CITY COUNCIL MEETING

STUDY SESSION MEETING AGENDA

TUESDAY, AUGUST 14, 2018, 1:00 PM
Council Chambers, 201 South Cortez Street
Prescott AZ 86303
(928) 777-1272

Greg Mengarelli, Mayor

Billie Orr, Mayor Pro Tem	Jim Lamerson, Councilman
Steve Blair, Councilman	Alexa Scholl, Councilwoman
Phil Goode, Councilman	Steve Sischka, Councilman

The following Agenda will be considered by the Prescott **City Council** at its **Study Session Meeting** pursuant to the Prescott City Charter, Article II, Section 13. Notice of the meeting is given pursuant to Arizona Revised Statutes, Section 38-431.02. One or more members of the Council may be attending the meeting through the use of a technological device.

1. CALL TO ORDER

2. ROLL CALL

3. DISCUSSION

A. Delta Airport Consultants, Inc., will present to the Council on the following Airport Master Plan items: Master Planning Process and Status, Facility Plan Update, Airport Layout Plan Drawing, Terminal Area Plan Drawing, Public Disclosure Map, and Airport Capital Improvement Plan (ACIP).

B. Review of the 2018 Arizona League of Cities and Towns Resolutions.

4. ADJOURNMENT

EXECUTIVE SESSION

Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the following purposes:

(1) Discussion or consideration of personnel matters (A.R.S. §38-431.03(A)(1));
(2) Discussion or consideration of records exempt by law (A.R.S. §38-431.03(A)(2));
(3) Discussion or consultation for legal advice with the city's attorneys (A.R.S. §38-431.03(A)(3));
(4) Discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid litigation (A.R.S. §38-431.03(A)(4));
(5) Discussion or consultation with designated representatives of the city to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. §38-431.03(A)(5));

(6) Discussion, consultation or consideration for negotiations by the city or its designated representatives with members of a tribal council, or its designated representatives, of an Indian reservation located within or adjacent to the city (A.R.S. §38-431.03(A)(6);

(7) Discussion or consultation with designated representatives of the city to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. §38-431.03(A)(7)).

THE CITY OF PRESCOTT ENDEAVORS TO MAKE ALL PUBLIC MEETINGS ACCESSIBLE TO PERSONS WITH DISABILITIES. With 48 hours advanced notice, special assistance can be provided for sight and/or hearing-impaired persons at this meeting. Reasonable accommodations will be made upon request for persons with disabilities or non-English speaking residents. Please call the City Clerk (928) 777-1272 to request an accommodation to participate in this public meeting. Prescott TDD number is (928) 445-6811. Additionally, free public relay service is available from Arizona Relay Service at 1-800-367-8939 and more information at www.azrelay.org

Confidentiality

Arizona statute precludes any person receiving executive session information from disclosing that information except as allowed by law. A.R.S. §38-431.03(F). Each violation of this statute is subject to a civil penalty not to exceed $500, plus court costs and attorneys' fees. This penalty is assessed against the person who violates this statute or who knowingly aids, agrees to aid or attempts to aid another person in violating this article. The city is precluded from expending any public monies to employ or retain legal counsel to provide legal services or representation to the public body or any of its officers in any legal action commenced for violation of the statute unless City Council takes a legal action at a properly noticed open meeting to approve of such expenditures prior to incurring any such obligation or indebtedness. A.R.S. §38-431.07(A)(B).

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Prescott City Hall on _____________ at _____________m. in accordance with the statement filed by the Prescott City Council with the City Clerk

____
Maureen Scott, MMC, City Clerk

CITY OF PRESCOTT
Everybody's Hometown

COUNCIL AGENDA MEMO

MEETING DATE/TYPE: **STUDY SESSION MEETING** **8-14-18**

DEPARTMENT: **Airport**

AGENDA ITEM: Delta Airport Consultants, Inc., will present to the Council on the following Airport Master Plan items: Master Planning Process and Status, Facility Plan Update, Airport Layout Plan Drawing, Terminal Area Plan Drawing, Public Disclosure Map, and Airport Capital Improvement Plan (ACIP).

FUNDING SOURCE: Airport Fund

Approved By: Michael Lamar, City Manager

Item Summary

The Airport Master Plan (AMP) Process is considered to be a "blueprint" for future airport development, as was funded by a $1M FAA grant, previously approved by the Council in 2016. The AMP process, led by Delta Consulting, involved a review of the following items: an inventory of existing airport conditions; forecasts of aircraft operations, based aircraft, and passenger enplanements; determination of facility requirements; creation and analysis of development alternatives; and financial feasibility. The AMP process was used to create the revised Airport Layout Plan (ALP) and a Public Airport Disclosure Map for Prescott Municipal Airport.

Background

The City of Prescott began the process to prepare an Airport Master Plan for the Prescott Municipal Airport in 2016. The process included five meetings with the Master Plan Advisory Committee (MPAC) and the Airport Manager's Airport Working Group (AMAWG), held in September 2016, March 2017, July 2017, October 2017, and July 2018. These groups provided initial feedback on the draft chapters prepared for the Master Plan, prior to submittal to the FAA for review.

In addition to working group reviews, the City conducted four Public Open Houses, which enabled the public to review and provide feedback on materials presented. These Open Houses occurred in March 2017, August 2017, November 2017, and July 2018, and were held in a variety of locations including: City of Prescott Centennial Center, Town of Prescott Valley Public Library, and Embry-Riddle Aeronautical University. Both the Airport Layout Plan and the Public Airport Disclosure Map were shared at the July 2018 public hearing.

According to the FAA's Airport Improvement Program sponsor guide, "The Airport Layout Plan (ALP) serves as a critical planning tool that depicts both existing facilities and planned development for an airport." Airport sponsors, like the City of Prescott, must undertake Airport development in accordance with an FAA-approved ALP. The FAA must review and approve the forecasts and the ALP. Once the ALP is accepted by the City, it will be submitted to the FAA for their review and approval.

The Public Airport Disclosure Map will be used to meet the A.R.S. § 28-8486 "Territory in the Vicinity of a Public Airport" public disclosure requirement, as administered by the Arizona Department of Real Estate. "Territory in the vicinity of a public airport" is defined as "property that is within the FAA-defined traffic pattern airspace" and is depicted as a rectangle (edged by a dashed line) on the Disclosure Map. In counties of less than 500,000 residents, ARS § 28-8486 also requires a disclosure of noise levels of 65 or more decibels, using the day-night average sound level (DLN) methodology. The 65 DNL sound-level contour is shown in red on the Public Airport Disclosure Map.

Financial Impact

This Airport Master Plan was funded by a $1M FAA grant which was previously approved by the Council in 2016. The AMP and ALP produced are planning documents only. Each proposed project, if eventually pursued by the City, would go through the traditional process of budgetary approval, before implementation.

Attachments

1. Airport Layout Plan Presentation

Recommended Action: Item is for discussion only. No action will be taken.

