

# MINUTES

## LEAGUE OF ARIZONA CITIES AND TOWNS

### EXECUTIVE COMMITTEE MEETING

Friday, February 15, 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. He welcomed the new Executive Committee members in attendance, Mayor Monica Badillo of Hayden and Councilmember Mike Vogel of Payson.

#### **1. REVIEW AND ADOPTION OF MINUTES**

Mayor Byram moved that the minutes of the November 30, 2007 Executive Committee meeting be approved. Mayor Rivera seconded the motion and it carried.

#### **2. ADOPTION OF FY 08-09 DUES**

President Dunn recognized Ken Strobeck, Executive Director, to present the committee with the proposed dues structure for fiscal year 2008-2009.

Ken stated that the League recognizes that everyone is experiencing dramatic reductions in revenue due to the sluggish economy. He explained that the proposed dues structure reflects that reality. Ken discussed the current dues structure and stated that the FY09 schedule reflects a ½ cent inflationary adjustment to the variable per capita rates.

Ken stated that if the FY 08-09 dues schedule is adopted, he believed it would be sufficient for League operations for the upcoming year. He pointed out that the League is exercising fiscal restraint during this time and is utilizing a variety of cost-saving methods, including leaving vacant positions unfilled.

Mayor Michel asked for clarification regarding the population estimates for the Town of Quartzsite. Ken explained that the dues formula is based on the annual DES population estimates.

Mayor Michel moved that the proposed due structure for FY 08-09 be adopted as presented. Councilmember Lopez seconded the motion and it carried.

### **3. REPORT FROM STATE SHARED REVENUE SUBCOMMITTEE**

President Dunn recognized Ken Strobeck to give an update on the activities of the State Shared Revenue Subcommittee.

Ken stated that the purpose of the State Shared Revenue Subcommittee is to develop methods which increase city and town visibility and involvement in advocating for the continuation of state shared revenue. He summarized some of the activities that the subcommittee has been involved with, including visits with legislators and legislative leadership, meetings with the Governor, attracting local media coverage, presenting about state shared revenue at council meetings, and encouraging cities and towns to public articles about state shared revenue in their city publications.

Ken also noted that the subcommittee has worked to develop key messages which the League has used to send out news releases to a wide audience.

Mayor Strain asked Ken about the current status of state-shared revenue in the legislature. Ken said that in a recent meeting both President Bee and Speaker Weiers indicated that they did not desire to touch shared revenue; however, they acknowledged that balancing the budget would be extremely difficult and that they had to look at many different options. Ken pointed out that President Bee did say that if modifying state shared revenue ever became an option, Bee would notify the League so that we could be a part of the discussion. Ken stated that there was much uncertainty and lack of consensus right now at the legislature regarding the budget.

President Dunn followed up on Ken's statement, and stated that he attended the same meeting with President Bee and Speaker Weiers. President Dunn said that he felt a strong level of uncertainty at this point, because although Bee and Weiers understood the importance of state shared revenue for cities and towns – they were not willing to take it off the table as a potential area for modification. President Dunn noted that Bee and Weiers repeatedly emphasized the dire situation we are in with the budget.

Mayor Berman referred to the state shared revenue agreement established in 1972 and asked if cities and towns would be allowed to modify the agreement and pass a municipal income tax in the event that the legislature modifies the agreement. Ken stated that since the 1972 initiative regarding state shared revenue is in statute, the legislature could modify it provided they had majority votes in both chambers and the approval of the Governor.

Mayor Walkup mentioned that he believed that state shared revenue is in a very fragile situation, and stated that the Governor informed him that the presence of the mayors during the legislative process is very powerful and important tool. Mayor Walkup encouraged all the Executive Committee members to increase their visibility at the legislature.

Many members of the committee agreed with Mayor Walkup's concerns. Discussion ensued regarding ways that mayors and councilmembers can be more visible during the legislative process. Councilmember Mitchell and Mayor Lopez Rogers emphasized a need for cities and town to engage their universities, chambers of commerce, and the business community as allies and partners.

Mayor Dunn pointed out that the League will host a legislative reception next week and encouraged Executive Committee members to attend.

