cities and counties utilizing a locator to enable individual taxpayers to determine the specific jurisdiction where they are doing business.

Deputy Director Belshe told the Committee that the League was maintaining the IT schedule in order to complete everything by January 1, 2015. Mr. Belshe also told the Committee that on August 11, there will be a “deep dive” into the ADOR system to assess where the project is and the amount of work still needed. The group should have this information by the next Executive Committee Meeting.

Mr. Belshe then recognized the city of Mesa, as well as Sandy Shilling and Neil Young of the city of Phoenix, who had been working continually with the League, spearheading this particular project. He also noted that in relation to audits, there would be a manual developed so that cities and towns would have policies and guidelines for conducting audits. An intergovernmental agreement will be signed by all of the cities.

Mr. Belshe told the Committee that one of area of concern had been with the construction sales tax, making sure that businesses in either construction or retail or both have their necessary system in place. He said there had also been some challenges regarding confidentiality, however, most of these concerns have been addressed.

### **2. LEGISLATIVE UPDATE**

Vice President Mark Mitchell introduced League Executive Director Ken Strobeck and League Legislative Director René Guillen to give a legislative update. Mr. Strobeck told the committee that the session ended on April 24, 2014 – officially the 101<sup>st</sup> day of the session. He noted that it was a successful legislative session for cities and towns.

Legislative Director Guillen informed the Committee that the League’s legislative team would be conducting their annual legislative roadshows throughout the state during the summer months. He gave an overview of the presentation to the committee. Mr. Guillen told the Committee that the effective date will be July 24, 2014 of all laws passed, noting that many of the issues this year don’t directly apply to cities and towns. In his presentation, Mr. Guillen noted several high profile topics in this session legislative session that consumed a great deal of time and attention but that weren’t specifically city issues: Common Core and education bills, CPS Reform, campaign finance, ride sharing services, and solar panels.

He also discussed bills relating directly to cities and towns including pension, elections, streetlight improvement districts, graffiti abatement, State Parks funding, bills relating to the Model City Tax Code and the update to last year's bill dealing with transaction privilege tax changes.

Mr. Guillen also mentioned the possibility of a special session on PSPRS.

#### **4. LEAGUE BUDGET FOR 2014-2015**

Mayor Mark Nexsen, Chairman of the League Budget Subcommittee, presented the League Budget for 2014-2015. He noted that the budget included was the same as was shown at the Executive Committee Meeting on February 14, 2014.

Mayor Nexsen noted that there was an estimated surplus for FY 2014, compared to an estimated deficit for FY 2015. He noted that there were increases in salaries and benefits in FY15. There was a brief discussion on the increase in benefits, as well as the coverage of full benefits to League employees. An inquiry was also made regarding reductions in professional expenses, which Executive Director Ken Strobeck noted were primarily from legal contracting.

Mayor Harvey Skoog moved to approve the FY15 budget as recommended by the subcommittee; Mayor Bob Rivera seconded the motion and it carried with one objection from Mayor Rob Adams.

#### **5. 2014 LEAGUE CONFERENCE UPDATE**

Vice President Mark Mitchell welcomed League Communication and Education Director Matt Lore to update the Executive Committee on the preparations for the upcoming 2014 League Annual Conference. Mr. Lore briefed the members on a meeting held in March with members of the League Conference Planning Committee. He described the sessions that will be included at the upcoming conference, in addition to an Arizona gubernatorial debate and traditional conference items such as the youth program, Opening General Session and Showcase of Cities.

Mr. Lore updated the Committee on sponsorships for the conference, thanking the members for contacting former sponsors to discuss renewals and for suggesting new potential sponsors.

#### **6. GOVERNANCE COMMITTEE UPDATE**

Executive Director Ken Strobeck reminded the Executive Committee that there was a discussion held during the February 14, 2014 Committee Meeting regarding the proposal of a new League charter. Several members of the Committee had made comments and provided changes to the draft document. Mr. Strobeck indicated that the current document reflected all of the previous comments and changes. He requested approval for the new governance document to be sent to the full membership. He noted that it would be voted upon at the Annual Business Meeting on Thursday, August 21, during the League Annual Conference.

Mayor Rob Adams moved to refer the revised governing documents to the full membership for approval; Councilmember Lynne Skelton seconded the motion and it carried unanimously.

## **7. RESOLUTIONS PROCESS UPDATE**

League Executive Director Ken Strobeck presented on the resolutions process, telling the Executive Committee that the proposal before them is to make the process more inclusive and to be able to more fully vet proposed resolutions before they are presented to the full membership at the Annual Conference. He noted that there are often times that the League will receive a resolution that may not be applicable to all cities or towns or only concern cities and towns locally, and other times something that could have a larger result on cities or towns isn't always included in the list.

Mr. Strobeck explained that the new system, as outlined in the memo, creates five policy committees that will focus on specific topics. The committees would formulate the development of resolutions within their specific topic area. The chairman of the committee would be responsible for deciding which resolutions would be presented to the full resolutions committee. Mr. Strobeck indicated that this change would be implemented in the next year.

Councilmember Lynne Skelton moved to approve the new resolution process as presented; Mayor Rob Adams seconded the motion. Vote: unanimous.

## **8. AZ CITIES @ WORK UPDATE**

League Communication and Education Director Matt Lore presented an update on the AZ Cities @ Work campaign, reminding the Committee that the campaign works to constantly engage with the public through positive stories about cities and towns. Mr. Lore summarized the activities of the AZ Cities @ Work program during the spring. Highlights included a booth at a spring training game in Glendale to honor First Responders Day and multiple features on Channel 3 promoting city and town services, elected officials and municipal employees for the work they are doing.

Mr. Lore informed the Committee that the campaign's major spring project was the creation of the "Your Input Matters" video, an educational video primer that was created to inform citizens about their municipal budget process. He then played the video for the Committee.

## **9. REPORT ON BI-NATIONAL ECONOMIC FORUM IN NOGALES, SONORA**

Vice President Mark Mitchell invited Avondale Mayor Marie Lopez Rogers and Coolidge Mayor Gilbert Lopez to discuss the Bi-National Economic Forum, held in Nogales, Sonora, April 10-11. The League was a co-sponsor of the event, which included approximately 60 Arizona delegates.

Mayor Lopez Rogers said that during the forum, mayors met and created their own league organization in Sonora, something that had never been done before. She indicated that the meeting was a beneficial relationship-builder, linking with other nations and building economic stability with neighboring countries.

League Executive Director Ken Strobeck noted that there would be Sonora mayors attending the League's Annual Conference in August.

The committee moved to adjourn the Executive Committee meeting to move into the League Property Corporation: Motion by Mayor Bob Rivera; seconded by Mayor Rick Mueller.

Vice President Mark Mitchell adjourned the meeting at 11:37 a.m.

*Ken Juchel*  
EXECUTIVE DIRECTOR

*[Signature]*  
PRESIDENT