CITY OF PRESCOTT
Everybody's Hometown
AIRPORT DEPARTMENT

PRC AIRPORT MASTER PLAN

CITY COUNCIL MEETING

AIRPORT LAYOUT PLAN

DELTA AIRPORT CONSULTANTS/DIBBLE/NJP

AUGUST 14, 2018

DELTA AIRPORT CONSULTANTS, INC.
Dibble Engineering

AGENDA

- Master Planning Process & Status
- Facility Plan Update
- Airport Layout Plan Drawing
- Terminal Area Plan Drawings
- Public Disclosure Map
- Airport Capital Improvement Plan (ACIP
- Next Steps
- Open Discussion

www.prcmasterplan.com

MASTER PLAN PROCESS AND STATUS

PRE-PLANNING/SCOPING (COMPLETE)

INVENTORY OF EXISTING CONDITIONS/RIM PH 1 (COMPLETE)

ENVIRONMENTAL CONSIDERATIONS (COMPLETE)

AVIATION FORECASTS (COMPLETE)

FACILITY REQUIREMENTS (COMPLETE)

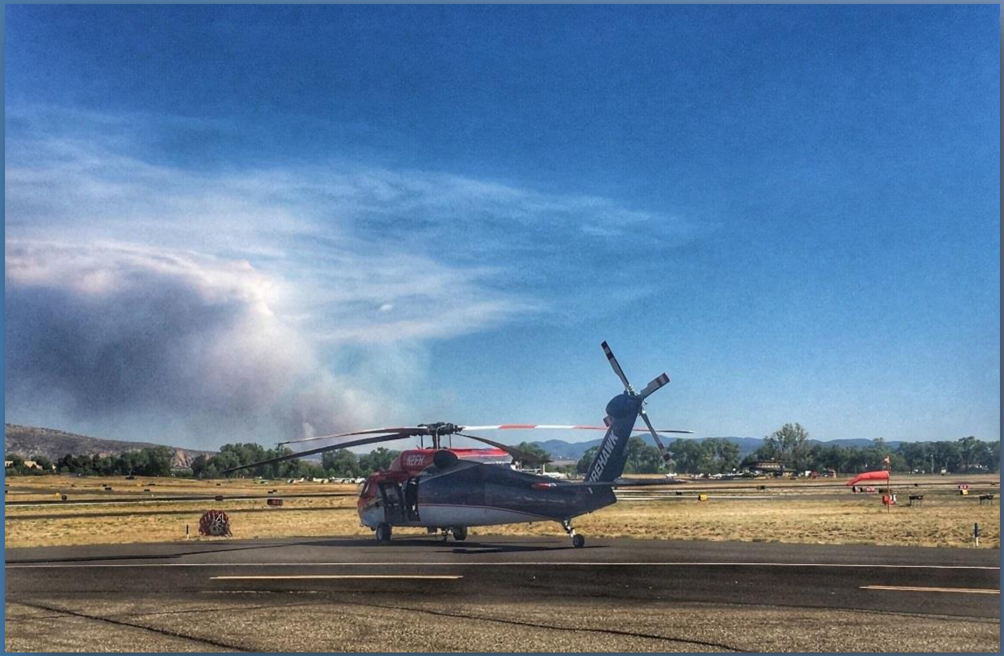
ALTERNATIVES DEVELOPMENT & EVALUATION/RIM PH 2 (COMPLETE)

FINANCIAL FEASIBILITY & EVALUATION (UNDERWAY)

AIRPORT LAYOUT PLAN (UNDERWAY)

www.prcmasterplan.com

AIRPORT LAYOUT PLAN (ALP)



- Airport Layout Drawing
- Terminal Area Plan Drawing
- Airspace Drawing
- Inner Approach Surface Drawings
- Departure Surface Drawing
- Land Use Map
- Airport Property Map

FACILITY PLAN UPDATE

CITY OF PRESCOTT
Everybody's Hometown
AIRPORT DEPARTMENT

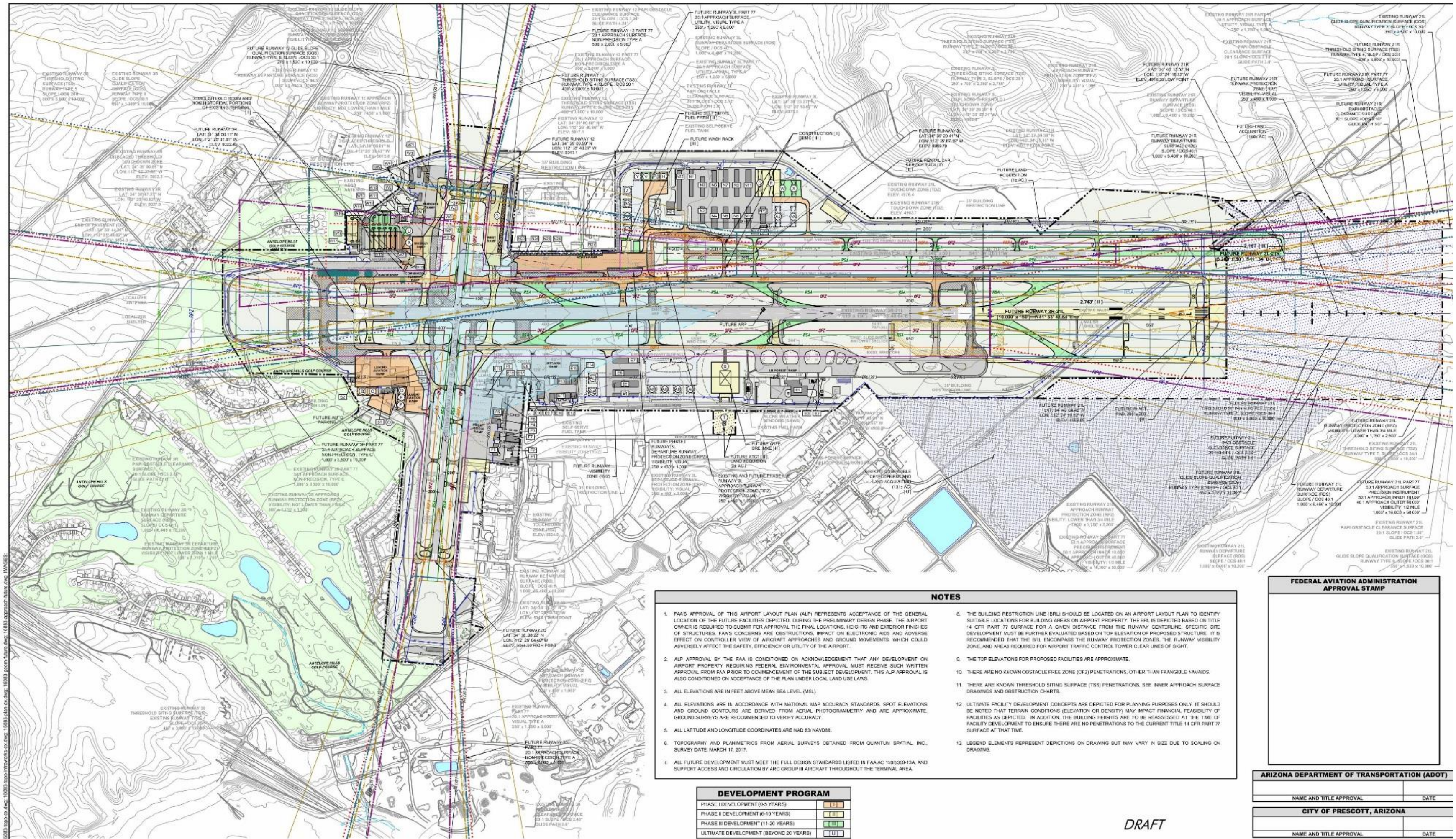
- Runway 3R-21L
  - 10,000’ vs 9,100’

