



It's in your hands – "Build a stronger community – Shop Locally"

**AGENDA  
REGULAR SESSION  
MAYOR AND COUNCIL  
COUNCIL CHAMBERS · 473 S. Main Street, Room #106  
WEDNESDAY, AUGUST 1, 2012  
6:30 P.M.**

*Note: Council member(s) may attend Council Sessions either in person or by telephone, video, or internet conferencing. Councilor Bruce George may attend telephonically.*

1. **Call to Order**
  2. **Roll Call**
  3. **Pledge of Allegiance**
  4. **Consent Agenda** – All those items listed below may be enacted upon by one motion and approved as consent agenda items. Any item may be removed from the Consent Agenda and considered as a separate item if a member of Council requests.
    - a) **Approval of the Minutes:**
      - 1) Regular Session – July 18, 2012
      - 2) Special Session at 6:00 p.m. – July 18, 2012
      - 3) Special Session at 5:00 p.m. – July 18, 2012
      - 4) Executive Session – July 18, 2012 (recorded)
    - b) **Set Next Meeting, Date and Time:**
      - 1) August 15, 2012 at 6:30 p.m. – Regular Session
      - 2) August 22, 2012 at 6:30 p.m. – Council Hears Planning & Zoning Matters
      - 3) September 5, 2012 at 6:30 p.m. – Regular Session
      - 4) September 19, 2012 at 6:30 p.m. – Regular Session
      - 5) September 26, 2012 at 6:30 p.m. – Council Hears Planning & Zoning Matters
    - c) **Possible approval of a facilities use agreement with the Bread of Life Mission for a 5-year term beginning August 10, 2012 through August 9, 2017.** Staff Resource: Ron Long
    - d) **Possible approval of Resolution 2012-865, a resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona approving an Intergovernmental Agreement with Northern Arizona Council of Governments (NACOG) for housing rehabilitation program administrative services for the projects funded under the terms of the Arizona Department of Housing HOME Contract #302-11.** Staff Resource: Debbie Barber
  5. **Council Informational Reports.** Council reports are relative to the committee meetings that Council members attend. The Committees are Camp Verde Schools Education Foundation; Chamber of Commerce, Intergovernmental Association, NACOG Regional Council, Verde Valley Transportation Planning Organization, Yavapai County Water Advisory Committee, and shopping locally. In addition, individual members may provide brief summaries of current events. The Council will have no discussion or take action on any of these items, except that they may request that the item be placed on a future agenda.
  6. **Special Announcements & Presentations** – There are no announcements or presentations.
  7. **Call to the Public for items not on the agenda.**
- Councilor Baker requested item #8:
8. **Discussion, consideration, and possible direction to staff relative to setting hours of operation for Town offices.**
  9. **Discussion, consideration, and possible direction to the Mayor relative to support of resolutions for consideration by the League of Arizona Cities and Towns Resolutions Committee for the League's 2013 Legislative program. Resolution topics include local funding formulas, economic development tools, revenue allocation districts, excess solar generation credits, alternative delivery methods,**

**alternative contribution rate/Arizona State Retirement System, housing development areas/population threshold, annexation flexibility, partnerships with cities & towns for the operation of State Parks, sweeps of HURF, regulation of fireworks, forest health and wildfires, shortage of physicians, ports of entry, retention of military installations, truck traffic, criminal damage/restitution, recapture of construction sales taxes, statutory fixes to HB 2826 consolidated election dates, regulatory reform, unfunded mandates, and preservation of local authority. Staff Resource: Debbie Barber**

10. **Call to the Public for items not on the agenda.**
11. **Manager/Staff Report** Individual members of the Staff may provide brief summaries of current events and activities. These summaries are strictly for informing the Council and public of such events and activities. The Council will have no discussion, consideration, or take action on any such item, except that an individual Council member may request that the item be placed on a future agenda.
12. **Adjournment**

Posted by: \_\_\_\_\_ Date/Time: \_\_\_\_\_

*Note: Pursuant to A.R.S. §38-431.03.A.2 and A.3, the Council may vote to go into Executive Session for purposes of consultation for legal advice with the Town Attorney on any matter listed on the Agenda, or discussion of records exempt by law from public inspection associated with an agenda item.*

The Town of Camp Verde Council Chambers is accessible to the handicapped. Those with special accessibility or accommodation needs, such as large typeface print, may request these at the Office of the Town Clerk.

H.G. 1

**DRAFT**  
**MINUTES**  
**REGULAR SESSION**  
**MAYOR AND COUNCIL**  
**COUNCIL CHAMBERS**  
**WEDNESDAY, JULY 18, 2012**  
**6:30 P.M.**

**Minutes are a summary of the actions taken. They are not verbatim.  
Public input is placed after Council motions to facilitate future research.  
Public input, where appropriate, is heard prior to the motion**

**1. Call to Order**

The meeting was called to order at 6:30 p.m.

**2. Roll Call**

Mayor Burnside, Vice Mayor Kovacovich, Councilors Whatley, George (via telephone), Baker, Jones and German were present.

**Also Present:** Town Marshal Nancy Gardner, Community Development Director Mike Jenkins, and Recording Secretary Margaret Harper.

**3. Pledge of Allegiance**

The Pledge was led by George.

**4. Consent Agenda – All those items listed below may be enacted upon by one motion and approved as consent agenda items.**

Any item may be removed from the Consent Agenda and considered as a separate item if a member of Council requests.

**a) Approval of the Minutes:**

- 1) Council Hears Planning & Zoning Matters – June 27, 2012
- 2) Regular Session – June 20, 2012

**b) Set Next Meeting, Date and Time:**

- 1) July 25, 2012 at 6:30 p.m. – Council Hears Planning & Zoning Matters
- 2) August 1, 2012 at 6:30 p.m. – Regular Session
- 3) August 15, 2012 at 6:30 p.m. – Regular Session
- 4) August 22, 2012 at 6:30 p.m. – Council Hears Planning & Zoning Matters

**c) Possible approval of contract for the intake of animals by the Adopt for Life Animal Verde Valley Humane Society in Cottonwood Arizona for fiscal year 2012/2013 in the amount of \$70.00 per animal. This is a budgeted item in FY 2012/13. Staff Resource: Marshal Nancy Gardner**

On a motion by Kovacovich, seconded by Baker, the Consent Agenda was unanimously approved as presented, with the July 25<sup>th</sup> meeting canceled.

Community Development Director Jenkins advised the Council that the July 25, 2012 meeting could be canceled; Planning & Zoning has nothing on the agenda.

**5. Council Informational Reports.**

**George** said he thought the July 4<sup>th</sup> parade was really good.

**Baker** reported on the AMRRP Board of Trustees meeting on Friday, July 13; it was also the annual members meeting at which elections to the Board were made. The AMRRP is currently distributing dividends for 2011 for the property and casualty program member cities and towns. The Board has outlined a year-long strategic planning process regarding the pool current products and services. The Board also continues to provide consultants on behalf of the members, and legal advice and advocacy.

**Whatley** said she had attended the Sanitary District Board meeting at which all Board members were present; the financial condition report was discussed, and they especially wanted to commend their employees for tightening their belts to keep expenses down, just as the Town's employees have done. The Board is actively pursuing research on using solar power.

**Burnside** reported on the NACOG meeting; it involved the budget process, and they were also pleased with their employees who have received a COL increase. Burnside also attended a WAC meeting today; they have their models in place at the Big Chino. It was an interesting and informative session.

6. **Special Announcements & Presentations**

- **Welcome to the new businesses:**
  - ❖ **Fields Custom Concrete, Inc. – Cottonwood**
  - ❖ **A.H. Hickman Co. – Prescott**
  - ❖ **Precision Structural Concrete – Cottonwood**
  - ❖ **Watches & More – Phoenix (Special Event)**
  - ❖ **The Merry Merchants, LLC – Dewey**
  - ❖ **Cool Side, Inc. – Prescott Valley**
  - ❖ **Ica Cream Dream – Cottonwood**
  - ❖ **Electric Horses – Prescott**
  - ❖ **Nancy L. Mason – Cedar City, Utah**
  - ❖ **Let's Eat Kettle Corn – Phoenix**
  - ❖ **Strawberry Silver Co. – Strawberry**

Mayor Burnside read the foregoing list of new businesses and welcomed them all to the Town of Camp Verde.

7. **Call to the Public for items not on the agenda.**

(Comments from the following individuals are summarized.)

**Mike Hough**, a resident of Camp Verde, business owner, and member of the Planning & Zoning Commission and Board of Adjustments and Appeals, spoke at length regarding the Town's plan for a business incubator program. Mr. Hough read from a copy of a letter he had submitted to the Town that explained in detail his opposition to the Town's idea of using the Rio Verde Plaza at little or no rent as an incubator for economic development, a plan that would be in direct competition with the property owners who have space available for rent to the same merchants, and would have an adverse effect on tax revenues, as well as harming the existing businesses by reducing their income. Mr. Hough believes that the Council is lacking common sense, because the idea will not work for Camp Verde and may cause our business structure to falter. Mr. Hough commented on the Town favoring the Archaeological Society over the Chamber of Commerce, taking away Chamber funding to budget the new position of Economic Development.

**June Trinidad**, current owner of the UPS Store, a small, struggling business here in Camp Verde. She opposes the proposed venture, using tax dollars to basically compete with small businesses. The services that will be offered to new businesses will put her out of business; she could provide those same services to new businesses, at a discount. Giving the new people the business space does not teach them the value of owning their own business and using their own money.

**Ramona Aldridge**, owner of Healthy Thymes Health Food Store, and Vice Chairperson of the Chamber, agrees with everything that the two previous speakers have said. She also wanted to add here concern about the Town deciding on the "right type" of businesses to incubate. That could lead to possible litigation for discriminating against a proposed business; using tax dollars to assist new businesses could also end with a class action against the Town by the existing businesses. Either way, the Town is vulnerable to litigation.

There was no further public input.

8. **Presentation and possible discussion of Quarterly Reports from the following:**

- a) **Board of Adjustments and Appeals**

- b) **Planning & Zoning Commission**
- c) **Chamber of Commerce**
- d) **Fort Verde State Historic Park**

**Doug Stevens**, Chairman of the Board of Adjustments and Appeals, presented the Quarterly Report for that Board; **Joe Butner**, Chairman of the Planning & Commission, reviewed the Quarterly Report for the Commission.

**Gary Thompson**, Chairman of the Board of Directors, Chamber of Commerce, noted the recent departure of the former Executive Director, reported on little difference in the visitor numbers and the phone calls received based on recent news reports.

**Sheila Stubler** referred to the detailed report she had submitted for the Council, commenting on the impact of the weather on some of the events; she also described the negative result of the recent search for artifacts. Ms. Stubler donated one zucchini from the Fort's garden as a prize for guessing the year the Fort closed, and thanked the volunteers for work on the garden, and for all the help on the Fort.

Mayor Burnside requested the following item(s)

9. **PowerPoint Presentation by Bob Cothorn, Black Canyon City Trail Coordinator and Troy Dymock, USDA Forest Service followed by discussion, consideration, and possible approval of Resolution 2012-868, a Resolution of the Mayor and Common Council of the Town of Camp Verde supporting the Black Canyon Trail/Sheep Corridor connectivity originating in Maricopa County Passing through Yavapai County and the Prescott National Forest terminating within Coconino National Forest.** On a motion by German, seconded by Baker, the Council unanimously approved Resolution 2012-868, and authorized a letter of support for the trail connectivity.

The technology required to make the planned Power Point presentation was found to be unavailable; and **Bob Cothorn** proceeded to give an interesting, informative oral presentation on the background, current activities and development of the subject Black Canyon Trail/Sheep Corridor connectivity and the momentum being enjoyed at present. In order to be included on the Prescott National Forest schedule for the next fiscal year, letters of support are being requested from trail organizations, agencies, governmental groups as well as any entities that might benefit from the Trail. Mr. Cothorn pointed out the huge economic benefits that tourists would create, stressing that Camp Verde would definitely benefit from the Trail, and citing one example that turned an entire town around economically.

There was a brief discussion following the presentation, including a description by Mr. Cothorn of how help was also forthcoming from the Civil Air Patrol in identifying a Grief Hill route. He was also invited to return to make another presentation on how the community might help to make the project happen.

10. **Call to the Public for items not on the agenda.**

There was no public input.

11. **Manager/Staff Report.**

Marshal Gardner announced that on August 7, 2012, from 5:30 p.m. to 8:00 p.m., the Camp Verde Marshal's Office, together with the Kiwanis Club, will be sponsoring National Night Out, to be held on the Soccer Field and the Ramada area. The Forest Service, Fire Department and the Law Enforcement Volunteers will also be participating. Garner also announced that Steve Ganis has been appointed the new Commander at the Camp Verde Marshal's Office.

12. **Adjournment**

On a motion by German, seconded by Baker, the meeting was adjourned at 7:14 p.m.

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Bob Burnside, Mayor

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Margaret Harper, Recording Secretary

**CERTIFICATION**

I hereby certify that the foregoing Minutes are a true and accurate accounting of the actions of the Mayor and Common Council of the Town of Camp Verde during the Regular Session of the Town Council of Camp Verde, Arizona, held on the 18<sup>th</sup> day of July 2012. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

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Debbie Barber, Town Clerk

**MINUTES  
SPECIAL SESSION  
MAYOR and COMMON COUNCIL  
TOWN OF CAMP VERDE  
COUNCIL CHAMBERS  
WEDNESDAY, JULY 18, 2012  
6:00 p.m.**

**Minutes are a summary of the actions taken. They are not verbatim.  
Public input is placed after Council motions to facilitate future research.  
Public input, where appropriate, is heard prior to the motion**

**1. Call to Order**

The meeting was called to order at 6:00 p.m.

