

MINUTES

**LEAGUE OF ARIZONA CITIES AND TOWNS
EXECUTIVE COMMITTEE MEETING**

August 24, 2016 – 12:00 p.m.
Fairmont Scottsdale Princess Resort, Palomino 4 Room
7575 East Princess Drive
Scottsdale, Arizona

MEMBERS

President

Mark Mitchell, Mayor, Tempe

Vice President

Jay Tibshraeny, Mayor, Chandler

Treasurer

Mark Nexsen, Mayor, Lake Havasu City

Doug Von Gausig, Mayor, Clarkdale
Gilbert Lopez, Councilmember, Coolidge
Lana Mook, Mayor, El Mirage
Gerald Nabours, Mayor, Flagstaff
Linda Kavanagh, Mayor, Fountain Hills
Jerry Weiers, Mayor, Glendale

Thomas L. Schoaf, Mayor, Litchfield Park
Ed Honea, Mayor, Marana
Christian Price, Mayor, Maricopa
John Giles, Mayor, Mesa
Kenny Evans, Mayor, Payson
Cathy Carlat, Mayor, Peoria
Daniel Valenzuela, Councilmember, Phoenix
Harvey Skoog, Mayor, Prescott Valley
W.J. "Jim" Lane, Mayor, Scottsdale
Daryl Seymore, Mayor, Show Low
Rick Mueller, Mayor, Sierra Vista
Sharon Wolcott, Mayor, Surprise
Bob Rivera, Mayor, Thatcher
Jonathan Rothschild, Mayor, Tucson
Douglas Nicholls, Mayor, Yuma

League President Mark Mitchell called the meeting to order at 11:54 a.m.

1. REVIEW AND ADOPTION OF MINUTES

Mayor Rivera moved to approve minutes from the May 13, 2016 Executive Committee Meeting; Mayor Rothschild seconded the motion and it carried unanimously.

2. RESOLUTION NAMING THE ARI-SON ORGANIZATION AS AN AFFILIATE GROUP OF THE LEAGUE

President Mark Mitchell read the Resolution naming the Ari-Son Organization as an affiliate group of the League of Arizona Cities and Towns.

Mayor Mueller moved to pass the resolution; Mayor Seymore seconded the motion and it carried unanimously.

3. TPT IMPLEMENTATION UPDATE

President Mark Mitchell recognized League Deputy Director Tom Belshe to discuss the current progress of TPT implementation.

Deputy Director Belshe told the Executive Committee that since they last met, an IGA had been approved with five additional items added. Mr. Belshe noted that they had developed a method that more sufficiently handles tax modifications, especially in the incidence of taxpayer error. He also noted that language had been added about city and town involvement and the interpretation of the Model City Tax Code. Mr. Belshe said that according to the IGA, DOR will provide TPT collection without charge, regardless of any statutory requirement for local jurisdictions to contribute toward the operating expenses. In addition, dates for term length were removed and dates for review were shifted.

Mr. Belshe also gave a summary of the project's progress, informing the Committee that the first testing would happen soon based on actual results from the department.

President Mitchell thanked Mr. Belshe for his work on TPT.

4. CONSTRUCTION SALES TAX TASK FORCE UPDATE

President Mark Mitchell recognized League Legislative Director Patrice Kraus to present an update on the sales tax task force.

Legislative Director Kraus informed the Executive Committee that League had developed a Contracting Sales Tax Task Force and that Queen Creek Town Manager John Kross had been appointed the chair of the task force.

Ms. Kraus welcomed Mr. Kross, who thanked the Executive Committee for the opportunity to chair the task force.

Mr. Kross informed the committee that the task force had been meeting and was hoping to finish the work in the fall. He said that the group was working on some solutions that could involve potential legislation, in addition to creating a tool similar to the yardstick that was generated through the PSPRS taskforce. Part of the process has also involved talking with other states to see how they tax contracting construction. Mr. Kross noted that initial research has verified that Arizona is not completely different from 46 other states regarding the taxation of construction, as critics often assert. As the taskforce continues to meet, the Executive Committee will continue to receive updates.

5. DISCUSSION OF PUBLIC OPINION SURVEY/COMMUNICATIONS MESSAGING

President Mark Mitchell recognized League Executive Director Ken Strobeck to discuss the agenda item of a public opinion survey and communications messaging.

Executive Director Strobeck told the Executive Committee that based on the activities of the legislature within the last year and the negative bills that were brought to light last session, it would be beneficial to develop consistent positive messaging among all of the elected officials throughout the state. He reminded the Committee that nearly a decade ago, a similar situation had occurred and the League contracted with HighGround Public Affairs Consultants to create a statewide public opinion poll, used for the purpose of gauging public opinion of all levels of government. From that poll, the League developed messaging and produced publications to advance their image using sound research.