Designed for the future critical aircraft:
Embraer E-170

DELTA AIRPORT CONSULTANTS, INC.
Dibble Engineering

CITY OF PRESCOTT
Everybody's Hometown
AIRPORT DEPARTMENT

AIRPORT LAYOUT PLAN



NOTES

1. FAA'S APPROVAL OF THIS AIRPORT LAYOUT PLAN (ALP) REPRESENTS ACCEPTANCE OF THE GENERAL LOCATION OF THE FUTURE FACILITIES DEPICTED. DURING THE PRELIMINARY DESIGN PHASE, THE AIRPORT OWNER IS REQUIRED TO SUBMIT FOR APPROVAL THE FINAL LOCATIONS, HEIGHTS AND EXTERIOR FINISHES OF STRUCTURES. FAA'S CONCERNS ARE OBSTRUCTIONS, IMPACT ON ELECTRONIC AIDS AND ADVERSE EFFECT ON CONTROLLER VIEW OF AIRCRAFT APPROACHES AND GROUND MOVEMENTS WHICH COULD ADVERSELY AFFECT THE SAFETY, EFFICIENCY OR UTILITY OF THE AIRPORT.
2. ALP APPROVAL BY THE FAA IS CONDITIONED ON ACKNOWLEDGEMENT THAT ANY DEVELOPMENT ON AIRPORT PROPERTY REQUIRING FEDERAL ENVIRONMENTAL APPROVAL MUST RECEIVE SUCH WRITTEN APPROVAL FROM FAA PRIOR TO COMMENCEMENT OF THE SUBJECT DEVELOPMENT. THIS ALP APPROVAL IS ALSO CONDITIONED ON ACCEPTANCE OF THE PLAN UNDER LOCAL LAND USE LAWS.
3. ALL ELEVATIONS ARE IN FEET ABOVE MEAN SEA LEVEL (MSL).
4. ALL ELEVATIONS ARE IN ACCORDANCE WITH NATIONAL MAP ACCURACY STANDARDS. SPOT ELEVATIONS AND GROUND CONTOURS ARE DERIVED FROM AERIAL PHOTOGRAMMETRY AND ARE APPROXIMATE. GROUND SURVEYS ARE RECOMMENDED TO VERIFY ACCURACY.
5. ALL LATITUDE AND LONGITUDE COORDINATES ARE NAD 83/ NAVD88.
6. TOPOGRAPHY AND PLANIMETRICS FROM AERIAL SURVEYS OBTAINED FROM QUANTUM SPATIAL, INC., SURVEY DATE: MARCH 17, 2017.
7. ALL FUTURE DEVELOPMENT MUST MEET THE FULL DESIGN STANDARDS LISTED IN FAA AC 150/5300-13A, AND SUPPORT ACCESS AND CIRCULATION BY ARC GROUP III AIRCRAFT THROUGHOUT THE TERMINAL AREA.
8. THE BUILDING RESTRICTION LINE (BRL) SHOULD BE LOCATED ON AN AIRPORT LAYOUT PLAN TO IDENTIFY SUITABLE LOCATIONS FOR BUILDING AREAS ON AIRPORT PROPERTY. THE BRL IS DEPICTED BASED ON TITLE 14 CFR PART 77 SURFACE FOR A GIVEN DISTANCE FROM THE RUNWAY CENTERLINE. SPECIFIC SITE DEVELOPMENT MUST BE FURTHER EVALUATED BASED ON TOP ELEVATION OF PROPOSED STRUCTURE. IT IS RECOMMENDED THAT THE BRL ENCOMPASS THE RUNWAY PROTECTION ZONES, THE RUNWAY VISIBILITY ZONE, AND AREAS REQUIRED FOR AIRPORT TRAFFIC CONTROL TOWER CLEAR LINES OF SIGHT.
9. THE TOP ELEVATIONS FOR PROPOSED FACILITIES ARE APPROXIMATE.
10. THERE ARE NO KNOWN OBSTACLE FREE ZONE (OFZ) PENETRATIONS, OTHER THAN FRANGIBLE NAVAIDS.
11. THERE ARE KNOWN THRESHOLD SITING SURFACE (TSS) PENETRATIONS. SEE INNER APPROACH SURFACE DRAWINGS AND OBSTRUCTION CHARTS.
12. ULTIMATE FACILITY DEVELOPMENT CONCEPTS ARE DEPICTED FOR PLANNING PURPOSES ONLY. IT SHOULD BE NOTED THAT TERRAIN CONDITIONS (ELEVATION OR DENSITY) MAY IMPACT FINANCIAL FEASIBILITY OF FACILITIES AS DEPICTED. IN ADDITION, THE BUILDING HEIGHTS ARE TO BE REASSESSED AT THE TIME OF FACILITY DEVELOPMENT TO ENSURE THERE ARE NO PENETRATIONS TO THE CURRENT TITLE 14 CFR PART 77 SURFACE AT THAT TIME.
13. LEGEND ELEMENTS REPRESENT DEPICTIONS ON DRAWING BUT MAY VARY IN SIZE DUE TO SCALING ON DRAWING.

DEVELOPMENT PROGRAM

PHASE I DEVELOPMENT (0-5 YEARS)	[I]
PHASE II DEVELOPMENT (6-10 YEARS)	[II]
PHASE III DEVELOPMENT (11-20 YEARS)	[III]
ULTIMATE DEVELOPMENT (BEYOND 20 YEARS)	[U]

DRAFT

LEGEND

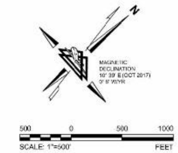
DESCRIPTION	EXISTING	FUTURE	ULTIMATE
AIRPORT BUILDING			
AIRPORT PAVEMENT			
AIRPORT PROPERTY			
AVIGATION EASEMENT	NA	NA	NA
DEMOLITION	NA		NA
GOLF COURSE		NA	NA
LAND ACQUISITION	NA		
RUNWAY CENTERLINE MARKING			NA
RUNWAY VISIBILITY ZONE (RVZ)			NA
TAXIWAY / TAXILANE MARKING			NA
BUILDING RESTRICTION LINE (BRL)	BRL(35')	NA	NA
FENCE		NA	NA
FENCE (PERIMETER)		NA	NA

LEGEND

DESCRIPTION	EXISTING	FUTURE	ULTIMATE
GLIDE SLOPE CRITICAL AREA		NA	NA
GROUND ELEVATION CONTOURS		NA	NA
LOCALIZER CRITICAL AREA		NA	NA
OBSTACLE FREE ZONE (OFZ)	OFZ	OFZ	NA
PART 77 APPROACH SURFACE			NA
PRECISION OBSTACLE FREE ZONE (POFZ)			NA
RUNWAY OBJECT FREE AREA (ROFA)	ROFA	ROFA	NA
RUNWAY PROTECTION ZONE (RPZ) [APPROACH]	RPZ	RPZ	NA
RUNWAY PROTECTION ZONE (RPZ) [DEPARTURE]	DRPZ	DRPZ	NA
RUNWAY SAFETY AREA (RSA)	RSA	RSA	NA
TAXILANE OBJECT FREE AREA (TLOFA)			NA
TAXILANE SAFETY AREA (TLSA)			NA
TAXIWAY OBJECT FREE AREA (TOFA)			NA

LEGEND

DESCRIPTION	EXISTING	FUTURE	ULTIMATE
TAXIWAY SAFETY AREA (TSA)	TSA	TSA	NA
THRESHOLD SITING SURFACE (TSS)		NA	NA
PAPI OBSTACLE CLEARANCE SURFACE		NA	NA
GLIDE SLOPE QUALIFICATION SURFACE (GQS)		NA	NA
AIRPORT REFERENCE POINT (ARP)			NA
AUTOMATED WEATHER OBSERVING SYSTEMS (AWOS)		NA	NA
MEDIUM APPROACH LIGHT SYSTEM RUNWAY (MALSR)		NA	NA
PRECISION APPROACH PATH INDICATOR (PAPI)		NA	NA
ROADWAYS / APPROACH INTERSECTION			NA
ROTATING BEACON		NA	NA
RUNWAY END IDENTIFIER LIGHT (REIL)		NA	NA
THRESHOLD LIGHTS		NA	NA
WIND CONE / SEGMENTED CIRCLE		NA	NA