**2. Roll Call**

Mayor Burnside, Vice Mayor Kovacovich, Councilors Whatley, Baker, Jones and German were present; Councilor George was absent.

**Also Present:** Town Marshal Nancy Gardner, Finance Director Michael Showers, and Recording Secretary Margaret Harper.

**3. Public Hearing to receive comments on the FY 2012/13 Budget**

There was no public input.

**4. Discussion, consideration, and possible approval of the FY 2012/13 Budget.** Staff Resource: Michael Showers

On a motion by Burnside, seconded by Kovacovich, the Council unanimously approved the FY 2012/13 Budget.

In response to a question from the Council, Finance Director Showers clarified entries made in connection with some of the Operating Transfers. Burnside referred to an earlier conversation he had with Showers regarding the issue of HURF funds; Showers explained the conflicting information he had received regarding the projected HURF revenues, and how a conservative number for the budget was estimated. Showers also noted the recent large donation for the Library Building Fund, approximately \$349,000, which more than doubled the existing fund.

**5. Adjournment**

On a motion by Jones, seconded by Baker, the meeting was adjourned at 6:11 p.m.

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Bob Burnside, Mayor

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Margaret Harper, Recording Secretary

**CERTIFICATION**

I hereby certify that the foregoing Minutes are a true and accurate accounting of the actions of the Mayor and Common Council of the Town of Camp Verde during the Special Session of the Town Council of Camp Verde, Arizona, held on the 18<sup>th</sup> day of July 2012. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

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Debbie Barber, Town Clerk

103  
MINUTES  
SPECIAL SESSION  
MAYOR and COMMON COUNCIL  
TOWN OF CAMP VERDE  
COUNCIL CHAMBERS  
WEDNESDAY, JULY 18, 2012  
5:00 p.m.

Minutes are a summary of the actions taken. They are not verbatim.  
Public input is placed after Council motions to facilitate future research.  
Public input, where appropriate, is heard prior to the motion

1. **Call to Order**

The meeting was called to order at 5:00 p.m.

2. **Roll Call**

Mayor Burnside, Vice Mayor Kovacovich, Councilors Whatley, Baker, Jones and German were present; Councilor George was absent.

**Also Present:** Town Marshal Nancy Gardner (arriving at 5:04 p.m.), and Recording Secretary Margaret Harper.

3. **Discussion, consideration, and possible direction to staff relative to negotiations of property located on Horseshoe Bend.**

Note: Council may vote to go into Executive Session pursuant to ARS §38-431.03(A)(7) for discussions or consultations with designated representatives in order to consider Council's position and instruct representatives regarding negotiations for the purchase, sale, or lease of real property. (Staff Resource: Russ Martin)

**On a motion by German, seconded by Kovacovich, the Council unanimously voted to go into Executive Session for legal advice regarding the purchase, sale or lease of real property.**

Mayor Burnside suggested that all discussions on contracts involving property should be considered in Executive Session; there was no further discussion prior to going into Executive Session.

**A recess was called at 5:02 p.m. to go into Executive Session.**

On a motion by German, seconded by Baker, the Executive Session was adjourned at 5:44 p.m.

**The meeting was called back to order at 5:45 p.m.**

4. **Discussion, consideration, and possible direction to staff relative to negotiations of property located on Horseshoe Bend to include authorization for the Mayor to sign necessary documents.**

(Staff Resource: Russ Martin)

On a motion by Baker, seconded by German, the Council unanimously voted to direct the representative to counter back to all three offers for the highest and best cash offer, and to end those offers or submittals as of July 25, 2012, at 5:00 p.m.

The Council reviewed with the representative, Gary Thompson, of the Arizona Central Land and Home, the procedure to be followed in further negotiations on the subject property and action was taken accordingly.

5. **Adjournment**

On a motion by German, seconded by Kovacovich, the meeting was adjourned at 5:52 p.m.

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Bob Burnside, Mayor



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Margaret Harper, Recording Secretary

**CERTIFICATION**

I hereby certify that the foregoing Minutes are a true and accurate accounting of the actions of the Mayor and Common Council of the Town of Camp Verde during the Special Session of the Town Council of Camp Verde, Arizona, held on the 18<sup>th</sup> day of July 2012. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

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Debbie Barber, Town Clerk

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Town of Camp Verde

**Agenda Item Submission Form - Section I**

**Meeting Date: July 18, 2012**

- Consent Agenda       Decision Agenda       Executive Session Requested
- Presentation Only       Action/Presentation

**Requesting Department: Public Works**

**Staff Resource/Contact Person: Ron Long, Public Works Director**

**Agenda Title (be exact): Possible approval of a Facilities Use Agreement between the Town of Camp Verde and The Bread of Life Mission for a term of five years to commence on August 10, 2012 and end on August 9, 2017.**

**List Attached Documents: Facilities Use Agreement**

**Estimated Presentation Time: N/A**

**Estimated Discussion Time: N/A**

**Reviews Completed by:**

Department Head: Ron Long       Town Attorney Comments:

Finance Department

**Fiscal Impact:**

**Budget Code: \_\_\_\_\_ Amount Remaining: \_\_\_\_\_**

**Comments: Background Information: This agreement is a renewal. The Bread of Life Mission has been using Town facilities that include the gym, adjacent kitchen, surrounding exterior facilities, bathrooms and related parking lots for many years to serve food and give out food boxes to the community.**

**Recommended Action (Motion): Approve the Facilities Use Agreement between the Town of Camp Verde and The Bread of Life Mission for a term of three years to commence on August 10, 2012 and end on August 9, 2017.**

**Instructions to the Clerk: Obtain signatures**

## Town of Camp Verde Facilities Use AGREEMENT



**Between  
The Town of Camp Verde  
and the  
The Bread of Life Mission**

The Parties to this Facilities Use AGREEMENT (herein referred to as "AGREEMENT") are The Bread of Life Mission (herein referred to as the "Mission"), an Arizona Corporation and the Town of Camp Verde, Yavapai County, Arizona, a municipal corporation of the State of Arizona (herein referred to as the "Town").

The parties agree that the point of contact for the respective parties are as follows:

**For the Town:**

Russ Martin, Town Manager

Town of Camp Verde, 473 South Main Street, Ste. 102

Camp Verde, AZ 86322

**For the Mission:**

Duane Burris, Director for the Bread of Life Mission

P.O. Box 2991

Camp Verde, AZ 86322

**Purpose of this AGREEMENT:** To facilitate certain uses of Town property to support and promote the Mission's community service and opportunities that benefit the public, the Mission and the Town.

17. **This Agreement is made with reference to the following factors:**

- 1. Property and Use:** The Town agrees that the "Mission" is authorized to utilize certain Town-owned properties and facilities within the corporate limits of the Town, for the Mission's community events and the corresponding setup and preparation of food.

The authorized Town facilities that the Mission may utilize for their Tuesday, evening event include: the Town's Community Center (gymnasium) and surrounding exterior facilities, adjacent kitchen, bathrooms, and related parking lots. In addition, the Mission may utilize one small storage closet (as designated by the Town) for the Mission's supplies and religious

symbols. This small storage closet is provided in order to simplify the utilization and storage of the Mission's supplies and religious symbols for their events.

In addition, the Mission annually provides an Easter Sunday, Sunrise Service. The authorized Town facilities that the Mission may utilize for the said event include: The Town's Community Field and surrounding exterior facilities, kitchen facilities, bathrooms, and related parking lots. In the event of inclement weather during the Easter Sunday, Sunrise Service, the Mission may use the Community Center (gymnasium) at the sole discretion of the Town.

The Mission agrees to conduct all activities associated with this AGREEMENT in a professional, careful and safe manner. When using any Town-assigned facility, or any portion thereof, the Mission agrees to comply with all applicable State, Federal or Town ordinances and regulations. It is further understood that the Mission will adhere to all written Town policies concerning the use and occupancy of any particular Town-assigned facility. Upon the completion of any use related herein, the Mission agrees to leave any Town-assigned facility in as good order and condition as existed prior to the Mission's use thereof.

2. **Relocation of Event:** The parties agree that under certain circumstances i.e. an emergency or an event beyond the Town's control that may necessitate the relocation of the Mission's service for any use herein provided that their service can be relocated. This decision shall be so determined at the sole discretion of the Town concerning which particular Town-owned properties and facilities can be utilized under certain circumstances for the Mission's event.
3. **Cancellation of Event:** The Town reserves its right to cancel the use of any preset time and place of usage for Town-assigned facility if the facility becomes unavailable for any reason, including emergencies. The Town will timely notify by verbal notification (as well as in writing to the Mission, if time allows) any changes affecting the event's times, dates or places of said Town-assigned facility; based upon the prevailing facts and circumstances, as soon as the Town is made aware that the requested facility is no longer available to the Mission for the preset time and place of said Town-assigned facility.

The Mission also reserves its right to cancel the use of any preset time and place of usage of Town-assigned facility if the Mission cannot hold their event for any reason, including emergencies. The Mission will timely notify by verbal notification (as well as in writing to the Town, if time allows) any changes affecting the event's times, dates or places of said Town-assigned facility; based upon the prevailing facts and circumstances, as soon as the Mission is made aware that they will not meet at the preset time and place of said Town-assigned facility.

4. **Term:** The term of the AGREEMENT shall be for a period of five (5) years and commence on August 10, 2012 and end on August 9, 2017. A similar AGREEMENT may be renewed upon the mutual agreement of both parties, under the same terms and conditions or re-negotiated. The Town shall complete any future AGREEMENT based on the then prevailing facts and circumstances and transmit it to the Mission for review well in advance of the Council meeting in which a future AGREEMENT will be considered. The Mission shall help coordinate this process through the Town Manager of the Town of Camp Verde and shall clearly identify the dates and times needed for use of Town facilities.
5. **Facility User Fees:** The Town waives any payment of user fee(s) during the term of the AGREEMENT in consideration for the Town allowing the use of the facility and the consideration of the Mission's contribution and service to the community with respect to feeding the poor. In consideration of the right to use Town facilities without the payment of user fees, Mission agrees that it will serve the need of the poor as set forth on Exhibit A.
6. **Improvements:** The Mission shall not make any modifications or improvements to Town facilities without prior consent of the Town. Any office equipment, supplies or religious symbols

brought to Town facilities by the Mission shall remain the property of the Mission.

**7. Display of Religious Symbol(s):** In order to comport with the First Amendment of the United States Constitution, the parties agree that only during the events will the Mission have the opportunity to display their religious symbols and/or decorations within the confines of the Town's Gymnasium, kitchen and community field. The Mission's religious symbols and/or decorations must be removed from the Town's facility walls, kitchen and community field when the Mission is not having an event (until the next event).

**8. Insurance:** The Mission agrees to procure and maintain - at its sole expense - a policy of General Liability Insurance limit of at least \$1,000,000.00 per occurrence and \$2,000,000.00 aggregate against claims for bodily injury, death and property damage and names the Town of Camp Verde, Arizona as an Additional Insured in connection with the Mission's use of Town-assigned facilities as provided herein; the Mission shall keep said policy in force for the duration of this AGREEMENT, and for any extension thereof. The Mission shall provide the Town with the Certificate of Insurance (COI) evidencing such insurance coverage. This COI and the fully executed facilities AGREEMENT shall be returned simultaneously to the Town. Upon the Town's receipt of both the aforementioned documents the AGREEMENT will be considered fully executed.

**9. Indemnification:** The Mission, its officers, employees and members shall through the signing of this AGREEMENT by an authorized party or agent, indemnify, hold harmless and defend the Town of Camp Verde and its agents and employees from all suits and actions, including reasonable attorneys' fees and all costs of litigation and judgment of every name and description against the Town as a result of loss, damage or injury to person or property by reason of any action or omission by the Mission or its agents or employees pursuant to this agreement.

Nothing in this AGREEMENT shall be construed to make either party the legal representative or agent of the other, nor shall either party have the right or authority to assume, create or incur any liability or any obligation of any kind, either expressed or implied, in the name of, or on behalf of, the other party. The relationship created by this AGREEMENT shall not be read so as to change the independent nature of either party.

**10. Damage to Facility:** If any damage occurs to the facilities by the Mission, the Mission's officers must compensate the Town in order to repair the facilities.

**11. Entire Understanding:** This AGREEMENT embodies the entire understanding and obligations between the Mission and the Town for all uses of Town-assigned facilities pursuant to this AGREEMENT. The parties shall not be bound by, nor is either party liable for, any statement or representations, of any nature, not set forth in this AGREEMENT. Changes of any of the provisions of this AGREEMENT shall not be valid unless completed in writing and signed by both parties.

**12. Suspension and Termination:** A non-breaching party may terminate this AGREEMENT for the failure of the other party to comply with the provisions of this AGREEMENT by giving the other party a thirty (30) day written notice of the failure to comply. Either party may terminate this AGREEMENT immediately if the other party files for bankruptcy or receivership, or takes any actions relating to insolvency, such as assignment for the benefit of creditors.

**13. Assignment and Subletting:** The Mission shall not have the right to assign this AGREEMENT, nor shall it allow any other person or entity to use or occupy a Town-assigned facility that has been authorized to be used by the Mission pursuant to this AGREEMENT.

**14. Arbitration:** In the event of a dispute hereunder, either party may exercise its right to cancel

this AGREEMENT in writing. At the Town's sole discretion, it may choose to resolve any dispute pursuant to A.R.S. § 12-1518, utilizing the services of the American Arbitration Association.