#### **4. LEGISLATIVE PROGRAM UPDATE/ISSUES DISCUSSION**

Mayor Dunn recognized Ken Strobeck, Executive Director, to update the committee on the legislative issues.

Ken stated the League is currently following many bills, most recently the bill on county tax credit which passed out of committee 5-3. Jeff testified on the bill, gaining a few more allies against this bill. Ken stated that the League is treating every one of these measures seriously and will fight them with all our energy, because the number one agenda item is to protect shared revenue. It was noted that this bill shouldn't go anywhere. The main point is to remind everyone that shared revenue is extremely important.

Mayor Manross touched on a recent development regarding sign walker ordinances in Scottsdale, citing a recent court case in which the Superior Court ruled in favor of Scottsdale in regards to an appeal by a sign walker contractor, upholding the sign ordinance.

Mayor Dunn then moved to state bonding for school facilities. The mayor brought up the proposal from the Governor's office, which he noted focused mostly on the issue of the deficit. The mayor felt that without a lot of details, no one can really know what's going to work in the long run. The League has been asked if it will come to a formal position on the bonding issue. Many concurred that it may be more useful for those who are passionate about it to indicate their feelings independently.

Mayor Manross suggested that in supporting the Governor on this issue, cities and towns may receive some protection in regards to shared revenue. Several members of the executive committee agreed, and stated that state bonding may even turn into a positive method to deal with the budget. Mayor Walkup followed up by mentioning that while this may be a good avenue to follow, the timing of when cities and towns support the Governor on the bonding issue is crucial. If the timing is not appropriate, legislators may feel that they will then be relieved of their responsibilities to protect cities and towns from state shared revenue raids. Mayor Walkup went on to suggest that if those concerned wait and let the idea mature around the legislature, legislators may come to this conclusion on their own, and that would be the time for cities and towns to voice their support, or lack of opposition.

Councilmember Stanton discussed the inevitability of state bonding, indicating that the debate will be over the level of bonding, not whether or not it will be used. If the cities and towns truly want to protect shared revenue, bonding will have to occur – and the key people to talk to would be first and second year legislators. Councilmember Stanton urged the Executive Committee to come take a lead support of the bonding issue.

Mayor Dunn countered with the question of whether or not this would be a League issue to consider if the state was not currently in a deficit. If the League takes a position, it should be made clear that this would be an attempt to propose how the state should resolve their financial problems, otherwise others will wonder what the League is doing taking a position on school bonding.

Vice Mayor Walters spoke in moderate support of bonding, but followed by indicating concerns about the League as a whole taking a position on this issue. She felt it would be more prudent for individuals to go to their respective legislators and talk to them independently about the issue.

Mayor Scruggs agreed with Vice Mayor Walters, noting that it is not the place of members to inform the legislature how to fix their budget, in the same way that a legislator would not come to a city and tell the

mayor how to fix their city budget. Mayor Scruggs discussed a need to have all three parts working together – the House of Representatives, the Senate, as well as the Governor – in order for any decision to arise.

Mayor Dunn cited the issue of timing and also commented that there are still individuals and members who feel that bonding is not an appropriate tool, and that there needs to be more consensus-building on the issue. Mayor Scruggs followed by indicating that she would be unable to vote one way or another without having direction from the council, and that everyone should be cautious because that would be a highly political action. Many members voiced similar concerns regarding the League as a whole taking a position on bonding.

It was brought up that the schools currently have no position on bonding. The members concurred that it may not be wise to take a position on bonding, when the school boards have not said anything yet. Another question arose as to whether or not cities and towns would in fact have a guarantee that shared revenues would be protected if they were to voice their support on the Governor's proposal for bonding.

Mayor Walkup summed up his views by recommending that the Committee not take a formal position today but that individuals go to their respective legislators and discuss their position on bonding one-on-one.

It was decided that until something comes out that involves a solution that protects shared revenue, the League won't take a public stance on school bonding because our main issue is shared revenue, not school bonding. Ken also mentioned that the Governor's office was eager to even receive individual support for the bonding proposal.

Mayor Dunn then concluded the discussion on state bonding for schools issue, and referred to Ken to continue the legislative update. Ken stated that there are many solar energy and finance bills that the League is working on. The discussion went on to immigration matters.