NO.	REVISIONS	BY	APP.	DATE

FEDERAL AVIATION ADMINISTRATION APPROVAL STAMP

ARIZONA DEPARTMENT OF TRANSPORTATION (ADOT)	
NAME AND TITLE APPROVAL	DATE

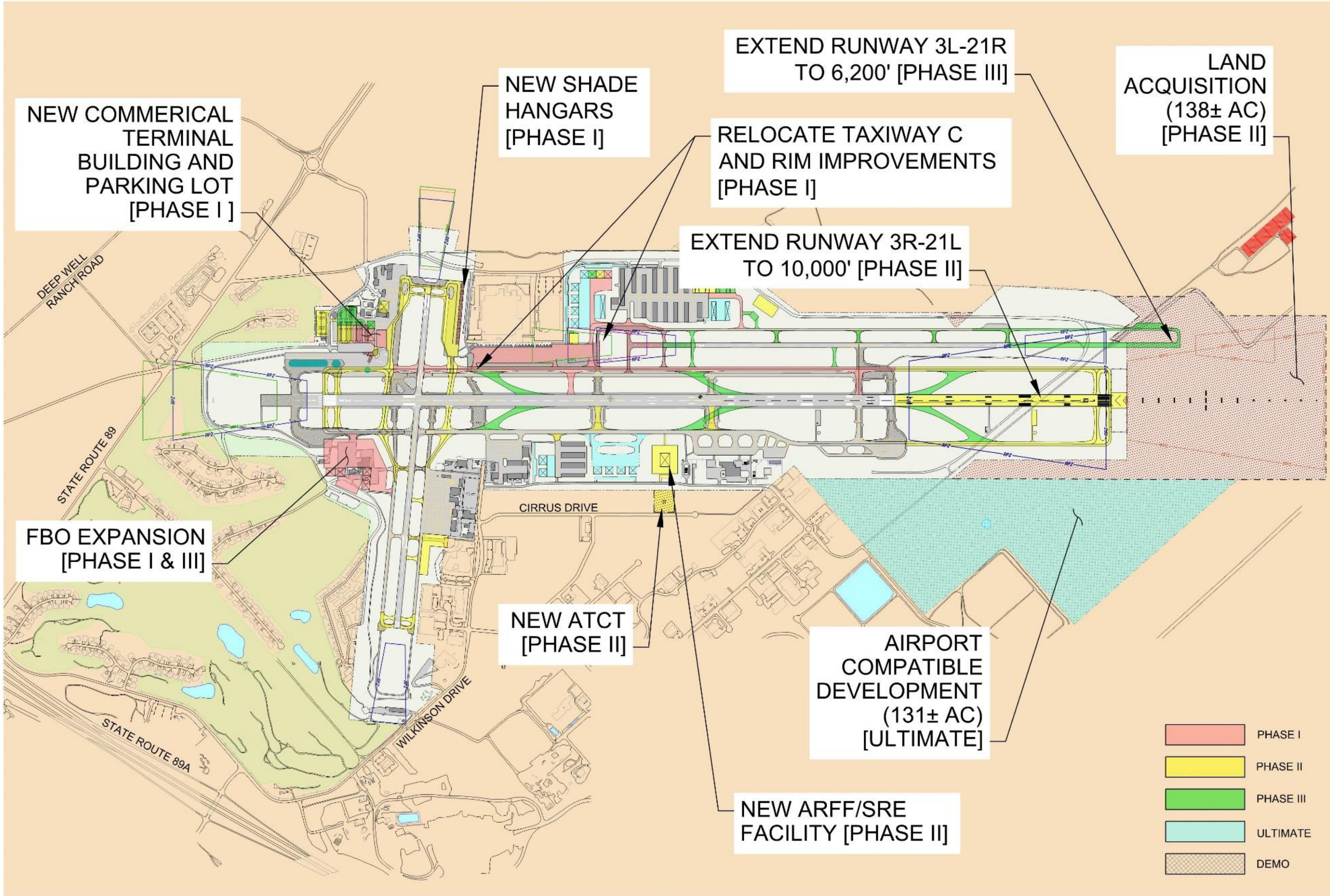
CITY OF PRESCOTT, ARIZONA	
NAME AND TITLE APPROVAL	DATE