**15. Conflict of Interest:** The parties understand that this AGREEMENT is subject to cancellation pursuant to A.R.S. § 38-511, without penalty or further obligation on the part of the Mission or the Town, if any person significantly involved in initiating, negotiating, securing, drafting or creating this AGREEMENT on behalf of the Mission or Town, and said employee or agent of the Town or the Mission, in any capacity, or a consultant to the Town or the Mission, with respect to the subject matter of this AGREEMENT, and such association creates a conflict of interest or presents an appearance of impropriety at any time while this AGREEMENT, or any extension hereof, is in effect.

**16. Governing Law:** The laws of the State of Arizona shall govern this AGREEMENT, the courts of which shall have jurisdiction of the subject matter hereof. If any portion of this AGREEMENT is found by a court of record to be in valid, the remaining portions shall remain in full force and effect.

**17. Authority:** The individual signing below on behalf of the Town hereby represents and warrants that he/she is duly authorized to execute and deliver this AGREEMENT on behalf of the Town and avows that this AGREEMENT is binding upon the Town in accordance with its terms.

**For The Town:**

\_\_\_\_\_  
Bob Burnside, Mayor

Attest: \_\_\_\_\_  
Debbie Barber, Town Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
William J. Sims, Town Attorney

**For the Bread of Life Mission**

Printed Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

4. d

Town of Camp Verde

**Agenda Item Submission Form – Section I**

**Meeting Date:** August 1, 2012

Consent Agenda       Decision Agenda       Executive Session Requested

Presentation Only       Action/Presentation

**Requesting Department:** Clerk's Office

**Staff Resource/Contact Person:** Town Clerk Debbie Barber

**Agenda Title (be exact):** Discussion, consideration, and possible approval of Resolution 2012-865, a resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, approving an Intergovernmental Agreement with Northern Arizona Council of Governments (NACOG) for Housing Rehabilitation Program Administrative Services for projects funded under the terms of the Arizona Department of Housing HOME Contract #302-11.

**List Attached Documents:** Intergovernmental Agreement

**Estimated Presentation Time:** 5 minutes

**Estimated Discussion Time:** 5 minutes

**Reviews Completed by:**

**Department Head:** Debbie Barber

**Town Attorney Comments:** There were no changes.

**Finance Department** N/A

**Fiscal Impact:** None

**Budget Code:** N/A      **Amount Remaining:** \_\_\_\_\_

**Comments:**

**Background Information:** The Town received a HOME grant in the amount of \$100,000 to rehab two owner-occupied properties. Staff was recently made aware that HOME also requires the expenditure of all of the Town's Revolving Loan Fund (RLF) monies in addition to the grant money, which was approximately \$104,000 at budget time. This means that an additional 3 to 4 projects must be completed.

With my previous housing and CDBG experience, I was able to take over the existing projects when the former Special Projects Administrator left. However, with the election season quickly approaching, I do not have the time necessary to complete the additional projects before the grant deadline. NACOG administered all of the previous HOME projects on behalf of the Special Projects Administrator. I will continue staff support as outlined in the IGA. NACOG will be paid from the RLF monies.

**Recommended Action (Motion):** Move to approve Resolution 2012-865.

**Instructions to the Clerk:** Process the Resolution/IGA



**RESOLUTION 2012-865**

**A RESOLUTION OF THE MAYOR AND COMMON COUNCIL  
OF THE TOWN OF CAMP VERDE, YAVAPAI COUNTY, ARIZONA,  
APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH  
NORTHERN ARIZONA COUNCIL OF GOVERNMENTS (NACOG)  
FOR HOUSING REHABILITATION PROGRAM ADMINISTRATIVE SERVICES  
FOR THE PROJECTS FUNDED UNDER THE TERMS OF THE ARIZONA  
DEPARTMENT OF HOUSING HOME CONTRACT #302-11**

**WHEREAS**, NACOG, through its Program Specialist Department, provides administrative services related to HOME and CDBG Housing Rehabilitation Programs as needed in Yavapai County including the areas surrounding the corporate boundaries of the Town; and

**WHEREAS**, the Town wishes to enter into an agreement whereby NACOG will provide certain Housing Rehabilitation Program Administrative Services as needed for the benefit of the Town and its residents.

**NOW THEREFORE, THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CAMP VERDE, ARIZONA, DO HEREBY RESOLVE AS FOLLOWS:**

*Pursuant to ARS §11-952, the Town shall enter into the intergovernmental agreement with NACOG for joint or cooperative action to provide Housing Rehabilitation Program Services under the terms and conditions set forth in the Intergovernmental Agreement.*

**PASSED AND ADOPTED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CAMP VERDE, ARIZONA, this 1<sup>st</sup> day of August, 2012.**

\_\_\_\_\_  
Bob Burnside, Mayor

Date: \_\_\_\_\_

ATTEST:

APROVED AS TO FORM:

\_\_\_\_\_  
Deborah Barber, Town Clerk

\_\_\_\_\_  
W. J. Sims, Town Attorney



**INTERGOVERNMENTAL AGREEMENT BETWEEN  
NORTHERN ARIZONA COUNCIL OF GOVERNMENTS, AND  
TOWN OF CAMP VERDE, CAMP VERDE, YAVAPAI COUNTY, ARIZONA  
FOR HOUSING REHABILITATION SERVICES IN RELATION TO THE TOWN'S  
HOME INVESTMENT PARTNERSHIP FUNDS CONTRACT #302-11 AND  
TOWN OF CAMP VERDE REVOLVING LOAN FUNDS**

This agreement made and entered into this \_\_\_ day of \_\_\_\_\_, 2012, by and between NORTHERN ARIZONA COUNCIL OF GOVERNMENTS, a public organization encompassing a multi-jurisdictional regional community, hereinafter "NACOG", and the TOWN OF CAMP VERDE, a municipal corporation of the state of Arizona, hereinafter "TOWN", witnesseth as follows:

**WHEREAS**, NACOG, through CDBG and Housing Department, administers the HOME and Revolving Loan Fund program ("Housing Rehabilitation Program") for the TOWN within town limits; and

**WHEREAS**, TOWN, through the Town Clerk's office, serves as a liaison and assists with administration of the Housing Rehabilitation Program for the Town of Camp Verde corporate limits; and

**WHEREAS**, NACOG and TOWN, each has the authority to enter into intergovernmental agreements pursuant to ARS Section 11-951, et. seg.; and

**WHEREAS**, acting through its duly elected governing body, by Resolution hereto as Exhibit "C", the NACOG Regional Council has approved NACOG to enter into this Agreement, and authorizes NACOG's Chairman to execute the same on behalf of NACOG; and

**WHEREAS**, acting through its duly elected governing body, by Resolution hereto as Exhibit "B", the Town Council has approved the Town to enter into this Agreement, and authorizes the Town's Mayor as its representative to execute the same on behalf of TOWN; and

**WHEREAS**, NACOG and TOWN, desire to participate jointly in the administrative activities involved in completing CDBG and HOME funded housing rehabilitation projects with the Town through their respective departments; and

**WHEREAS**, the Town of Camp Verde Clerk's office proposes to contract housing rehabilitation services from NACOG CDBG and Housing Department as outlined in Exhibit A – Project Funding and Scope of Work; and

**WHEREAS**, the Project Funding and Scope of Work has been reviewed by TOWN, NACOG and the Arizona Department of Housing (ADOH) and TOWN has allocated funds from its Housing Rehabilitation Program pursuant to the terms of this Agreement.

**NOW THEREFORE, LET ALL MEN BY THESE PRESENT KNOW** that the parties hereto, in consideration of the mutual covenants, agreements, promises and obligations set forth herein below and agree as follows:

**I. PURPOSES AND SCOPE OF WORK:**

- A. The basic purpose of this agreement is to set forth the terms and conditions of the Project Funding and Scope of Work, and the roles of Camp Verde Town Clerk's office and NACOG CDBG and Housing Department in the Housing Rehabilitation Services Project.

- B. NACOG will incorporate the contracted services for the portion of the Town of Camp Verde Housing Rehabilitation Program with NACOG's Housing Rehabilitation Program utilizing its Housing Rehabilitation Specialist staff to provide the services to the Town.**
- C. The TOWN and NACOG shall be responsible as follows:**
- 1. According to the Town's Rehabilitation Guidelines, the TOWN shall:**
    - 1.1 Do application intake, verification of ownership, income qualification, collection and maintenance of all demographic information, and prepare payment requests for reimbursement.**
    - 1.2 Furnish boilerplate documents to NACOG.**
  - 2. NACOG Housing Rehabilitation Staff shall perform:**
    - 2.1 Preparation and Submittal of all Local, State and Federal Record-keeping including bi-monthly reports and upon project completion, submit all records to the Town of Camp Verde.**
    - 2.2 Parcel Number and Flood Zone Determination.**
    - 2.3 Site Inspection and Documentation of Existing Conditions per Rehab Standards Using HUD form 52580 – Before and After Photos**
    - 2.4 Preparation of and receiving documentation approvals from SHPO and THPO. Preparation of MRER – Appendix A for each home, including SHPO and THPO consultation if required.**
    - 2.5 Scheduling of Testing Company for Lead Based Paint – As required for each home – Documentation of Results. Forward invoices to Town of Camp Verde for payment.**
    - 2.6 Preparation of Work Write-up, Cost Estimates, Bid Specifications and Bid Package, reproduction and distribution of Bid Package to Plan Rooms and General Contractors (GC).**
    - 2.7 Legal Advertising and Mandatory Pre-Bid Conference and Walk Through. Receipt of Bids. Obtain contractor clearances from the HUD Excluded Parties List and documentation of ROC license, and contractors insurance. Bid Award with consultation of homeowner. Preparation of Contract, Promissory Note (PN), Deed of Trust (DOT) and Notice to Proceed. Hold and document a preconstruction conference. Obtain qualified signatures on Contract, PN and DOT.**
    - 2.8 Contract Review and Change Order Authorizations – Between GC and/or Subcontractors and Homeowner.**
    - 2.9 Construction Observations with a minimum of one interim course of construction inspection and one end of construction inspection to develop punch list, and one Final inspection. Obtain Owner Acceptance of Work and Owner Authorization to Pay and Submittal of GC Invoices to NACOG along with Lien Waiver.**
    - 2.10 Project Close-out – Certificate of Occupancy, Lead Clearance Report, Termite or any other required Certifications, Copies of all warranty information for installed**

appliances, fixtures, equipment, and materials i.e. windows, doors, shingles etc.  
– As Applicable.

2.11 Record Deeds of Trust and Promissory Notes.

3. The TOWN and NACOG mutually agree:
- 3.1.1 Noting to the contrary withstanding, the funds to be used pursuant to this Agreement, HOME grant funds and jurisdictions will comply with the Arizona Department of Housing Rehabilitation Program guidelines and HOME contract and the Town of Camp Verde Housing Rehabilitation Program guidelines.
  - 3.1.2 The Town of Camp Verde and NACOG will assign designated staff for this Agreement and shall confer at such times as may be mutually agreed to evaluate each housing rehabilitation project to ensure successful completion.
  - 3.1.3 Shall comply with all federal, state and local laws, rules and regulations, and executive orders concerning non-discrimination in employment, education and services on the basis of sex, race, disability, religion, national origin or veteran's status.
  - 3.1.4 To not incur legal liability for the actions of one another, other than under the terms and conditions of this Agreement. Each Party will be solely and entirely responsible for its own acts and acts of its own Board or Council members, officials, agents, and employees during the performance of this Agreement.

**II. TERMS**

- A. Town shall provide funding to NACOG for payment of contracted services based on work completed during the term of this Agreement.
- B. Disbursement will be made based on actual expenses incurred by NACOG and progress payments tied to percentage of completion. The Town will process payments to NACOG in response to invoices submitted and verified.
- C. The funding provided pursuant to the provisions of this Agreement will be in accordance with Exhibit A, Project Funding and Scope of Work.

**III. DURATION AND TERMINATION**

- A. This Agreement shall become effective on the date indicated herein, noting that work has commenced as of \_\_\_\_\_, 2012 to maintain compliance with the terms of the contract between the Town of Camp Verde and Arizona Department of Housing, Contract #302-11, and upon approval by the NACOG Regional Council and the Mayor and Common Council of the Town of Camp Verde and the execution of this Agreement by the parties authorized representatives.

- B. Performance under this Agreement shall commence following the effective date and it shall continue in full force and effect until the completion of the Housing Rehabilitation Projects unless earlier terminated as provided herein.
- C. This Agreement shall terminate on May 21, 2013, corresponding to the termination of the Town of Camp Verde's contract for the Housing Rehabilitation Program, HOME Contract #302-11.
- D. Either Party may terminate this Agreement, with or without cause, by one Party serving upon the other, a thirty (30) day prior written Notice of Termination.
- E. Nothing to the contrary withstanding, the termination or cancellation of this Agreement does not terminate the responsibility for Town of Camp Verde's full accounting of funding, its return of any then unused funds, and the continuing obligations of any legal compliance.

#### **IV. RECORD RETENTION**

- A. Both parties agree to prepare, retain, and permit each other to inspect all records as deemed necessary for the purpose of carrying out this Agreement. Further, both parties agree to carry out monitoring and evaluation activities as are reasonably necessary and permitted by law and that each will effectively ensure the cooperation of its employees, officials, and governing body in such efforts.
- B. The retention of records for this project shall be in accordance to the Town, State and Federal requirements, particularly, the HOME program. Records for this project shall be retained no less than five (5) years from the date of the FY 2011 HOME Housing Rehabilitation Contract termination.

