

Minutes of the Work Session held January 12, 2015 at 6:00 p.m. in the Council Chambers.

MEMBERS PRESENT

Mayor Kenneth N. Weise and Council Members

David Iwanski
Stephanie Karlin
Bryan Kilgore
Jim McDonald
Sandi Nielson
Lorenzo Sierra

ALSO PRESENT

David Fitzhugh, City Manager
Gina Montes, Assistant City Manager
Kevin Artz, Assistant City Manager
Jessica Blazina, Assistant Director/Intergovernmental Affairs
Andrew McGuire, City Attorney
Carmen Martinez, City Clerk

1 ROLL CALL

2. UPDATE FROM COX COMMUNICATIONS

An update from Mr. Michael Stull, Manager of Government Relations for Cox Communications regarding the quality of the services being offered to Avondale residents as well charitable service programs that benefit the community.

Mr. Stull spoke on behalf of Cox Communications. He indicated Cox Communications likes to update cities it services periodically. The City has a license agreement with Cox Communication and this agreement is coming up for renewal in the next three years or so. He reviewed the improvements Cox Communications has done to its system to better serve its residential and business customers. Mr. Stull indicated that the company is heavily committed to the community and in 2013 they contributed in excess of \$17 million in cash and in-kind support to cities and towns they serve. He added that Cox is showing their commitment to the community by offering the Connect 2 Compete program through which families with children who qualify for the free lunch program at school are able to get internet service for \$9.95 for two years.

Council Member Nielson asked if the Connect 2 Compete program is available for children in all six school districts serving Avondale. Mr. Stull indicated that the program is available but not all districts are yet set up. He offered that any district desiring to be part of the program can easily be set up as all children whose families are low income qualify.

In response to a question from Council Member Sierra, Mr. Stull indicated that Cox is for companies who refurbish computers to make them available to low income families for \$10.00. The program is still being worked out, but expects to implement soon.

Mayor Weise thanked Mr. Stull for the update.

3. 2015 STATE AND FEDERAL LEGISLATIVE AGENDA

Presentation on the proposed 2014 City of Avondale Federal and State Legislative Agenda.

Jessica Blazina, Assistant Director/Intergovernmental Affairs provided an overview of this year's legislative agenda.

Ms. Blazina that today's State of the State Address presented by Governor Ducey. In his speech, the Governor stressed fiscal responsibility and his commitment to balancing the state's budget. He expressed his desire to create the office of the Inspector General for the State to provide an independent review of all state agencies. Education is a priority for his as well and encourage legislators and educators to work together to solve current litigation.

Ms. Blazina listed the guiding principles that will be followed during this session. They include:

- Preserve local funding mechanisms - protect existing state funding sources and authorities that generate revenue to the city and work to maintain local taxing authority and oppose unfunded mandates or any action that would reduce revenues
- Local Authority - Protect local decision making authority and prohibit preemption. Avondale has unique needs and characteristics and those needs are best met by policies set by its local governing body. Efforts to preempt that ability to set policy at the local level should be opposed
- Maintain Flexibility in Service Delivery - Avondale knows best how to deliver the key services in the most efficient and effective manner and our residents have come to expect this. We must ensure that we retain the authority to deliver these services without undue mandates.

She explained that the key issues they will focus during this session are:

- Fiscal Sustainability - Support maintenance of state-shared revenues from sales and income tax revenues. Avondale receives approximately 30% of its general fund budget from this shared revenue stream which assists in supporting police, fire, streets, parks, and other critical City services. Staff recommends opposing any action that would reduce state shared revenue and support the retention of local taxing authority and the maintenance of fiscally balanced revenue sources and oppose unfunded mandates placed on local jurisdictions and encourage the legislature to evaluate fiscal impacts such mandates will have on communities prior to considering the issue.
- Transportation - Support state legislation and administrative programs to provide funding for major transportation projects within City limits and regional jurisdiction and protect Highway User Revenue Funds (HURF) dollars.
- Public Safety - Support initiatives to preserve and enhance the ability of local governments to plan for and respond to emergencies and continue to be involved in discussions and efforts impacting pension reform of the Public Safety Retirement system

- Economic Development - Support efforts to enhance the range of economic development mechanisms at a municipality's disposal to encourage economic development

Regarding the legislation at the Federal level, Ms. Blazina indicated that the issues that staff will monitor at the federal level mirror those at the state level and include transportation. She indicated that the current authorization for the federal highway program expires in May and Congress is scheduled to start discussions to continue the program. Key discussions will include finding revenues to fund a long term bill, as currently the federal gas tax is not sufficient to support funding and proposal include an increase in the federal gas tax.

The Marketplace Fairness Act will be considered again to allow states to collect tax on internet purchases. Municipal Bonds are being monitored and congress is expected to begin discussions on comprehensive tax reform that will remove tax exempt status of municipal bonds. Staff will monitor closely and will update the council and seek guidance as necessary. Funds that would be available for discretionary grant programs may be impacted as well. Ms. Blazina indicated that the administration is supportive of programs that include partnerships with other organizations and staff is constantly seeking opportunities for partnerships when applying for grants.

Ms. Blazina commented that budget sequestration will come before the Congress again. It is possible that social services, housing and law enforcement programs may be targets. Staff will continue to monitor all of these issues and will work with the city's federal lobbyist to make sure the city receives current information to provide to Council.

Vice Mayor Karlin commented that the National League of Cities staff has been encouraging local level officials to contact their federal legislators regarding the Marketplace Fairness Act.

Prompted by Mayor Weise, Ms. Blazina indicated that the Marketplace Fairness Act seeks to allow cities to collect tax on internet sales. In response to a question from Council Member Nielson, Ms. Blazina indicated that the issue at stake is whether the tax would apply to purchases made by people living in Arizona or purchases from companies that are based in Arizona.

Regarding a comment made by Council Member McDonald regarding municipal bonds, Mr. Artz indicated that removal of the exemption on municipal bonds would increase costs to municipalities. The city would still be able to issue bonds, but it would be at a higher cost to residents.

Regarding transportation, Council Member McDonald commented that he would like to see changes in funding for transportation be considered to change the way it is currently funded and allow transportation improvements to happen in areas where it is needed more.

Ms. Blazina indicated that budget conversations will start soon and the city should expect everything to be on the table. Council Member Kilgore asked how much the city expect to receive if the marketplace fairness act is passed. Ms. Blazina indicated that she did not have that information because who and how the tax would apply is the issue at stake.

In response to a question from Mayor Weise, Ms. Blazina indicated that the tone at today's speech by Governor Ducey was congenial. It appears that everyone is hopeful and willing to agree to disagree and put politics aside and do what is best for the state. It appears that both sides of the aisle are willing to work together.

4 ADJOURNMENT

Council Member Nielson moved to adjourn the work session; Council Member Sierra seconded the motion. All ayes.

Meeting adjourned at 6:37 pm.



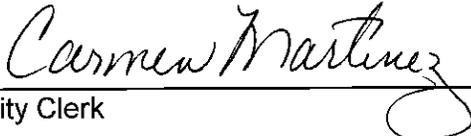
Mayor Weise



Carmen Martinez, MMC
City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Work Session of the Council of the City of Avondale held on the 12th day of January, 2015. I further certify that the meeting was duly called and held and that the quorum was present.



City Clerk