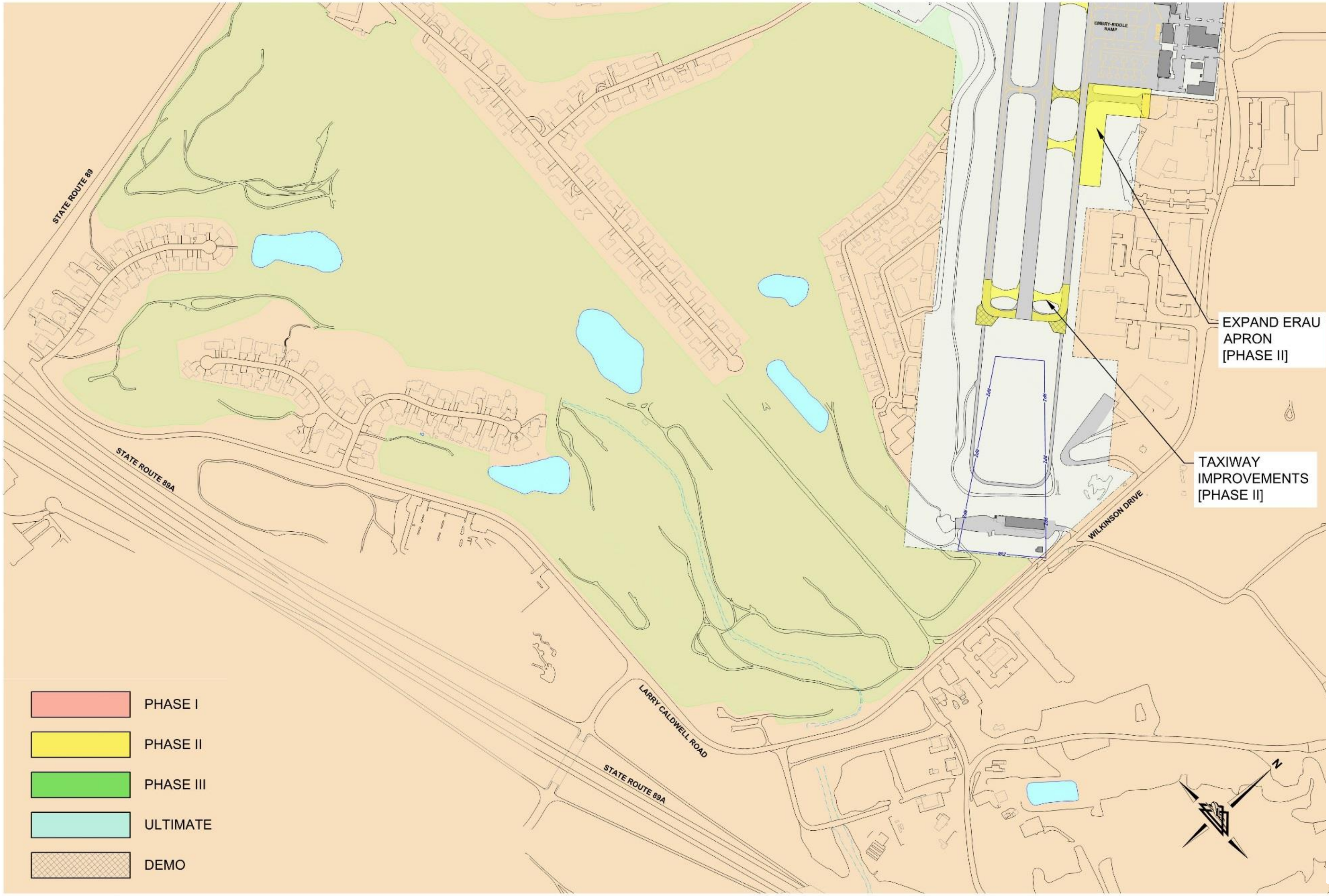
AIRPORT LAYOUT PLAN

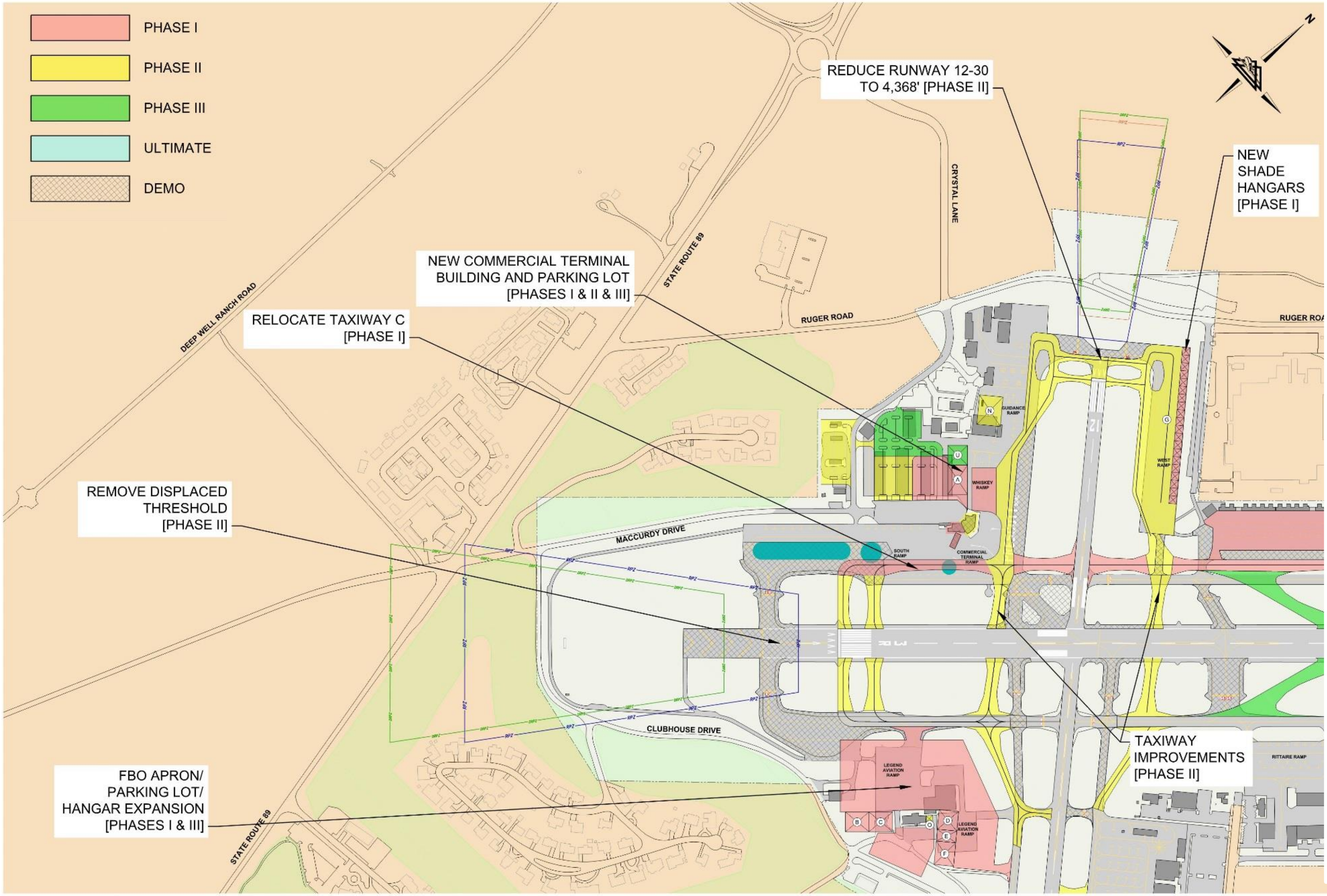
PRESCOTT MUNICIPAL AIRPORT
PRESCOTT, ARIZONA

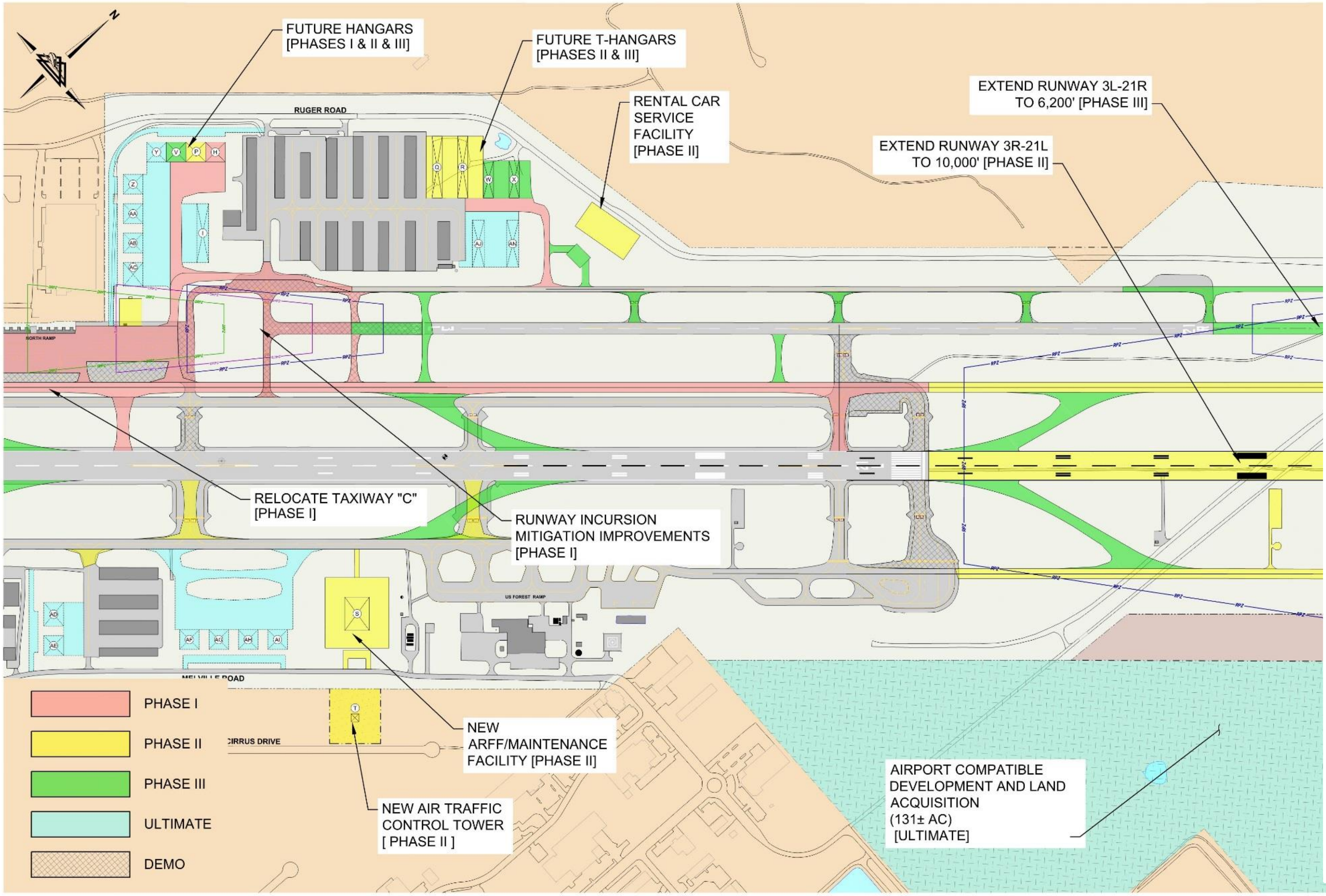
DELTA AIRPORT CONSULTANTS, INC.
www.deltaairport.com