#### **V. CONTRACTOR'S STATUS**

It is understood and agreed by both parties that both the Town and NACOG shall be considered independent contractors under this Agreement, and neither party shall be deemed to be an employee of the other party to this Agreement. Moreover, this Agreement shall not be construed as creating any joint employment between the Town and NACOG.

#### **VI. CONFLICT OF INTEREST**

The Town and NACOG stipulate that their officers and employees do not have a conflict of interest and further agrees that their officers and employees will not contract for or accept employment for the performance of any work or services with any individual business, corporation, or government unit that would create a conflict of interest in the performance of its obligations pursuant to this Agreement.

#### **VII. LAWS**

NACOG and the Town shall each be fully responsible for compliance with all statutes, ordinances, codes, regulations, applicable to the performance of this Agreement. The Parties understand and acknowledge the applicability to it of the Americans with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989.

Under the provisions of A.R.S. §41-4401, Parties hereby warrant that each of its SubConsultants ("SubConsultants") will comply with, and are contractually obligated to comply with, all Federal

Immigration laws and regulations that relate to their employees and A.R.S. §23-214(A) (hereinafter "Consultant Immigration Warranty").

A breach of the Consultant Immigration Warranty shall constitute a material breach of the Agreement and shall subject the Consultant to penalties up to and including terminations of this Agreement at the sole discretion of the Town.

The Town retains the legal right to inspect the papers of any Consultant or SubConsultant's employee who works on this Agreement to ensure that the Consultant or any SubConsultant is complying with the Consultant Immigration Warranty. Consultant agrees to assist the Town in regard to any such inspections.

The Town may, at its sole discretion, conduct random verification of the employment records of the Consultant and any of the SubConsultants to ensure compliance with Consultant's Immigration Warranty. Consultant agrees to assist the Town in regard to any random verification performed.

Neither the Consultant nor any of the SubConsultants shall be deemed to have materially breached the Consultant Immigration Warranty if the Consultant or SubConsultant establishes that it has complied with the employment verification provisions prescribed by sections 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. §23-214, Subsection A.

#### **VIII. NOTICE**

All notices, demands, payments, and correspondences required or permitted to be given under this Agreement shall be given in writing and given by e-mail, telefax, personal delivery, by deposit with an overnight express delivery service such as Federal Express, or by deposit in the United States Mail addressed to a Party at the address set forth below, or such other address as a Party might designate in writing by prior notice.

The date notice given shall be the date on which the notice is delivered if notice is given by e-mail, personal delivery or overnight express delivery service, or three (3) days from the date of deposit in the Mail, if the notice is sent through the United States Mail. Notice shall be deemed to have been received on the date on which the notice is delivered, if notice is given by personal delivery or overnight express deliver services, or three (3) days following the date of deposit in the mail, if notice is sent through the United States Mail.

#### **NACOG**

##### **Mail or Deliver to:**

Isabel Rollins, Program Director  
221 N. Marina Street, Ste. 201  
(MAILING) P.O. Box 2451  
Prescott, AZ 86302

#### **TOWN OF CAMP VERDE**

##### **Mail or Deliver to:**

Deborah Barber, Town Clerk  
473 S. Main St., Ste. 102  
Camp Verde, AZ 86322

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Deborah Barber, Town Clerk

\_\_\_\_\_  
W.J. Sims, Town Attorney

**NORTHERN ARIZONA COUNCIL OF GOVERNMENTS**

\_\_\_\_\_  
Chris Fetzer, Executive Director

\_\_\_\_\_  
Date

**Agenda Item Submission Form -- Section I**

**Meeting Date:** August 1, 2012

Consent Agenda       Decision Agenda       Executive Session Requested

Presentation Only       Action/Presentation

**Requesting Department:** Mayor & Council

**Staff Resource/Contact Person:** Council Member Jackie Baker

**Agenda Title (be exact):** Discussion, consideration, and possible direction to staff relative to setting hours of operation for Town offices.

**List Attached Documents:** N/A

**Estimated Presentation Time:** 5 minutes

**Estimated Discussion Time:** 15 minutes

**Reviews Completed by:** Russ Martin

**Department Head:** N/A

**Town Attorney Comments:** N/A

**Finance Department** N/A

**Fiscal Impact:** None

**Budget Code:** N/A **Amount Remaining:** \_\_\_\_\_

**Comments:**

**Background Information:** In the recent past, the Council set the hours of operations for Town offices at the same time that we set meeting dates and times in January. In checking with the Clerk's Office, they could not tell me when the Town Code was changed to state only that Council sets meeting dates and times by resolution. I personally believe that setting the hours of operation is more of a policy decision than an administrative decision.

I have discovered locked doors during regular hours. In my opinion, locking doors to any department is unacceptable. We are here to serve the public. In years past, we had the same number of staff and were able to keep doors open, while saving money. I would like to see us get back to that type of operation, which is the reason for this discussion.

Two or three years ago under a different Manager, Council agreed to four ten-hour days with instruction that all staff and all departments, excluding Street & Maintenance crews, and officers and shift workers at the Marshal's Office. This direction was apparently never implemented because it was not placed in the original motion. However, Council was very clear in this direction and very clear that the four-tens were a temporary solution to cut expenses, while providing a benefit to employees when raises were not available. Since we saw little savings in utility costs, and the economy has improved and Council was able to provide a COLA for employees, I would like to see the return of 5-day workweeks.

I also feel strongly that the hours of operation is a policy that should be established by Council, as it has been in the past.

[Managers Comments: I believe that there are numerous solutions to the problems Councilor Baker suggests in her background and I have contemplated many since arriving and receiving concerns from some citizens about their access to services. During the time we have been on 4-10's some staff have also suggested it is often a long and sometimes difficult day, eg. coming to work in the dark and leaving in the dark, limited time during the week with family being at least two I have heard. However, I also have heard that having Friday to go to appointments without missing work was useful as well as a partial benefit for lack of wage increases.

I have suggested and will simply suggest that I believe that expanded hours during the week have been helpful to citizens and as Manager I believe the morning is some of the most productive hours of any part of the day. With that in mind I am requesting that we consider a 7 am to 5 pm Mon-Thurs, and 7 am to 11 am on Friday to avoid having to cover another lunch with still limited admin staffing as well as opportunity for appointments to be made if possible outside of working hours.

I would also like to allow for the flexibility for each department head to determine how they cover these public hours with their personnel to provide the best combination of service/efficient use of their staff. Example in Community Development the Building Official may find it best to work more on one day to finish inspections/projects/reviews etc. then to be available strictly during public hours because of the needs of the contractors. This shall not imply that the public is not needing his/her attention, it simply allows for flexibility to see projects completed based on the priorities set by the Department Head.

I believe we could, and I would like, to implement these hours (7 am – 5 pm) with current policy as early as August 20<sup>th</sup> with August 24<sup>th</sup>, being an "in service" day for most staff to attend some training and review of the personnel manual changes that would be necessary to reflect this change in hours of operation as well as other potential training opportunities. (eg. Holiday hour accrual changes, etc.) Then the following week begin public hours on Friday starting Aug. 31<sup>st</sup> prior to the Labor Day weekend as this is one of the first opportunities to eliminate the 4 day weekend that has caused many of the complaints. I would also suggest that the personnel manual that needs regular review and adoption would be the proper location for this council policy.]

***Recommended Action (Motion):***

***Councilor Bakers Recommendation:***

*Move to direct staff to reinstate the setting of hours of operation by Council at the same time that the meeting dates and holidays are established and reinstate the 5-day workweeks beginning in September.*

***Manager's Recommendation:***

*Move to direct staff to change hours effective Monday August 20<sup>th</sup> to 7 am to 5 pm for Monday thru Thursday and 7 am to 11 am Friday, with offices being closed to the public on Friday August 24<sup>th</sup>, and open every Friday to the public starting Friday August 31<sup>st</sup>. Additionally, directing staff to prepare policy changes in the Employee Manual to reflect this direction for future Council consideration/adoption.*

***Instructions to the Clerk: N/A***



Town of Camp Verde

**Agenda Item Submission Form – Section I**

**Meeting Date:** August 1, 2012

- Consent Agenda     
  Decision Agenda     
  Executive Session Requested  
 Presentation Only     
  Action/Presentation

**Requesting Department:** Clerk's Office

**Staff Resource/Contact Person:** Town Clerk Debbie Barber

**Agenda Title (be exact):** Discussion, consideration, and possible direction to the Mayor relative to support of resolutions for consideration by the League of Arizona Cities and Towns Resolution Committee for the League's 2013 Legislative Program.

**List Attached Documents:** Summary and 2013 Proposed Resolutions

**Estimated Presentation Time:** 5 minutes

**Estimated Discussion Time:** 15 minutes

**Reviews Completed by:**

**Department Head:** Debbie Barber

**Town Attorney Comments:** N/A

**Finance Department** N/A

**Fiscal Impact:** None

**Budget Code:** N/A

**Amount Remaining:** \_\_\_\_\_

**Comments:**

**Background Information:** The League of Arizona Cities and Towns (League) was organized to represent the collective interests of Arizona's incorporated communities. Annually, communities submit resolutions of concern to their local community for consideration to the League Resolutions Committee. The League drafts a policy statement and outlines the legislative priorities for the upcoming year based upon the final determination of the Resolutions Committee, of which, the Mayor is a voting member.

The attached resolutions have been reviewed and recommended by the Resolutions Subcommittee. Council will direct the Mayor relative to which resolutions that the Council wishes to support.

**Recommended Action (Motion):** Determine which resolutions are supported by Council and direct the Mayor to vote accordingly.

**Instructions to the Clerk:** N/A

**League of Arizona Cities & Towns**  
**Outcome of Resolution Subcommittee Meeting**

No.	Summary	Sponsor	Co-Sponsor	Subcommittee Recommendation
1	Keep local funding formulas intact.	Bullhead City	Kingman, Lake Havasu City	Merge 1 and 11, Recommend with Amendments
2	Support economic development tools.	Yuma	Bullhead City, Sierra Vista	Merge 2 and 3, Recommend with Amendments
3 <i>merged w/ # 2</i>	Develop revenue allocation districts.	Lake Havasu City	Bullhead City, Kingman	Merge 2 and 3, Recommend with Amendments
43	Credit for excess solar generation.	Sedona	Flagstaff, Clarkdale, Kingman	Significant Municipal Issue
54	Alternative Delivery Methods.	Sedona	Camp Verde, Clarkdale	Recommend for Adoptio
65	Alternative Contribution Rate (ACR)/Arizona State Retirement System (ASRS).	Queen Creek	Apache Junction, Kingman	Recommend for Adoptio
76	Public record requests.	Yuma	Oro Valley, Apache Junction, Bullhead City	Significant Municipal Issue
87	Housing development areas/population threshold.	Sedona	Clarkdale	Significant Municipal Issue
98	Greater flexibility in annexing county islands.	Marana	Sierra Vista, Oro Valley, Tucson	Recommend for Adoptio
109	Partner with cities and towns for the operation and maintenance of Arizona State Parks.	Yuma	Oro Valley, Camp Verde, Kingman, Bullhead City	Significant Municipal Issue
11 <i>merged w/ # 1</i>	Stop future sweeps of Highway User Revenue Funds allocated to Arizona cities and towns, to restore HURF funding to FY2008 levels.	Yuma	Lake Havasu City, Bullhead City, Apache Junction, Sierra Vista, Kingman	Merge 1 and 11, Recommend with Amendments
12 10	Allow an incorporated city or town and a county within the unincorporated areas of the county to regulate the sale and use of permissible consumer fireworks.	Prescott	Prescott Valley, Chino Valley, Camp Verde, Clarkdale, Sedona.	Recommend for Adoptio

**League of Arizona Cities & Towns**  
**Outcome of Resolution Subcommittee Meeting**

13 11	Improve forest health and reduce wildfire threats.	Flagstaff	Sedona, Scottsdale, Sierra Vista	<b>Recommend for Adoptio</b>
14 12	Reduce the shortage of physicians.	Sierra Vista	Bisbee, Yuma, Marana, Douglas, Flagstaff, Clarkdale	<b>Significant Municipal Issue</b>
15 13	Resources to improve Arizona's ports of entry with Mexico and related infrastructure.	Sierra Vista	Douglas, Bisbee	<b>Recommend for Adoptio</b>
16 14	Support the long-term retention of Arizona's military installations.	Sierra Vista	Bisbee, Peoria, Yuma, Marana, Flagstaff, Clarkdale	<b>Recommend for Adoptio</b>
17 15	Restrict trucks to the two right-most lanes.	Apache Junction	Douglas	<b>Significant Municipal Issue</b>
18 16	Criminal damage by graffiti/restitution.	Yuma	Sierra Vista	<b>Recommend with Amendments</b>
19 17	Amend §42-5010, as enacted in SB1442 last session, so that the recapture of construction sales tax to be used for funding infrastructure projects is made after the distribution of state shared revenues.	Chandler	Peoria	<b>Recommend for Adoptio</b>

**League of Arizona Cities & Towns**  
***Outcome of Resolution Subcommittee Meeting***

***League Staff Recommendations***

No.	Summary	Subcommittee Recommendation
1	Statutory fixes to HB2826, consolidated elections dates; political subdivision.	<b>Recommend for Adoption</b>
2	Support regulatory reform.	<b>Recommend for Adoption</b>
3	Oppose unfunded mandates and preserves local authority.	<b>Recommend for Adoption</b>

**Key to Subcommittee Recommendations**

**Recommend for Adoption** – Becomes a part of the Municipal Policy Statement, and will help guide legislative activity in the coming session.