There was a short discussion about Representative Nelson's alternative language on Representative Pearce's "sanctuary cities" bill. Ken discussed Representative Nelson's status as a friend of the League, and that the representative requested feedback from cities and towns about his version of the bill. Mayor Dunn responded by referring to the importance of comprehensive immigration reform, and that with the inability to happen at the federal level it has fallen to cities – as in some ways the most significant unfunded mandate.

The discussion ended with a consensus that the public has a general lack of understanding on the issue, and that it is a question between what is the right thing versus the legal thing to do with regards to immigration. No specific decision was made about this piece of legislation, and it will be an on-going issue.

## **5. REPORT FROM EXECUTIVE DIRECTOR**

President Dunn asked Ken Strobeck to give an update on various League activities.

Ken referred the Executive Committee to the report included in their meeting packet. He briefly highlighted two of the new services which are underway: the League-sponsored health insurance pool (H-PACT) and the partnership with Revenue Discovery Systems, a sales tax auditing, collection and debt collection service for cities and towns.

Ken reminded the Committee that the schedule for future Executive Committee meetings was included in the meeting packet.

## **6. SITE SELECTION FOR FUTURE ANNUAL CONFERENCES**

President Dunn introduced Matt Lore, Communication and Education Director, to present the bids for the 2010 Annual Conference. Matt explained that the League had received two bids from resorts interested in hosting the 2010 Conference: the Marriott Renaissance in Glendale and the Marriott Starr Pass in Tucson. Both resorts have the capability to handle room and space logistics for the event.

Matt introduced Mayor Scruggs of Glendale who gave some brief remarks about Glendale's desire to host the conference at the Marriott Renaissance. Representatives from the Marriott Renaissance also spoke briefly regarding the hotel. Following those remarks, Mayor Walkup spoke about Tucson's desire to hold the conference at the Starr Pass once again. Representatives from the Marriott Starr Pass also spoke briefly about their hotel.

Following the presentations, Matt asked the Executive Committee to fill out their ballots. Matt stated that following the Executive Committee meeting, League staff will proceed to finalize negotiations with the site chosen by the Committee. If logistical issues should arise during final negotiations that would preclude the chosen site from hosting the event, staff will then negotiate with the site that receives the second amount of votes from the Executive Committee.

President Dunn moved that the hotel that received second place be considered as the choice for the 2011 conference location. Mayor Lopez Rogers seconded the motion and it carried.

The ballots were counted and the Executive Committee chose the Marriott Renaissance as the preferred location for the 2010 Annual Conference thus giving the Starr Pass in Tucson the 2011 Annual Conference.

## **7. OTHER BUSINESS**

President Dunn asked if there was any other business.

Mayor Jackson requested a formal letter of support from the Executive Committee regarding the possible creation of the Decades Theme Park in Eloy.

Mayor Berman moved that the League issue a letter of support for the creation of the Decades Theme Park in Eloy. Councilmember Lopez seconded the motion.

Vice Mayor Walters pointed out that the Executive Committee may not be within its legal bounds to issue a letter of support due to the fact that it was not on the agenda. Members of the Executive Committee agreed that they did support the creation of the Decades Theme Park in Eloy, and Ken stated that he would consult with legal counsel to determine the appropriate action.

Ken Strobeck mentioned that Mayor Scruggs had asked about the legality of secret balloting during Executive Committee meetings. He asked Executive Committee members to read the letter in their meeting packet from Dave Merkel, League General Counsel. Ken summarized that a public body can use a paper ballot, as long as the ballot is signed by the participant, in the event that there are future inquires as to who voted which way.

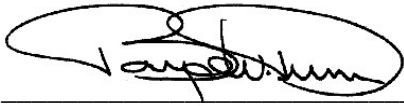
Mayor Rivera invited the Executive Committee members to visit the traveling Vietnam memorial wall which will be in his community soon.

President Dunn congratulated Mayor Scruggs and the City of Glendale on hosting a successful Superbowl. Mayor Scruggs thanked all the cities in the region who worked together to make the event a success.

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

The Executive Committee meeting adjourned at 12:20 p.m.

  
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EXECUTIVE DIRECTOR

  
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PRESIDENT