DRAWN BY:	RWW	SCALE:	1" = 500'	SHEET 4
CHECKED BY:	DES	DATE:	JUNE 2018	OF 39

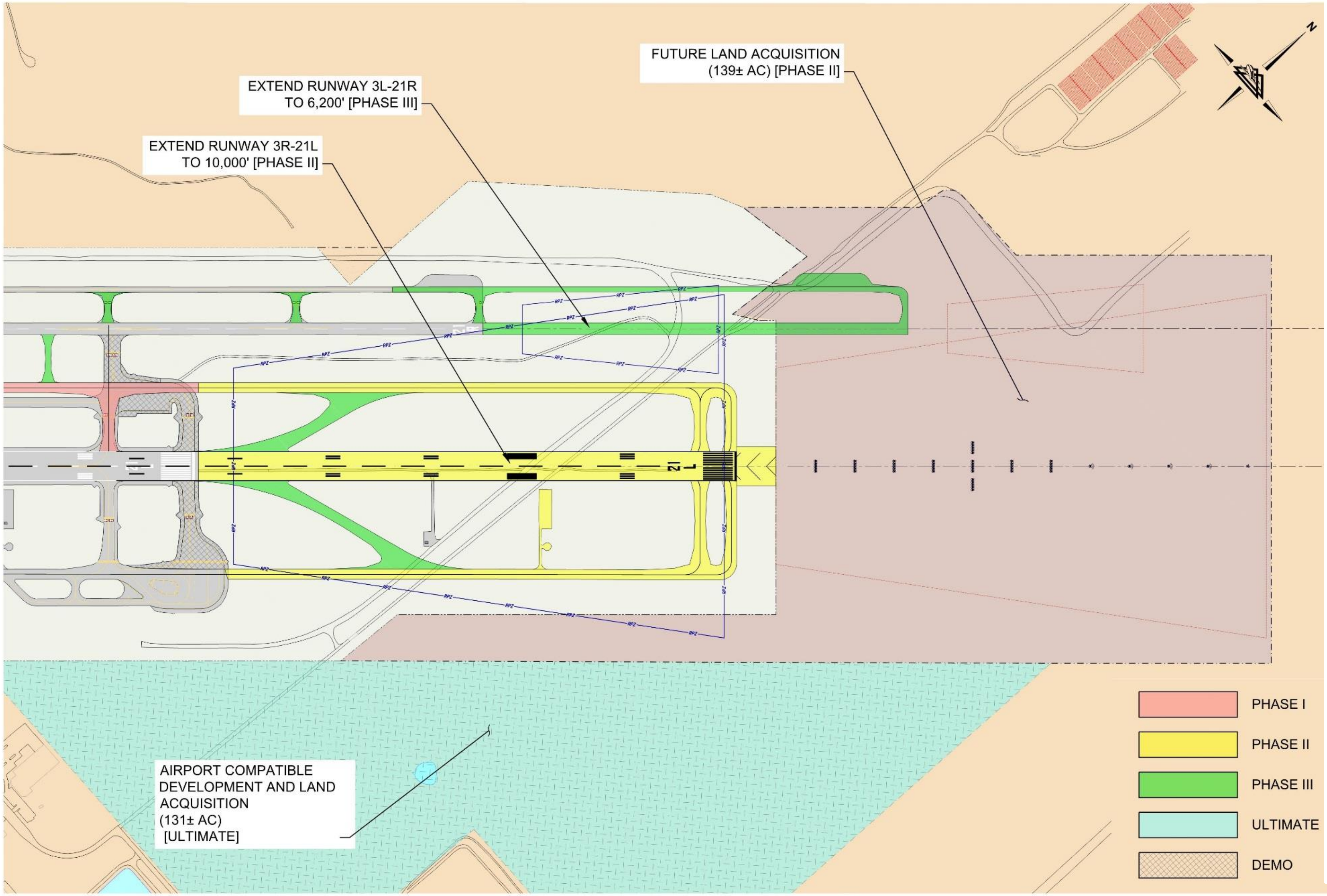

NEW COMMERICAL TERMINAL BUILDING AND PARKING LOT [PHASE I]
NEW SHADE HANGARS [PHASE I]
EXTEND RUNWAY 3L-21R TO 6,200' [PHASE III]
RELOCATE TAXIWAY C AND RIM IMPROVEMENTS [PHASE I]
LAND ACQUISITION (138± AC) [PHASE II]
EXTEND RUNWAY 3R-21L TO 10,000' [PHASE II]
DEEP WELL RANCH ROAD
STATE ROUTE 89
CIRRUS DRIVE
FBO EXPANSION [PHASE I & III]
NEW ATCT [PHASE II]
AIRPORT COMPATIBLE DEVELOPMENT (131± AC) [ULTIMATE]
WILKINSON DRIVE
STATE ROUTE 89A
NEW ARFF/SRE FACILITY [PHASE II]
PHASE I
PHASE II
PHASE III
ULTIMATE
DEMO


STATE ROUTE 89
STATE ROUTE 89A
LARRY CALDWELL ROAD
STATE ROUTE 89A
WILKINSON DRIVE
EMBRY-RIDDLE RAMP
EXPAND ERAU APRON [PHASE II]
TAXIWAY IMPROVEMENTS [PHASE II]
N
PHASE I
PHASE II
PHASE III
ULTIMATE
DEMO


PHASE I
PHASE II
PHASE III
ULTIMATE
DEMO
REDUCE RUNWAY 12-30
TO 4,368' [PHASE II]
NEW
SHADE
HANGARS
[PHASE I]
NEW COMMERCIAL TERMINAL
BUILDING AND PARKING LOT
[PHASES I & II & III]
RELOCATE TAXIWAY C
[PHASE I]
REMOVE DISPLACED
THRESHOLD
[PHASE II]
TAXIWAY
IMPROVEMENTS
[PHASE II]
FBO APRON/
PARKING LOT/
HANGAR EXPANSION
[PHASES I & III]
DEEP WELL RANCH ROAD
STATE ROUTE 89
CRYSTAL LANE
RUGER ROAD
MACCURDY DRIVE
CLUBHOUSE DRIVE
SOUTH RAMP
COMMERCIAL TERMINAL RAMP
WHISKEY RAMP
GUIDANCE RAMP
WEST RAMP
LEGEND AVIATION RAMP
RITTAIRE RAMP



Attachment: Airport Layout Plan Presentation (2127 : Airport Master Plan Study Session)