**Recommend with Amendments** - Becomes a part of the Municipal Policy Statement, and will help guide legislative activity in the coming session, but needed amending for either content or technical reasons.

**Significant Municipal Issue** – Although an important concept to cities and towns, does not quite rise to the level of legislative activity. League staff may address the issue with state agencies and/or other stakeholders.

**Not Recommended for Passage** – The resolution may be too confined to one community, be on its face contrary to core principles, or not in line with current agreements with other stakeholders.

**Staff Recommendations** – Resolutions submitted by League staff.

## **Key to Subcommittee Recommendations**

**Recommend for Adoption** – Becomes a part of the Municipal Policy Statement, and will help guide legislative activity in the coming session.

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**Not Recommended for Passage** – The resolution may be too confined to one community, be on its face contrary to core principles, or not in line with current agreements with other stakeholders.

**Staff Recommendations** – Resolutions submitted by League staff.

Subcommittee Recommendations column uses strike-throughs and capital letters to indicate changes to Resolutions summary statements.

**LEAGUE OF ARIZONA CITIES & TOWNS**

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***Resolutions Committee Meeting***

***Tuesday, August 28, 2012  
Lunch - 12:30 pm – Arizona Ballroom  
Meeting - 1:30 pm – Arizona Ballroom  
Hyatt Regency Scottsdale at Gainey Ranch***

**Mayor Jay Tibshraeny, Chair**

**AGENDA**

**AGENDA**

**12:30 pm  
Arizona Ballroom**

**Lunch for Resolutions Committee Members**

**1:30 pm  
Arizona Ballroom**

**Resolutions Committee Meeting**

- I. Call to Order and Introductions
- II. Report of Resolutions Subcommittee
- III. Discussion and Action on Resolutions
- IV. Adjournment

\*\*\*\*\*



**2013 *Proposed* RESOLUTIONS**

**To be reviewed  
By the Resolutions Committee  
On August 28, 2012**

\*\*\*\*\*

**Resolution #1**

***The cities and towns of Arizona request that the Arizona Legislature demonstrate its commitment for fiscal accountability and economic development by enacting a budget that does not interfere with existing statutory formulas for the distribution of funds to local governments as well as restores funding to programs that aid local government with infrastructure and job creation. The Legislature is especially urged to discontinue diversions of Highway User Revenue Fund monies to fund the operations of state agencies.***

**Submitted by:** Bullhead City, City of Kingman, Lake Havasu City, Yuma, Apache Junction, Sierra Vista

\*\*\*\*\*

**A. Purpose and Effect of Resolution**

The purpose of the resolution is to assert that the League and its members believe in fiscal accountability; money collected and designated for a specific purpose should be used for that purpose. The effect of the resolution will be to restore proper funding streams, resulting in increased funding for an array of projects. Specifically, the Highway User Revenue Fund (HURF), State Lake Improvement Fund (SLIF), Statewide Transportation Acceleration Needs (STAN) account, the Heritage Fund, and Local Transportation Assistance Fund (LTAF) are all areas where funds have been swept, diverted or eliminated. This resolution seeks to return those programs to a fully funded status.

With respect to HURF, funding sources include fuel taxes, motor carrier fees, vehicle license taxes and motor vehicle registration fees. Statutes provide a method of distributing these funds among the state, counties, and cities for the purpose of construction, improvements and maintenance of streets and roadways within their jurisdictions. The State has swept portions of these revenues for several years, mainly to support DPS. These sweeps affect every municipality and county in the state. Delayed maintenance on streets has caused many streets to now need total replacement, at a much greater cost. Arizona is no longer a place for new commerce and industry to locate because of the poor condition of transportation infrastructure.

In addition to the direct impact on cities' streets and roadways, this slowdown and halt of street construction and maintenance has cost jobs. The Arizona chapter of the Associated General Contractors estimated in 2011 that an estimated 42,000 jobs have been lost due to the lack of highway construction. This loss has had a negative impact on the economic viability of the State.

**B. Relevance to Municipal Policy**

Municipalities rely on items like HURF, LTAF, SLIF and Heritage funds to help bear the costs of local projects that provide both local and statewide benefits. Every municipality will benefit if funds like HURF, LTAF, SLIF and Heritage funds are allowed to distribute monies as specified in state law.



With regard to HURF, the longer the attention to street maintenance is neglected, the more costly it becomes to bring streets up to even average condition. Many Arizona counties, cities, and towns experience a significant rise in population during the winter months. The declining street infrastructure negatively affects the state's tourism industry and makes other warm states more attractive to these visitors.

**C. Fiscal Impact to Cities and Towns**

The current diversion of HURF annually costs cities and towns \$36.5 million. A restoration of LTAF would provide millions in funding to municipalities outside of "Area A."

**D. Fiscal Impact to the State**

Generally there will be a negative impact to the state only to the extent that funds are not currently being distributed according to statutory formulas and are instead being diverted to the state general fund.

**E. Contact Information**

<u>Name: Toby Cotter</u>	<u>Title: City Manager</u>
<u>Phone: 928-763-0122</u>	<u>Email: <a href="mailto:tcotter@bullheadcity.com">tcotter@bullheadcity.com</a></u>
<u>Name: Connie Scoggins</u>	<u>Title: Assistant City Attorney</u>
<u>Phone: 928-373-5055</u>	<u>Email: <a href="mailto:Connie.scoggins@yumaaz.gov">Connie.scoggins@yumaaz.gov</a></u>

**Resolution #2**

***Urges the Legislature to support economic development of cities and counties, and to increase access to new tools, such as the formation of Revenue Allocation Districts, which allow cities and towns to invest future revenue in economic development projects.***

**Submitted by:** City of Yuma, Lake Havasu City, City of Sierra Vista, City of Kingman, City of Bullhead City

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**A. Purpose and Effect of Resolution**

The purpose of this resolution is to encourage greater economic development through collaborative partnerships between cities, counties and the state. By working together, a synergy can be formed that will increase the effectiveness beyond the sum of each working individually. It is important that economic development continue to be a goal for the League and partnerships will help achieve that goal.

Large-scale economic development projects are a tremendous catalyst for job creation and economic growth in Arizona cities and towns. However, in today's financial environment, financing the upfront costs of large projects, which often include substantial public components, can often be difficult, if not daunting. Creating a Revenue Allocation District may help solve this dilemma by allowing anticipated revenues from a completed project to be used to finance key components of the project itself.

For example, if Lake Havasu City wanted to encourage redevelopment of the English Village area around the London Bridge, the city could form a Revenue Allocation District around the area. The dollar amount of TPT and property tax collected from within the English Village district would be established as the base on the date that district was formed. In future years, any increase in either of these revenue streams above the established base could be used by the district to fund public improvements within the district. Most importantly, the district would have the authority to issue bonds to help finance the project and those bonds would be repaid by new revenue generated within that district.

**B. Relevance to Municipal Policy**

Cities and towns drive the economy. Joint economic development efforts will strengthen the ability of all to accomplish the common goal of improving our economy. Revenue Allocation Districts would give cities another option for supporting economic development projects.

**C. Fiscal Impact to Cities and Towns**

By partnering, a greater economic effect is possible for all entities involved. Partnering for economic development will bring jobs, reduce unemployment, and provide new revenues for cities, counties and the state. Supporting local governments' efforts to bring business to Arizona

would allow both the state and local governments to experience increased employment and tax revenues.

Revenue Allocation Districts capture only the city portion of new revenue that is generated as a result of a project being built. Other taxing jurisdictions such as schools and community colleges would not be affected. Municipal taxpayers located outside the district would also be held harmless.

**D. Fiscal Impact to the State**

State programs are critical in the effort to attract new business to Arizona and to assist local businesses considering expansion in Arizona versus another state. By creating and funding economic development programs to support local governmental efforts' to bring business to Arizona, both the state and local governments would experience increased employment and tax revenues. Encouraging and supporting economic development partnerships between cities and counties to bring business into the state can increase revenues to the State.

No state funds would be involved in the funding of Revenue Allocation Districts because the district pertains only to the city portion of the TPT and property tax. However, the state would receive increased income tax collections from the new employees that work within the district as well as increased corporate income tax receipts from the companies that move into the district.

**E. Contact Information**

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**Resolution #3**

***Allow municipalities to receive credit for excess solar generation beyond that needed at publicly owned sites where the solar generation may occur, and apply that credit to power consumption at other city, town, or county sites/facilities.***

**Submitted by:** City of Sedona, City of Flagstaff, Town of Clarkdale, City of Kingman

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**A. Purpose and Effect of Resolution**

This will clearly provide a basis for use of solar generated power to generate power more nearly commensurate with an agency's total power consumption where the area to do so exists. This is consistent with increasing the use of alternative energy sources within the State in a sustainable way.

**B. Relevance to Municipal Policy**

The reduction of municipal costs can often be secured through allowing development of alternative energy facilities on municipal properties. Currently the amount of energy that can be developed for municipal use at beneficial pricing is limited to that which can be used at the facility where the energy is being generated. This means that development of more energy is discouraged, even though the municipality has energy demands at locations where it may not be possible to place an energy generation facility. This resolution, by allowing the power generated at one location to be credited for other municipal locations, encourages efficient development of alternative energy sources on a municipal scale, which is likely to be more economic for the benefit received.

**C. Fiscal Impact to Cities and Towns**

Cities may be able to more economically develop alternative energy sources.

**D. Fiscal Impact to the State**

None is anticipated.

**E. Contact Information**

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**Resolution #4**

***Request that A.R.S. 34-603 C1e, concerning the use of the procurement or final list for qualification based selection processes; allow the use of such final list until a contract for construction is entered into. The Agent may pursue negotiations for pre-construction services with other persons on the list provided that the agent shall not in that procurement recommence negotiations or enter into a contract for the construction or professional services covered by the final list with any person or firm on the final list with whom the agent has terminated negotiations.***

**Submitted by:** City of Sedona, Town of Camp Verde, Town of Clarkdale

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**A. Purpose and Effect of Resolution**

In 2010 section 34-603 C1e was added to A.R.S regarding procurement of construction services using non-bid methods (alternative procurement). The impact of this addition was to require agents to restart the alternative procurement process or bid construction projects in the event that a construction price could not be negotiated. The impact of the proposed change is to allow the agent to utilize another person or firm on the list in the event that a construction price could not be negotiated with the initially selected party. The resolution prohibits reopening negotiations with a party if they have been terminated. Only one party may be negotiated with at a time.

The current law prohibits an option that had been previously allowed, due to silence of prior legislation. The restriction imposed by the current legislation places the agent at the mercy of a contractor late into the project development process when the construction price is being negotiated. The contractor may insist on unreasonably high negotiated price. In this case the agent is forced to bid the project, or restart the procurement process, or accept the high price. Bidding the project may not be desirable when project familiarity is important to an agent in pursuing construction of a project (for instance business area improvement projects), and may result in loss of the ability to contain construction claims. Restarting the procurement procedure may unreasonably delay the project. Accepting the high price is a disservice to the public.

The City of Sedona was able in 2009 to construct a project by using the second low proposer when it could not obtain a satisfactory price from the first ranked proposer. This allowed the project to successfully continue to construction, using the benefits of the Construction-Manager-at-Risk approach. The first ranked proposer's price was well above the engineer's estimated price, while the second was much more in line. The project was successfully completed, with return of some unneeded funds.

**B. Relevance to Municipal Policy**

Alternative Delivery Methods have benefits beyond costs, however, when the process allows a contractor to attempt to push an agent to reject excessive costs, at the risk of losing these benefits for the project, the public is placed at an unfair disadvantage. Modifying the process to give the

agent the option to continue with the Alternative Delivery Method without excessive loss of time due to starting the procurement over again, or other disadvantages seems to be in keeping with allowing the use of Alternative Delivery Methods in the first place. As a matter of public policy it does not seem that qualification based selection processes should reduce incentives for unfair pricing. The public policy concern regarding bid-shopping is dealt with by the allowing negotiations with only one proposer at a time, and prohibiting reopening closed negotiations.

#### **C. Fiscal Impact to Cities and Towns**

Cities would be more assured of being able to secure realistic pricing using Alternative Delivery Methods from the initially selected proposer, while maintaining the benefits on appropriate projects of using these delivery methods.

#### **D. Fiscal Impact to the State**

None anticipated

#### **E. Contact Information**

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**Resolution #5**

***Amend the Arizona State Statutes to require the Alternative Contribution Rate (ACR) paid by employers to the Arizona State Retirement System (ASRS) for employees who retire from an employer participating in ASRS and later return to work for an employer participating in ASRS to be applicable only to employees hired after July 1, 2011. This essentially holds employers harmless for hiring decisions made prior to the passage of pension reform legislation in 2011. For hires made after July 2011, employers knew that they would be responsible for paying the ACR for employees who met the criteria.***

**Submitted by:** Town of Queen Creek, City of Apache Junction, City of Kingman

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**A. Purpose and Effect of Resolution**

In 2011 the Arizona State Legislature passed a comprehensive pension reform package that included the establishment of an Alternative Contribution Rate (ACR). The ACR is to be paid by employees who retire from an employer participating in the Arizona State Retirement System (ASRS) and later return to work for an employer participating in ASRS. The employer is responsible for paying the ACR. As the law was passed the ACR is to be paid for employees hired both before and after the passage of the legislation. This resolution would amend Arizona State Statutes to require the ACR paid to ASRS be applicable only to employees hired after July 1, 2011. This essentially holds employers harmless for hiring decisions made prior to the passage of pension reform legislation in 2011. For hires made after July 2011, employers knew that they would be responsible for paying the ACR for employees who met the criteria.