Mr. Strobeck said that the League had recently been in contact with HighGround to discuss how to develop better and consistent messaging based on factual data. He said that Chuck Coughlin from HighGround was in attendance at the meeting to discuss what services they could potentially provide.

Mr. Strobeck welcomed Chuck Coughlin, President of HighGround and Doug Cole, Senior Vice President of HighGround, to discuss a potential public opinion survey and messaging for the League.

Mr. Coughlin thanked the Executive Committee for their long relationship with HighGround. He said that, historically, cooperation has been the keystone of getting projects accomplished within our state. He noted that historic cooperation is no longer understood or appreciated and that the political environment has changed and is more polarizing at all levels. Mr. Coughlin told the Executive Committee that cities needed to engage in the discussion and “play offense” by playing together on the same page and build on local government popularity. He informed the group that through a number of surveys done in the past several years, cities have performed consistently well among citizens and have received high approval ratings, whereas the data shows the state and the federal level are not performing as well.

Mr. Coughlin told the Executive Committee that particularly in the face of SB1487, the messaging about local government success needs to be pushed. He believed that cities need to adopt a set of messages that discusses how local government approaches challenges and how they are successful.

President Mitchell echoed the sentiments, saying that cities need to do a better job at responding with a message that is consistent. He reminded the Executive Committee that when the TPT reform bill was introduced several years ago, the cities and towns of the League stood side by side to show disagreement and in turn, we were able to get a few wins in the areas of data collection. He agreed that it was important for there to be structured messaging for all cities and towns.

Executive Director Strobeck clarified to the Executive Committee that this particular item is separate from the ongoing Arizona Cities @ Work campaign that was created through the suggestion of the Executive Committee several years ago. This would be a separate contract that would focus specifically on consistency of messaging when it came to how cities and towns spoke about particular legislative issues.

Mayors Lane and Rothschild stated that strong, consistent messaging is very important, and that an RFP for the project may be appropriate since it will involve additional cost to the League. Councilman Valenzuela said cities definitely need to improve their image with legislators and suggested that perhaps it was time to make political endorsements and contributions through a PAC. Mayor Von Gausig said cities need to be active, not passive, and that we need to develop strategies to go on the offense, putting the legislature and Governor on notice that we are not happy with the way cities are being treated. Mayor Schoaf said the issue is not so much messaging as it is that there is no consequence for opposing our opinions or messaging; that we need to have a greater impact.

Mr. Coughlin said survey data can be helpful in developing consensus based on facts that can strengthen our message. Mayor Wolcott noted that the same kind of anti-city legislation is occurring nationwide and that those who oppose cities should be held accountable. Mayor Nexsen said we need to develop ways to make them care about their votes on city issues, and Mayor Kavahagh said the story is not all negative. She noted that Patrice and the legislative staff have had successes because of the personal relationships they have built with legislators.

After further discussion, Mr. Strobeck told the Executive Committee that he would take what was discussed today and go back to meet with Mr. Coughlin to create something more defined based on the dialogue from the meeting.

6. RESOLUTION OF APPRECIATION

President Mark Mitchell read the Resolution of Appreciation for former Gilbert Mayor John Lewis.

Mayor Rivera moved to pass the resolution; Mayor Rothschild seconded the motion and it carried unanimously.

7. POSSIBLE EXECUTIVE SESSION: LEGAL ADVICE

President Mark Mitchell recognized League Executive Director Ken Strobeck to discuss the potential of adjourning to Executive Session regarding legal advice on 1487.

Executive Director Strobeck told the Executive Committee that they may want to move into Executive Session for legal advice relating to SB1487. He informed the group that since the bill passed, there had been one complaint filed by Representative Paul Boyer against the Town of Snowflake. The complaint was challenging the action of issuance of a special use permit and the adequate notice and public records relating to a marijuana growing operation seeking permission to use former greenhouses in the town. He said that upon receiving the complaint, the Arizona Attorney General must immediately investigate. The Attorney General sent communications to the town asking them to explain matters issued in the complaint. Per the bill, there are 30 days before he must make determination.

Members of the Executive Committee questioned Representative Boyer receiving a Legislative Champion Award the following day at the League's Annual Legislative Award Luncheon. Mr. Strobeck clarified that he was initially chosen to receive the award as he was one of only two Republicans in the entire legislature who voted against SB1487.

Mr. Strobeck suggested the committee move to adjourn the Executive Committee meeting and reconvene into an Executive Session to discuss legal advice as related to 1487.

The committee moved to adjourn the Executive Committee meeting and reconvene into an Executive Session.

President Mark Mitchell adjourned the meeting at 1:45 p.m.



EXECUTIVE DIRECTOR



PRESIDENT