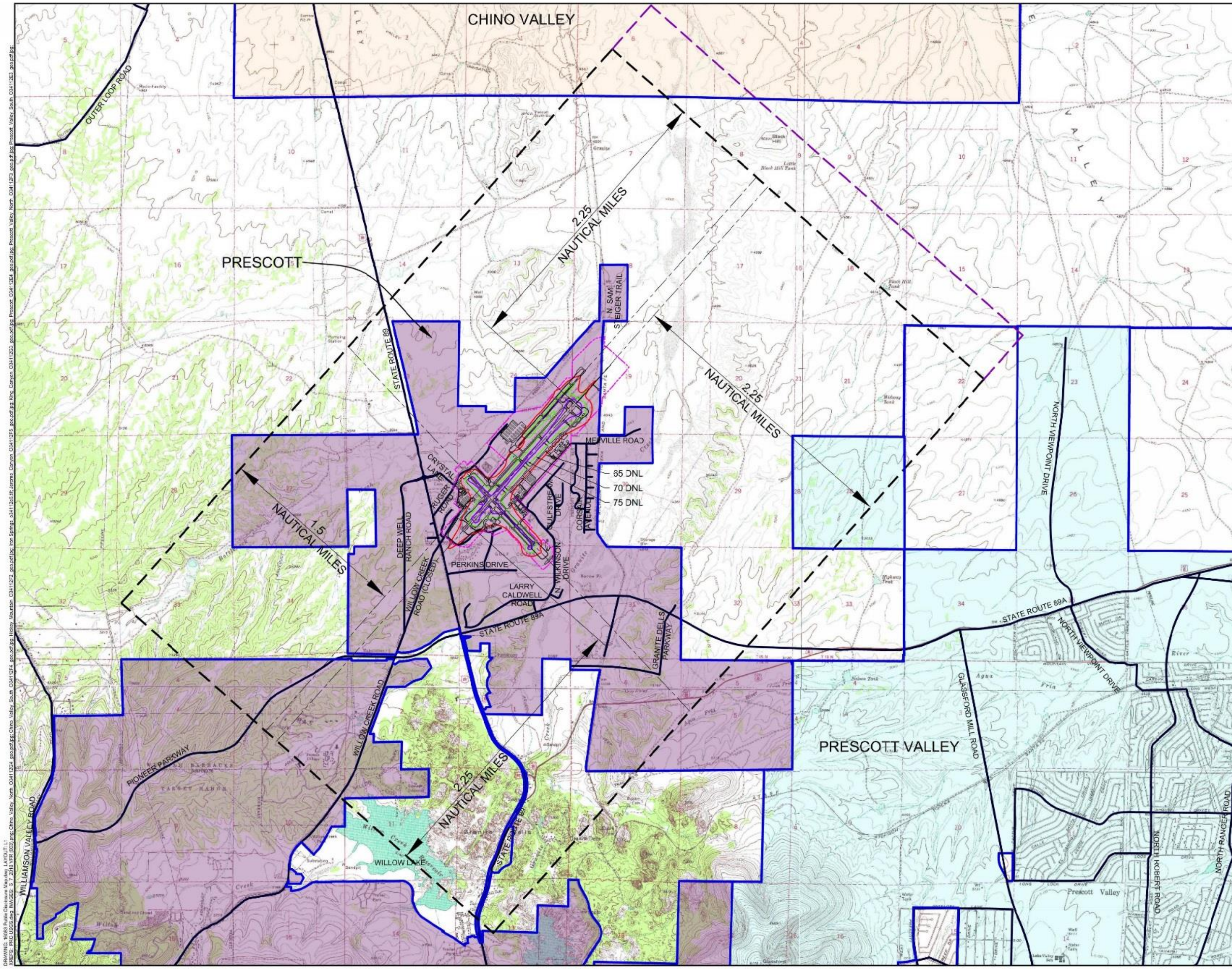


FUTURE LAND ACQUISITION
(139± AC) [PHASE II]
EXTEND RUNWAY 3L-21R
TO 6,200' [PHASE III]
EXTEND RUNWAY 3R-21L
TO 10,000' [PHASE II]
AIRPORT COMPATIBLE
DEVELOPMENT AND LAND
ACQUISITION
(131± AC)
[ULTIMATE]
PHASE I
PHASE II
PHASE III
ULTIMATE
DEMO

CITY OF PRESCO
Everybody's Hometow
AIRPORT DEPARTM

PUBLIC AIRPORT DISCLOSURE MAP

DELTA AIRPORT CONSULTANTS, INC.
Dibb Engineering



LEGEND

- EXISTING TRAFFIC PATTERN AIRSPACE
- FUTURE TRAFFIC PATTERN AIRSPACE
- NOISE CONTOUR 65 DNL
- NOISE CONTOUR 70 DNL
- NOISE CONTOUR 75 DNL
- EXISTING AIRPORT PROPERTY LINE
- EXTENDED RUNWAY CENTERLINE
- MUNICIPAL BOUNDARY LINE
- CITY OF PRESCOTT LIMITS
- CHINO VALLEY LIMITS
- PRESCOTT VALLEY LIMITS

NOTES

1. THIS MAP HAS BEEN PREPARED IN ACCORDANCE WITH A.R.S., SECTION 28-8486 AND SECTION 28-8458, RELATING TO PUBLIC AIRPORT DISCLOSURE.
2. THE TRAFFIC PATTERN BOUNDARIES HAVE BEEN ESTABLISHED IN ACCORDANCE WITH THE GUIDELINES PROVIDED IN FAA ORDER 7400.2L.
3. THE AIRPORT NOISE CONTOURS WERE DEVELOPED WITH THE FEDERAL AVIATION ADMINISTRATION (FAA) AVIATION ENVIRONMENTAL DESIGN TOOL (AEDT) (VERSION 2C SERVICE PACK 2) AND ARE BASED ON TOTAL ANNUAL OPERATIONS (TAKE-OFF AND LANDING OF 262,347).
4. 1 NAUTICAL MILE = 6,080 FEET OR 1.1516 STATUE MILES.
5. BASE MAP DERIVED FROM ELECTRONIC USGS 7.5 MINUTE SERIES QUADRANGLES: CHINO VALLEY SOUTH, PRESCOTT, PRESCOTT VALLEY NORTH, AND PRESCOTT VALLEY NORTH ALL DATED 1973.
6. CONDITIONS FOR THE MAP ARE EXISTING AS OF JUNE 1, 2018.
7. THE TRAFFIC PATTERN AIRSPACE SHOWN REPRESENTS THE APPROXIMATE LIMITS OF TYPICAL AIRCRAFT TRAFFIC PATTERN IN AND AROUND PRESCOTT. IT DOES NOT PRECLUDE AIRCRAFT FROM FLYING OUTSIDE THE TRAFFIC PATTERN AIRSPACE.
8. BOUNDARY MAP OF THE CITY OF PRESCOTT, CHINO VALLEY AND PRESCOTT VALLEY COMPILED FROM SHAPED LAND USE AND ZONING FILES OBTAINED FROM THE OWNER AND MAPTECHNICA WEBSITE, https://www.maptechnica.com.

2000 0 2000 4000
SCALE: 1"=2000' FEET

PUBLIC AIRPORT DISCLOSURE MAP

PRESCOTT MUNICIPAL AIRPORT
PRESCOTT, ARIZONA

DELTA AIRPORT CONSULTANTS, INC.
www.deltaairport.com

DRAWN BY:	EGL/RWW	SCALE:	1"=2000'	EXHIBIT 1
CHECKED BY:	DES	DATE:	JUNE 2018	

CITY OF PRESCOTT
Everybody's Hometown
AIRPORT DEPARTMENT

AIRPORT CAPITAL IMPROVEMENT PLAN (ACIP)

DELTA AIRPORT CONSULTANTS, INC.
Dibble Engineering

ACIP – PHASE I

Phase I (0-5 Years)

Project Description	Estimated Cost
Rehabilitate Runway 3R-21L Pavement & Lighting, Taxiway C2	$5,800,000
Construct Shade Hangars	$900,000
Construct New Commercial Service Terminal Building	$6,000,000
Construct New Commercial Service Terminal Parking Lot	$900,000
Rehabilitate Commercial Service Terminal Ramp	$400,000
Relocate Taxiway C/RIM Projects	$13,900,000
Rehabilitate North Ramp	$1,500,000
Rehabilitate Runway 12-30 Lighting	$1,000,000
Fencing & Security Upgrades	$2,500,000
Environmental Assessment - Extend Runway 3R-21L	$700,000
	$33,600,000

ACIP – PHASE II

Phase II (6-10 Years)

Project Description	Estimated Cost
Rehabilitate West Ramp	$600,000
Relocate Taxiway E	$3,000,000
Improve Runway 12-30 Runway Safety Area	$600,000
Relocate Taxiway F	$3,300,000
Construct Snow Removal/Maintenance Equipment Storage Building	$3,400,000
Construct Aircraft/Rescue Fire Fighting Facility	$2,200,000
Rehabilitate Runway 3L-21R PAPIs	$200,000
Rehabilitate Runway 3L-21R Lighting & Install REILs	$1,000,000
Rehabilitate Taxiways D & K & H	$3,200,000
Rehabilitate MacCurdy Drive	$300,000
Construct Runway 3R-21L Extension	$40,000,000
Construct New Air Traffic Control Tower	$18,500,000
Construct Commercial Terminal Parking Lot Expansion	$900,000
Purchase Snow Removal Equipment	$250,000
Purchase Maintenance Equipment	$250,000
Construct T-Hangar Taxilanes	$1,600,000
Conduct Airport Wayfinding Study & Improvements	$300,000
Construct Rental Car Service Facility	$400,000
	$80,000,000