**B. Relevance to Municipal Policy**

This is relevant to municipal policy because it impacts local hiring decisions as well as municipal budgets. Many smaller cities and towns have difficulty attracting experienced applicants to fill senior positions within their organizations. Often times budget limitations prevent small cities from being able to offer competitive salary packages. The solution for many cities and towns is to hire individuals who have retired from other communities. This allows the municipality to hire an experienced individual at a salary the municipality can afford. The pension reform package passed by the Arizona State Legislature in 2011 now requires municipalities to pay an ACR to ASRS for these types of employees. This is not an expense that municipalities anticipated for employees hired before 2011. The proposed resolution does not oppose the concept of the ACR, but does make it applicable only to employees hired after July 2011. This insures that municipalities have the opportunity to be informed about the costs associated with hiring individual before making that hiring decision and holding cities and towns harmless for hiring decisions made prior to 2011.

### **C. Fiscal Impact to Cities and Towns**

The anticipated positive fiscal impact to cities and towns is \$250,000. The total amount of ACR paid by cities and towns statewide for employees hired before July 1, 2011 is unknown. For the Town of Queen Creek if this legislation is signed into law, it will translate to an annual savings of \$20,000.

### **D. Fiscal Impact to the State**

The estimated positive impact to the State of Arizona budget is \$2 million dollars because the State and other ASRS employers will not have to pay the ACR for applicable employees. There is a potential negative actuarial impact to ASRS, but the impact is unknown without further fiscal analysis from the system. This legislation would not impact ASRS's ability to collect the ACR for all hires made after July 2011.

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**Resolution #6**

***Urges the Legislature to amend A.R.S. § 39-121.01 to place reasonable limitations on requests for public records that are overbroad or abusive. Such limitations may include the scope of requests, the time period covered in a request, and the number of requests from a single individual during a specified time period and allowing charges for requests that exceed statutorily established limitations.***

**Submitted by:** City of Yuma, Town of Oro Valley, City of Apache Junction, City of Bullhead City

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**A. Purpose and Effect of Resolution**

This Resolution seeks amendments to public records laws to discourage overbroad and abusive requests for public records.

Municipalities receive and process thousands of requests for public records each year. Most of these requests are reasonable, coming from persons who may or may not make other requests but whom seek specific and limited information or specific requests from the media. Other requests require preparation of voluminous amounts of documents or materials and substantial amounts of staff time in multiple departments to locate, review, and prepare the documents for review and/or copying.

But other requests are overbroad, such as requests for “All documents, e-mail, memoranda, etc. pertaining to the city action .....” These documents can cover many years, require production of hundreds or thousands of documents, and involve research and review by several City departments.

Municipalities also receive and process numerous requests for public records from only a few individuals. For example, in Yuma, one individual is responsible for the following statistics:

<u>Year</u>	<u>Number of requests</u>
2008	114
2009	120
2010	85
2011	155

These requests, some of which require locating massive amounts of documents from across city departments in different locations, have a significant impact on city resources. Such requests from one or two individuals require a disproportionate amount of city-wide staff time to locate, review, and prepare the records for examination. Oftentimes, a requestor may never review the documents after being notified they are ready for inspection. As an example, Yuma has received 46 requests in 44 business days from a single individual, including nine filed in one day, while 25 filled requests waited to be reviewed. These overbroad and abusive requests by a few individuals abuse the rights and privileges these laws were enacted to protect.

Amending Title 39 to give municipalities authorization in certain instances to restrict the number or frequency of requests made by a single individual and to limit certain requests such as those with a broad scope or that cover an extensive time period will allow cities to both comply with spirit and intent of public records laws while discouraging overbroad and abusive requests.

**B. Relevance to Municipal Policy**

Transparency is an essential component of a responsive representative government. Cities endeavor at all times to be open, accessible and responsive to their citizens. Making records available for inspection by the public and the media is important to maintaining transparency and trust in government. Most citizens and the media are conscientious and purposeful in their requests. However, requests by a few individuals which are overbroad or abusive and require disproportionate amounts of city-wide staff time do not further the goal of transparency.

**C. Fiscal Impact to Cities and Towns**

Cities will still respond to public records requests in the spirit of transparency and openness in government. Allowing cities some relief from abusive public records requests or to identify potentially abusive practices will free staff to perform other governmental functions.

**D. Fiscal Impact to the State**

There will be no fiscal impact to the State. However an amendment could include public records requests of the State, which will result in savings.

**E. Contact Information**

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**Resolution #7**

***This resolution requests that ARS 9-441.01 be amended to exempt cities and towns of less than a certain population from requiring that the local governing body adopt a resolution declaring specific portions of the jurisdiction a "housing development area," for the purpose of assisting with the acquisition, construction or rehabilitation of housing.***

**Submitted by:** City of Sedona, Town of Clarkdale

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**A. Purpose and Effect of Resolution**

Per ARS 9-441.01 it is a valid public purpose of municipalities to assist in providing for the acquisition, construction or rehabilitation of housing and other facilities necessary or incidental to the housing and primarily for the use of those residing in the housing, in areas that are declared by the municipality to be housing development areas.

ARS 9-441.01 also requires that before exercising any of the powers conferred on municipalities by this article, and before any public moneys can be spent, the local governing body must adopt a resolution finding that a shortage of housing, or a certain type of housing, exists in a certain area of the municipality. These areas must be declared to be "housing development areas," thereby designating those areas as areas where assisting in the development of housing is in the interests of the public health, safety, morals or welfare of the residents. The resolution must also establish specific boundaries depicting what constitutes the housing development area.

The resolution requests a change to ARS 9-441.01 to exempt cities and towns of less than a certain population from having to designate certain areas as housing development areas. In small cities or towns, such a designation of an entire area of the city for housing development is impractical. Often, small municipalities merely want to develop or improve individual parcels or lots throughout the city in order to provide better overall housing.

**B. Relevance to Municipal Policy**

While it is critical to engage the citizens of the community in any planning around housing development or redevelopment, the requirement to adopt a map depicting an entire area as a "housing development area" could create an inaccurate impression that the city or town intends to undergo large-scale housing development projects throughout such an area. Given the concerns and stigmatization that arise as a result of following the public process to adopt such areas, this requirement may mislead residents and/or derail a process which is intended to assist the city or town with limited housing needs that are dispersed throughout the entirety of a small community. The locality should be allowed to determine what methods of citizen participation and engagement would be appropriate for that community and for those areas in which housing development was deemed necessary.

**C. Fiscal Impact to Cities and Towns**

N/A.

**D. Fiscal Impact to the State**

N/A

**E. Contact Information**

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**Resolution #8**

***Urges the Governor and the State Legislature to develop and pass legislation that allows greater flexibility in annexing county islands.***

Submitted by: Marana, Sierra Vista, Oro Valley, Tucson

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**A. Purpose and Effect of Resolution**

Over the past 30 years, the State Legislature has made changes in annexation law in response to actions by local governments that have unintended, and often negative, consequences. In 1980, the Legislature disallowed "strip" annexation by communities wanting to annex only highly lucrative commercial properties. That same legislation also changed the law further to disallow the creation of county islands, recognizing that having such islands completely surrounded by an incorporated city or town is not good public policy. Other steps have been taken within state law to improve the process, but more are needed.

Although new county islands can no longer be created, unfortunately a number of cities and towns in Arizona still have such areas within their incorporated limits. The islands are governed by the laws of their respective county, which is a branch of local government largely designed to provide rural services and a one size fits all approach to planning and growth management. Depending on the individual county/city, disparities between county and city regulations may exist, and in many cases, these services and/or enforcement differences are taking place literally across the street from areas with the same density and neighborhood type.

It is time to allow a city or town more flexibility to extend urban services to these islands. This could include: allowing a city to shrink an island annexation area once the process has started if there is not enough interest to proceed with the entire area; removing the tie to assessed valuation in the process; allowing property owners with multiple properties within an annexation area to have a vote for each property; requiring property owners to sign a petition to opt out of a county island annexation rather than opt in, to address those areas with high out-of-town owners; or any combination of these methods. The ideas would be discussed with legislators to determine the most viable.

**B. Relevance to Municipal Policy**

Consistent service delivery to a community's residents insures that all areas of a city or town are appropriately managed. Counties, by design, are funded to provide a rural level of service. But such a service level within the middle of an urban area can, and has, led to problems that bleed over into incorporated cities.

### **C. Fiscal Impact to Cities and Towns**

If legislation moves forward that allows greater flexibility in annexing county islands, it would be up to cities and towns themselves to determine timing on annexing these areas if they choose. Those communities that choose to move forward will need to extend their services to newly annexed areas. Those costs would be different for each community. But nothing in the legislation should require a city or town to annex county islands if they feel they cannot provide services. It should be noted that counties currently providing services to these islands, if annexed, would save money not doing so in the future.

### **D. Fiscal Impact to the State**

There is no fiscal impact to the state when it comes to which local government provides local services. Minor adjustments in state-shared revenues would be made based on population changes, but it would be a reshuffling of the total allocation, not an increase in state revenues to local government. Eliminating barriers to annexation would also encourage economic development that would ultimately result in increased revenue to the state.

### **E. Contact Information**

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**Resolution #9**

***Urges the Legislature to partner with cities and towns for the operation and maintenance of Arizona State Parks (ASP) under long term leases, for a nominal amount, and to participate financially by providing for a dedicated funding mechanism to share a portion of the costs.***

**Submitted by:** City of Yuma, Town of Oro Valley, Town of Camp Verde, City of Kingman, City of Bullhead City

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**A. Purpose and Effect of Resolution**

When the State became unable to continue full support of its parks, local governments and non-profit groups in Arizona stepped up to the plate and entered into short term agreements to operate and maintain the parks in or near their jurisdictions (Alamo Lake, Boyce Thompson Arboretum, Fort Verde, Homolovi, Jerome, Lost Dutchman, Lyman Lake, McFarland, Picacho Peak, Red Rock, Riordan Mansion, Roper Lake, Tombstone Courthouse, Tonto Natural Bridge, Tubac Presidio, Yuma Prison, Yuma Quartermaster Depot) so Arizona residents and visitors alike could continue to enjoy the rich recreational experiences that state parks provide. This arrangement has proven to be successful. This resolution asks the State to continue and to expand this partnership with local jurisdictions on a long term basis.

Making the current partnerships sustainable in the long-term and increasing the number of partnerships will make the entire park system more viable over time. Further utilization of partnerships (non-profit, public and private) will necessitate financial support from local governments, non-profits, and the State.

This resolution will assure that State Parks remain open to the public as a recreational, environmental, and cultural benefit that supports and generates tourism, and provides important revenue to not only local, but also to the regional and statewide economies. In addition, the availability of the State Parks System will continue to provide a high quality of life for Arizona residents and serve as an attraction to new residents.

**B. Relevance to Municipal Policy**

State Parks are essential to the rural economies and people of Arizona, and the continued threat to their operation leaves a continued threat to the still weak local economies in rural Arizona. In addition, Arizona's natural environment, including access to the environment through availability of State Parks across the state draws millions of tourists to Arizona, benefiting every entity that relies on tourism as part of its economy.

Increasingly, ASP is reliant on partnerships with local governments to make its state parks viable. This comes at a time when local resources are shrinking.

### **C. Fiscal Impact to Cities and Towns**

Visitors' expenditures combined with their direct and induced impacts resulted in \$21,171,627 in Federal Government taxes and \$22,762,326 in state and local government taxes. The total tax impact of Arizona State Park visitors in 2007 was \$43,933,953.

### **D. Fiscal Impact to the State**

The economic benefit of the State Park System is statewide. Calculated at the state level for FY07, the total economic impact of Arizona State Parks (direct, indirect and induced) on the state was \$266,436,582. This total state income resulted in 2,397 direct jobs and 950 indirect jobs for a total of 3,347 jobs statewide. The jobs provided were generated directly, through State Parks employment, but also indirectly, for the tourism industry that is supported and enhanced by the existence of State Parks.

Visitors' expenditures combined with their direct and induced impacts resulted in \$21,171,627 in Federal Government taxes and \$22,762,326 in state and local government taxes. The total tax impact of Arizona State Park visitors in 2007 was \$43,933,953.

(Economic figures cited are from "The Economic Impact of Arizona State Parks 2007" study prepared by The Arizona Hospitality Research & Resource Center, Center for Business Outreach and The W. A. Franke College of Business, Northern Arizona University in February 2009.)

### **E. Contact Information**

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**Resolution #10**

***Requests that A.R.S. 36-1606, concerning consumer fireworks regulation; state preemption; further regulation of fireworks by local jurisdiction, be amended to allow an incorporated city or town and a county within the unincorporated areas of the county to regulate the sale and use of permissible consumer fireworks.***

**Submitted by:** City of Prescott, Town of Prescott Valley, Town of Chino Valley, Town of Camp Verde, Town of Clarkdale, City of Sedona.

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**A. Purpose and Effect of Resolution**

In 2010 the Arizona State Legislature lifted the statewide ban of the sale of consumer fireworks. The Legislature allowed municipalities to ban the use of consumer fireworks within incorporated limits but not the sale. This resolution seeks to enable the elected governing body of each municipality and county in Arizona to decide for their constituents whether or not to allow the sale in addition to use of consumer fireworks within their geographic boundaries (unincorporated areas in the case of counties).

On May 2, 2011, a fire was started in the backyard of a home in Prescott Valley, Arizona, as a result of an unattended 11 year old child playing with a consumer firework (sparkler). Central Yavapai Fire District personnel were called to respond to the scene. Upon their arrival the fire had been extinguished by the residents after burning about a tenth of an acre. This incident occurred even though the Prescott Valley Town Council enacted an ordinance that banned the use of all consumer fireworks within Town limits.

**B. Relevance to Municipal Policy**

In addition to the potential cost and damage of fires, HB2246 which allowed fireworks to be sold in Arizona, intruded into local control. The evaluation of risk and the decision to allow consumer fireworks to be sold and used in a community is best left to the governing body of that community. This resolution does not place any restrictions or mandates on any community, rather it allows each to decide what is best.

**C. Fiscal Impact to Cities and Towns**

There will a minimal loss in sales tax collection if a municipality chooses to ban the sale of consumer fireworks. The local control aspect of this resolution would allow each city and town to weigh the potential costs of damage to property and public safety response with the benefit of allowing the sale of consumer fireworks.

**D. Fiscal Impact to the State**

The State could experience a minimal negative reduction in revenue dependent upon the number of municipalities that choose not to allow the sale of consumer fireworks.

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**Resolution #11**

***To seek legislative actions that assist local, collaborative groups with resources and funding for planning and proactive actions to improve forest health and reduce wildfire threats, promote the economic engine of tourism dollars coming to the state, driving down the costs and human toll wildfires take as well as the cost of watershed sustainability.***

**Submitted by:** City of Flagstaff, City of Sedona, City of Scottsdale, City of Sierra Vista

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**A. Purpose and Effect of Resolution**

Statewide awareness and attention to the value of collaborative planning, implementation, and monitoring of our forests to improve forest health, reduce the human and economic costs from catastrophic disasters resulting in the loss of property, life and recreational destinations for our residents and tourists who generate revenues. As we have learned from the many fires of the past decade, particularly the Rodeo-Chediski Fire of 2002, the Schultz Fire of 2010 and the Wallow and Monument fires of 2011, there are things we must do to greatly reduce catastrophic losses from occurring wherever they strike. Proactive, coordinated efforts have been studied and proven to reduce impacts from and costs of such events.

**B. Relevance to Municipal Policy**

Communities across the state face increasing economic and life threats as the result of degrading, unsustainable, forest-and-range conditions. The threat is not only catastrophic wildfire that destroys the natural environment our residents enjoy for recreation, but also includes post-fire effects. Loss of property, sales tax and tourism, livelihood, displacement of residents, erosion, flooding, loss of wildlife habitat, etc. exists for all jurisdictions and ownerships because of the statewide impact on economic factors such as reduced State Shared Revenues. Joint-action by all parties (local, county, state, and federal) is required to adequately and satisfactorily address the issue which starts with planning at the local and regional levels.

Community-based stakeholder groups working on landscape scale areas and focused upon appropriately-scaled treatments, using a science-based model, are critical to our success. Adequate environmental analysis, transparent decision making, application of Firewise practices, and sufficiently sized and appropriate forest treatments must be planned for. Selective thinning, debris disposal, prescribed fire, and biomass utilization, are crucial to the future of our State's forests and rangelands, communities, and our corporate well-being.

**C. Fiscal Impact to Cities and Towns**

The negative economic impact of such events is beyond the capacity of any single community to bear. The costs of the past catastrophic fires to each area of the state rose to the millions of dollars levels.

#### **D. Fiscal Impact to the State**

The economic impact of such events that have already occurred is in the millions of dollars and it would be economically sound for the state to appropriate planning funds for forest health. The Federal government has identified four of northern Arizona's forests to be part of the 4FRI Initiative with federal funds appropriated to that effort as a pilot program for the nation.

#### **E. Contact Information**

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<u>Name: Paul Summerfelt</u>	<u>Title: Wildland Fire Manager</u>
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**Resolution #12**

***Urges the Governor and the State Legislature to develop and pass legislation that supports efforts to reduce the shortage of physicians in the State of Arizona. The League encourages the Legislature to consider: expanding the level of Graduate Medical Education (GME) funding; expanding medical school capacity within the state universities; addressing issues affecting the attraction and retention of physicians from out-of-state; reducing obstacles to medical practice in Arizona; and addressing any other major issues that affect a physician's decision to locate or remain in Arizona to practice.***

**Submitted by:** City of Sierra Vista, City of Bisbee, City of Yuma, Town of Marana, City of Douglas, City of Flagstaff, Town of Clarkdale.

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**A. Purpose and Effect of Resolution**

Part II of the 2005 Arizona Physician Workforce Study, conducted by specialists from the University of Arizona and Arizona State University, identified that since 1992 to 2004, Arizona's physician supply is not keeping up with its population growth. The situation has not gotten any better. Arizona has 219 physicians per 100,000 population, well below the national average of 293 per 100,000. Rural communities in the state are affected by the shortage even more, with one county at under 60 physicians per 100,000. Specialty physicians are particularly difficult to recruit and retain. By way of example, the City of Sierra Vista's regional hospital is now the only location in all of Cochise County in which a woman can deliver a baby outside of a setting in which emergency services are available. In addition, as the Baby Boomer population ages, more of the older doctors in rural communities will retire, potentially exacerbating the situation.

Since approximately 60% of physicians who complete their training in Arizona teaching hospitals remain to practice within the state, enhancing the Graduate Medical Education (GME) program is a critical component to addressing this shortfall, and has been identified by previous gubernatorial task forces. Also recommended were efforts to reduce obstacles to medical practice in Arizona. Recruitment and retention of physicians is hampered throughout the state by higher professional liability premiums as compared to other states, and this is certainly an obstacle needing attention. Recent actions to reduce funding to the State's Medicaid program will only exacerbate the issue statewide. Now, more than ever, action is needed to retain existing physicians, and insure Arizona is a desirable place to practice for others.

**B. Relevance to Municipal Policy**

Health care is a key component of the overall quality of life for any community. It is an attraction and retention component for both business and military activities, both of which are the backbone of the state's economy. An adequate supply of physicians is the foundation of quality healthcare, and although most barriers to physician recruitment and retention are beyond the direct control of local government, the health of our citizens should be a strong consideration

for local legislative input and advocacy. The National League of Cities has incorporated citizen health in its overall federal legislative platform by developing and advocating for health programs for children and youth.

### **C. Fiscal Impact to Cities and Towns**

There should be no negative fiscal impact on Cities and Towns. To the contrary, not only will there be an intrinsic gain to Cities and Towns in overall quality of life of their residents if accessibility to health care is improved, but all communities in the state can use improved health care as an economic development tool in the future.

### **D. Fiscal Impact to the State**

There are some solutions, such as investing in the graduate medical program, which will require additional investment by the state in medical education. However, some recommendations can be implemented with little to no effect on state finances. But like the cities and towns, improvement in access to health care results in an improvement in the ability of the State to attract corporations who value health care access as a major factor in relocation to Arizona. In addition, more physicians in the rural areas of the state will reduce the number of trips on already overcrowded roadways that residents from those areas make to the Phoenix or Tucson metropolitan areas to seek treatment.

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**Resolution #13**

***Urges the Governor and the State Legislature to develop and pass legislation or engage in other activities that supports and advocates for resources to improve Arizona's ports of entry with Mexico and related infrastructure, and will enhance international trade and improve the global competitiveness for Arizona with Mexico.***

**Submitted by:** City of Sierra Vista, City of Douglas, City of Bisbee

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**A. Purpose and Effect of Resolution**

Mexico is Arizona's top trading partner. Our shared border is the gateway for \$26 billion worth of imports and exports and 44 million people (crossings) each year. Mexican visitors spend approximately \$7.3 million each day in Arizona, providing an annual impact of \$2.3 billion. Trade with Mexico supports six million jobs in the U.S. and tens of thousands jobs in Arizona. In addition, Mexico is now the third-ranked commercial partner of the U.S. and the second largest market for U.S. exports.

Despite this wealth of opportunity, recent studies show that competing border states such as Texas are far outpacing Arizona when it comes to developing trade relations with Mexico. While Arizona exports to Mexico totaled about \$5.7 billion in 2011, in Texas the total was \$87 billion. Mexico is the 13th largest economy in the world, and in 2010, Mexico invested an unprecedented five percent of its Gross Domestic Product (GDP) in infrastructure.

Arizona's ports of entry face significant challenges, including aging infrastructure and an often inadequate number of customs and border protection agents needed to staff them. A heavy focus on security has impacted the tourism industry by diverting investments from needed improvements and leaving a multibillion dollar deficit in border infrastructure. For example, while investments of \$200 million into the expansion to the Nogales port of entry are progressing, no funding is allocated at this time (pending completion of appropriate studies and reviews) toward improving Arizona State Route 189, which connects the Mariposa Land Port of Entry to I-19. The U.S. General Services Administration (GSA) describes the Mariposa Land Port of Entry as "...one of the United States' busiest land ports...serving as the main entry point for fresh produce entering from Mexico..."

With 23 million northbound visitor border crossings and 373,000 northbound truck crossings, long waits at the border and congestion north of our ports of entry suppress economic development. In addition, greater emphasis is needed to upgrading southbound passenger vehicle and pedestrian crossings. And with significant public safety concerns arising from the 602 train crossings annually, there is clearly a need to develop an alternative to Arizona's sole rail port of entry in Nogales in order to respond to increasing manufacturing and sea port expansions in Mexico. According to the Arizona State University North American Center for Transborder Studies, needed enhancements include staffing, technology, infrastructure and communications.

Through the League of Arizona Cities and Towns, Arizona's cities and towns should unite in support of legislation or other policies that will enhance international trade and improve the global competitiveness for Arizona with Mexico, which is the 13th largest economy in the world and the State's number one trading partner.

#### **B. Relevance to Municipal Policy**

The vast majority of the economic benefit generated by trade passing through Arizona's ports of entry is realized within the State's cities and towns. For example, nearly half (43%) of all of the Winter produce consumed in the United States comes through the Nogales port of entry. Along with produce, which makes up 28 percent of Arizona imports from Mexico, other major commodities include electrical machinery and equipment (18%); machinery and mechanisms (12%); edible fruits and nuts (11%); vehicles (6%); and optical, photographic and cinemagraphic equipment (4%).

The logistics centers, warehousing and distribution facilities, and value-added manufacturing facilities for these commodities are located primarily within the State's cities and towns, along with the associated sustainable wage jobs that are created as a result of this economic activity. The economic multiplier effect that these jobs create adds to the prosperity in these communities and enhances tax revenue at a time when every dollar of local revenue is even more precious to cities and towns. Enhancing trade opportunities with Mexico will only further stimulate the economies in Arizona's cities and towns.

#### **C. Fiscal Impact to Cities and Towns**

As described above, enhancing international trade and improving the global competitiveness for Arizona with Mexico will have a positive fiscal impact to cities and towns.

#### **D. Fiscal Impact to the State**

Similarly, supporting the requested legislation and policies will have a positive fiscal impact to the State and will further diversify our economic base. Failure to do so will sustain the advantage that other border states currently enjoy over Arizona.

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**Resolution #14**

***Urges the Governor and the State Legislature to develop and pass legislation that supports the long-term retention of Arizona's military installations, and provides opportunities to use the synergies connected to the military operations in the attraction of new or expanded governmental and non-governmental missions or businesses.***

**Submitted by:** City of Sierra Vista, City of Bisbee, City of Peoria, City of Yuma, Town of Marana, City of Flagstaff, Town of Clarkdale.

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**A. Purpose and Effect of Resolution**

Arizona's military sector is an essential component of the state economy, and most local economies within the state. There are five major military installations in Arizona, plus four principal National Guard operations. According to a 2008 report by The Maguire Group, commissioned by the Arizona Department of Commerce at the time, it is conservatively estimated that this sector produces over 96,000 direct, indirect and induced jobs in the state, with over \$9.1 billion in economic impact.

The Maguire report further quantified the amount of revenue Arizona's military installations contribute directly to state and local governments at just over \$400 million annually, split nearly evenly between the two. In general, jobs connected to the military are especially valuable to the Arizona economy because they are largely unaffected by routine economic cycles, which means revenues associated with their presence are more stable.

The Maguire report noted "Arizona would do well to guard this economic asset and preserve its viability." It further stated "Maintaining these operations and the jobs and economic output they support should be a priority of state and local government."

Support from Arizona's local governments, through the League of Arizona Cities and Towns, for legislation that could enhance military effectiveness or protect against efforts to erode military missions is critical in the state's long term success retaining Luke AFB, Davis-Monthan AFB, Fort Huachuca, Marine Corp Air Station Yuma and the Yuma Army Proving Ground.

Arizona's cities and towns must be unified in our support for the military, working together to identify opportunities to demonstrate that support through such things as: encouraging officials from state and local government to elevate needs identified by military installations for legislative action; supporting the continued activity and existence of the Governor's Military Affairs Commission; supporting funding for economic development efforts at the state level to attract new/expanded military and military-connected missions and businesses; encouraging the use and continued funding of the Military Installation Funds (MIF) to help mitigate encroachment; and supporting legislative proposals regarding state land transfers to reduce potential encroachment around military installations.

## **B. Relevance to Municipal Policy**

At a time in which every dollar of local revenue is even more precious to cities and towns, we must guard against inadvertent or blatant measures that could jeopardize existing military installations and the over \$200 million it directly contributes to local government. Encroachment is a major issue across the state, and is not only associated with new subdivisions. Water use, electromagnetic interference, lighting, airspace and other issues can ultimately affect military missions, or could result in the state's five major bases not being considered for realigned missions in the future.

The Maguire study excluded military-related businesses such as Raytheon, Boeing and those associated with the redeveloped Williams Center in Gilbert, which take advantage of synergies with the state's military community but separately add hundreds of millions more in economic impact to the state and local economies. But if the military missions are not retained, then opportunities to grow or expand these types of businesses, and the resulting impact on the state and local economy, could be missed.

## **C. Fiscal Impact to Cities and Towns**

Failure to protect such a valuable asset to the state will have a direct and potentially devastating effect on local government. The military industry directly contributes approximately \$200 million in tax revenues annually to local government alone.

## **D. Fiscal Impact to the State**

Similarly, Arizona's military installations contribute about \$200 million in revenue annually to the state government. Any loss of missions could erode that revenue, as well as impact future expansion opportunities for both military and non-military missions.

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**Resolution #15**

***Urges the State Legislature to support implementing a pilot program to restrict trucks to the two right-most lanes when traveling on Arizona highways in urban areas with three or more lanes in each direction.***

**Submitted by:** City of Apache Junction and City of Douglas

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**A. Purpose and Effect of Resolution**

The purpose of this resolution is to improve traffic mobility, improve safety and facilitate the flow of goods on freeways in Arizona's busy urban areas. An initial step is to implement a pilot program to determine and compare the feasibility, impacts, and effectiveness of restricting trucks to operating only in certain lanes on highways in urban areas that have three or more lanes in each direction, which have a moderate or high level of truck traffic, and do not have left hand exits. The lane restrictions would apply to "trucks" as defined by Arizona State law. Trucks would be restricted to the two right-most lanes, leaving one lane for truck-free operation; assuring that trucks will always have access to at least two lanes.

Demand for trucking services continues to increase. According to statistics available from the Bureau of Transportation Statistics (BTS) trucking accounts for an estimated 70% of the total value, 60% of the weight, and 34% of the ton-miles of freight moved in the U.S (Bureau of Transportation Statistics, 2006). In addition, between 1980 and 2020, truck travel is predicted to increase by over 90% while lane-miles of public roads will increase by only 5% (FHWA, 2006). This increase will have significant negative influences on traffic congestion and safety. A truck lane restriction strategy is used in many states nationwide as a way to address some of these impacts.

With regard to improving safety and mobility, here are several safety benefits of truck lane restriction:

- Prevents "No-Zone" Wrap, Tractor trailer's on two (2) sides of passenger cars at same time
- Positions largest vehicles out of the highest speed lanes
- Reduces the frequency of passenger vehicles being "boxed-in" by large trucks
- Reduces evasive truck maneuvers to the right, or into the trucker's "blind" side
- Provides additional spacing from life-saving median barrier systems.
- Provides additional truck clearance from opposing direction traffic.
- Improves visibility and clearance for disabled vehicles in or along median shoulders.

By improving traffic mobility, the flow of transporting goods through the State positively impacts economic development. The Freight Industry has welcomed lane restrictions in other

states because passenger vehicles are able to stay in the fast lanes, which gives more mobility for the trucks in the slower lanes. Trucks then reach their destinations in a timelier manner.

#### **B. Relevance to Municipal Policy**

Arizona residents directly benefit from improved traffic operations and improved safety on freeways in Arizona's busy urban areas. In addition, by improving the flow of transporting goods and services in Arizona, economic development of the State, cities and towns could also increase.

#### **C. Fiscal Impact to Cities and Towns**

As the State of Arizona is able to reap the positive economic effects of improved traffic flow which in turn improves the efficient movement of goods thru the State; this will positively impact cities and towns as well.

#### **D. Fiscal Impact to the State**

Positive fiscal impact to the State:

Whereas large metropolitan areas (e.g. North Texas) that are in direct competition with the Sun Corridor have successfully implemented 'Goods Movement' oriented traffic restrictions to facilitate enhanced traffic flow have experienced positive economic development effects, the City of Apache Junction and the City of Douglas urge implementation within Arizona so that we also experience positive economic effects.

Negative fiscal impact to the State include:

Costs associated with developing and implementing a pilot program, which would include conducting a study before and after restrictions are implemented. If the new restrictions were put in place permanently there are costs associated with selecting, designing, implementation administration, advertising, enforcing, and monitoring of the truck lane restrictions.

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**Resolution #16**

***Amend Arizona Revised Statutes Title 13 (Criminal Code) and amend Title 8 (Children) to include criminal damage by graffiti to ensure that crimes of graffiti are treated more seriously.***

**Submitted by:** City of Yuma, City of Sierra Vista

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**A. Purpose and Effect of Resolution**

Graffiti is a continuing and fast growing problem for cities and towns. The level of punishment for individuals committing illegal acts of graffiti is a difficult and complex issue. Abatement of graffiti and apprehension and prosecution of the perpetrator is costly to cities and these costs are seldom if ever recovered. Arizona statutes allow prosecution of graffiti under the criminal code as criminal damage. Because graffiti is such an immediate and growing problem on both public and private property, it needs to be addressed in statutes setting forth stricter penalties and full restitution of all economic loss to the victim. Economic loss includes all reasonable costs of repair by municipalities, including but not limited to, materials, labor and equipment. As it stands now, some courts have been reluctant to severely punish offenders, or order restitution for economic loss, especially where juveniles are involved. A community service component should also be added to the penalty where available.

**B. Relevance to Municipal Policy**

The physical appearance of communities is a source of pride for Arizona cities. It is one of the factors that attract people to visit or relocate into an area. While graffiti was once limited to older and deteriorating communities or facilities, it has become prevalent in all areas of cities, regardless of age, appearance, or use. Despite the penalties for selling instruments of graffiti to minors enacted in the last few years, the numbers of incidents and the extent of damages have continued to increase. Stiffer penalties are needed to deter the rising tide of this vandalism.

**C. Fiscal Impact to Cities and Towns**

Graffiti abatement in this fiscal year has so far cost the City of Yuma \$117,645.00, despite a policy to aggressively pursue restitution from the courts. The costs to Yuma are high; therefore, it would follow that statewide costs may be in the millions of dollars. Increasing the penalties for criminal damage may deter graffiti vandals, and reduce the number of incidents and the extent of damages, thereby reducing costs of abatement. Any additional revenue generated from the stronger penalties could be directed to reduce the costs to cities for abatement. Also, if violators are required to perform community service, they would be able to witness the consequences their actions have on the community.

**D. Fiscal Impact to the State**

Because graffiti may also occur on state owned properties, abatement costs to the state could be reduced.

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**Resolution #17**

***Urges the Legislature to amend A.R.S §42-5010, as enacted in SB1442 last session, so that state shared revenues to cities and towns are distributed prior to the recapture of construction sales tax to be used for funding infrastructure projects. Further, urges the Legislature to find additional mechanisms for funding infrastructure that is necessary for economic development projects that are beneficial to the entire state.***

**Submitted by:** City of Chandler, City of Peoria

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**A. Purpose and Effect of Resolution**

When manufacturing facilities locate in a municipality, there are often infrastructure improvements needed to support the project. If these are incremental improvements, the host municipality is able to fund them through its regular capital improvement program without over burdening their ratepayers.

However, large manufacturing projects, such as the construction of the \$5 billion Intel Fab 42, require significant industrial infrastructure. That project alone will require in excess of \$200 million in water and wastewater improvements. The magnitude of costs such as these makes it impossible for the host city to fund the infrastructure by itself and requiring the company to do so places this state at a competitive disadvantage.

Last session, SB1442 was introduced in an effort to provide a mechanism for the state to help fund these infrastructure needs. It was intended to allow the construction sales tax to be recaptured and used to pay for any water, wastewater or transportation projects needed to support a manufacturing facility that met certain capital investment requirements.

Unfortunately, the bill was amended on the last day of the session and the result was a negative impact on state shared revenues. The intent of this resolution is to change the statute so that the funds used to pay for infrastructure come from the state's portion of sales tax.

Additionally, SB1442, as originally drafted, would have been only a partial solution to the problem of infrastructure funding. Other mechanisms should also be explored in order to address this problem more comprehensively.

**B. Relevance to Municipal Policy**

Cities are already responsible for the majority of the costs of infrastructure related to economic development and should not have to also contribute through a loss of shared revenues. The intent of SB1442 was to create a mechanism for the State to participate in funding the infrastructure that is necessary to attract and retain these manufacturing facilities and the jobs they create.

### **C. Fiscal Impact to Cities and Towns**

The total loss of cities' shared revenue attributed to SB1442 is approximately \$2.5 million. However, if an equitable solution cannot be developed, our inability to continue to attract these businesses will also have a long term negative impact on economic development and the increase in shared revenues attributable to these projects.

### **D. Fiscal Impact to the State**

If the distribution formula of cities' state shared sales tax is restored, the state will lose the approximately \$2.5 million in construction sales tax monies that would be recaptured to fund the cost of infrastructure under the provisions of SB1442. Again, if a solution cannot be agreed upon and cities are not able to fund the infrastructure necessary for these businesses, the state risks losing the future economic activity created by new or expanded manufacturing facilities.

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**League Staff Resolution #1**

***The League of Arizona Cities and Towns urges the Legislature to address serious issues related to the enactment of HB 2826, (consolidated election dates, political subdivisions).***

**Submitted by:** League Staff

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**A. Purpose and Effect of Resolution**

HB 2826 (Laws 2012, Chapter 353) requires that cities and towns hold all candidate elections in the fall election cycle of even years. Multiple technical issues associated with implementation of this law must be addressed by clarifying legislation. Issues regarding the length of terms for incumbent councilmembers, alternative expenditure limitation renewal elections and municipal incorporation elections need clarity before the law takes effect in 2014. Although HB 2826 must overcome review and preclearance by the Justice Department (as well as possible court challenges), this resolution would empower League staff to pursue needed changes to address significant shortcomings of the new statute. These changes will be absolutely necessary to ensure that the new law doesn't create dire, unintended consequences.

**B. Relevance to Municipal Policy**

This issue is fundamentally relevant as elections are a foundational part of our system of government.

**C. Fiscal Impact to Cities and Towns**

Although many of the fiscal impacts of this bill cannot be calculated at this time, there could be significant problems for local budgets if election law related to the home rule option isn't changed.

**D. Fiscal Impact to the State**

Not applicable

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## ***League Staff Resolution #2***

***The League and its members support meaningful and effective regulatory reform efforts. The League will oppose any proposal that does not promote greater efficiency, effect significant cost savings, or improve existing regulatory frameworks for the mutual benefit of stakeholders. Furthermore, the League shall work to enact changes to SB 1598 (Laws 2011, Chapter 312) that enable the law to serve its intended function of improving the licensing and permitting process.***

**Submitted by: League Staff**

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### **A. Purpose and Effect of Resolution**

The purpose of the resolution is to express the League's commitment to working with the Legislature to: 1) enact legislation that respects municipal autonomy; and 2) partner with cities and towns to create an attractive business climate for new and existing businesses. The effect of the resolution would be to empower the legislative staff of the League to work with interested parties on mutually beneficial changes to existing laws while exploring new opportunities for improvement of regulatory frameworks. Specific goals include: preservation of local authority; opposition to state mandates; encouragement of municipal flexibility and timeliness; and avoidance of additional bureaucracy and paperwork.

### **B. Relevance to Municipal Policy**

This issue is fundamentally relevant as licensing and permitting is the primary way in which municipalities interact with the businesses in their community. Regulatory design represents a core function of municipal governance, to the extent it operates to promote the safety and welfare of city residents.

### **C. Fiscal Impact to Cities and Towns**

Enacting changes to SB 1598 will likely lead to a positive fiscal impact, resulting from the increased clarity and paperwork reduction those changes will bring. Additionally, there is the potential for a positive fiscal impact from increased business activity as a result of reforms.

### **D. Fiscal Impact to the State**

Increased business activity would benefit the state because of increased sales and income tax collections.

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League Staff Resolution #3

A RESOLUTION OF THE LEAGUE OF ARIZONA CITIES AND TOWNS CALLING UPON THE ARIZONA LEGISLATURE TO RESPECT THE AUTHORITY OF CITIES AND TOWNS TO GOVERN THEIR COMMUNITIES FREE FROM LEGISLATIVE INTERFERENCE AND TO REJECT LEGISLATION THAT CONFLICTS WITH CHARTER PROVISIONS OF ARIZONA'S CHARTER CITIES

WHEREAS, the League of Arizona Cities and Towns is concerned about the extent to which Arizona's 50th Legislature considered legislation to micromanage local government, enact decisions best made at the local level and impose one-size-fits all mandates on municipalities; and

WHEREAS, the League further shares the conservative belief that the most effective, responsible and responsive government is government closest to the people; and

WHEREAS, the Arizona Constitution specifically provides that any city, "may frame a charter for its own government" [emphasis added]; and

WHEREAS, once a city has successfully completed the city charter process, the charter becomes the organic law of the city; and

WHEREAS, charter cities draw their power from their citizens, are governed by their charters, and do not require legislative authority from the State to exercise power; and

WHEREAS, the provisions of the charter, as the organic law of the city, supersede all laws of the State in conflict with the charter provisions, insofar as such laws relate to purely municipal affairs; and

WHEREAS, the Arizona Constitution thus establishes a home rule mechanism to render charter cities independent of the Legislature with respect to matters of local concern; and

WHEREAS, the Arizona Supreme Court recently affirmed, in Tucson v. Arizona, that provisions of a city's charter supersede conflicting statutes with respect to matters of local concern; and

WHEREAS, all municipalities are no less affected by the imposition of burdensome mandates by the State than is the State by the imposition of similar mandates by the Federal government;

NOW, THEREFORE, BE IT RESOLVED, that the League of Arizona Cities and Towns calls upon the Arizona's 51st Legislature to affirmatively reject, oppose and renounce legislative proposals that diminish local authority, address matters of purely local concern, and conflict with the organic law of Arizona's charter cities.