ACIP – PHASE III

CITY OF PRESCO
Everybody's Hometow
AIRPORT DEPARTM

Phase III (11-20 Years)

Project Description	Estimated Cost
Rehabilitate Runway 12-30 Pavement	$1,200,000
Rehabilitate Taxiway A	$500,000
Environmental Assessment - Extend Runway 3L-21R	$500,000
Construct Runway 3L-21R Extension	$18,000,000
Rehabilitate Runway 3L-21R Pavement	$900,000
Construct T-Hangar Taxilanes	$1,600,000
Construct Aircraft Wash Facility	$400,000
Construct Ground Support Equipment Building	$300,000
Construct High-Speed Exit Taxiways	$4,000,000
Construct Commercial Service Terminal Building Expansion	$5,000,000
Construct Commercial Terminal Parking Lot Expansion	$500,000
	$32,900,000

NEXT STEPS

CITY OF PRESCO[TT]
Everybody's Hometo[wn]
AIRPORT DEPART[MENT]

- Submit to FAA for review and Approval
- Submit to FAA for Airspace Evaluation
- Complete Financial Feasibility & Evaluation Chapter

DELTA AIRPORT CONSULTANTS, INC. Dibb[le] Engineering

THANK YOU

www.prcmasterplan.com

CITY OF PRESCOTT
Everybody's Hometown

COUNCIL AGENDA MEMO

MEETING DATE/TYPE: **STUDY SESSION MEETING** **8-14-18**

DEPARTMENT: **City Manager**

AGENDA ITEM: Review of the 2018 Arizona League of Cities and Towns Resolutions.

Approved By: Michael Lamar, City Manager

Background

Each summer the League of Cities hosts ongoing meetings for 5 separate Resolution Committees to consider items of general interest among its members in order to craft the beginning of their legislative agenda for next year's legislative session. The resolutions are presented and voted on during the Annual League Conference in August. The Mayor or an authorized designee represents each city and town during the Annual Business Meeting and casts a vote on each resolution presented.

Item Summary

This year there are 12 separate resolutions that were a result of the discussions held in the various Resolution Committees. This discussion will allow for the Council to discuss the resolutions that will be considered at the Annual Business Meeting during the League Annual Conference. Below are summaries of the resolutions and more details on each of them can be found in the attached materials.

AGENDA ITEM: Review of the 2018 Arizona League of Cities and Towns Resolutions.

Number	Resolution	Sponsor	Notes
BFED 1	Pursue collaborative discussions with homebuilding industry stakeholders on potential modifications to the impact fee statutes that will streamline the adoption process and ensure that new development pays for the associated demand of new and expanded infrastructure	Prescott	
BFED 2	Seek legislation that adds an economic presence standard, including reasonable thresholds in dollar amount and number of transactions, to address transaction privilege tax collection on remote sellers for all jurisdictions	Casa Grande	
BFED 3	Add to the League's Federal Agenda support of federal legislation or rulemaking expanding the zone of permissible travel in Arizona for Mexican tourists that hold a border crossing card from the current 75 mile limitation to instead include the entire state	Flagstaff	
GAHRE 1	Allow city/town elected officials to transfer campaign contributions to a statewide or legislative office.	Maricopa	
GAHRE 2	Allow cities and towns to use excess revenues from legacy volunteer fire department profit sharing plans to reduce unfunded liabilities in the Public Safety Personnel Retirement System (PSPRS).	Florence	
GAHRE 3	Encourage Arizona state legislators to establish a legislative committee to examine and explore resources for the Revolving Emergency Telecommunications Fund (9-1-1 funding).	Yuma	
NSQL 1	Amend statute to allow local regulation of short-term home rentals through a licensing, special permit, or registration system, at the local or state level, including placing limits on number of guests, location, and % of housing that can be used for short-term rentals	Fountain Hills	
NSQL 2	Support the creation of a state workforce housing tax credit modeled after the successful federal Low-Income Housing Tax Credit (LIHTC) program	Tucson	
NSQL 3	Advocate for a state-wide non-discrimination policy that includes gender identity and sexual orientation	Mesa	
NSQL 4	Support legislation that promotes and strengthens the safety of children in school buildings located near airports while preserving airports' long-term viability and economic benefits to local communities	Mesa	
PSMAC 1	Pursue all avenues for improving the relationship between cities/towns and the State Liquor Board, including having a city/town elected official or staff member, or a League representative, appointed to the Board	Glendale	
League Staff 1	Investigate and potentially support legislation permitting PSPRS members currently enrolled in the system to make a one-time irrevocable election to convert their account from the DB plan to the PSPRS DC plan.	League	

Budget, Finance and Economic Development – BFED
General Administration, Human Resources and Elections – GAHRE
Neighborhoods, Sustainability and Quality of Life – NSQL
Public Safety, Military Affairs and the Courts – PSMAC
Transportation, Infrastructure and Public Works – TIPW

Attachments

1. 2018 League Conference Resolutions Packet

Recommended Action: This item is for discussion only. No action will be taken.

League of Arizona Cities and Towns
1820 W. Washington • Phoenix, AZ 85007 • Phone: (602) 258-5786 • Fax: (602) 253-3874
Email: league@azleague.org · Web site: www.azleague.org

July 16, 2018

Dear Mayor,

Correspondence of June 26, 2018 sent from League Staff on my behalf, announced John Giles, Mayor of Mesa and member of the League's Executive Committee, would serve as Chairman of the Resolutions Committee at the League Annual Conference.

The Chairs of five League Policy Committees will present the Resolutions discussed in their respective committees to the Resolutions Committee at the Annual Conference. League Staff will present the Staff Resolution.

Included in this packet you will find:

- Resolutions Committee Calendar
- Resolutions Committee Procedures
- Policy Committee Reports and Resolutions
- Proposed League Staff Resolutions

As the first order of business at the conference, the Resolutions Committee will meet on **Tuesday, August 21, 2018 at 1:30pm**. The actions of the full Resolutions Committee will be formally adopted at the League's Annual Business Meeting on **Thursday August 23, 2018** at 4:00 p.m.

If you have not accepted your appointment or designated a council representative to serve your city/town on the 2018 Resolutions Committee, please make that appointment here.

We look forward to having all 91 cities and towns participate on the Resolutions Committee. If you have any questions or comments regarding the Resolutions Committee, your appointment or the resolutions submittal process, please do not hesitate to contact the League office.

Sincerely,

Jay Tibshraeny

Mayor Jay Tibshraeny, Chandler
League President

Enclosures

cc (via email): Managers, Clerks without Managers, Intergovs

2018 Resolutions Committee Calendar

April:	Mayor Giles appointed as 2018 Resolutions Committee Chairman
May-July:	Policy Committees meet
June 26:	League sends email requesting mayors or council designees register to represent their city/town on Resolutions Committee
July 16:	League sends out resolutions packet to membership
August 21:	Resolutions Committee Meeting at the League Annual Conference in Phoenix
August 23:	Resolutions ratified at the Annual Business Meeting

League of Arizona Cities and Towns
Resolutions Committee Procedures

1. Resolutions Committee Appointment
   The President shall appoint the Chairman and members of the Resolutions Committee. Only one elected official from each city or town shall be appointed to the Committee.

2. Duties
   The Resolutions Committee shall adopt statements of policy amending the annual Municipal Policy Statement, special resolutions and such other resolutions of courtesy, commendation or appreciation as the Committee deems appropriate.

3. Submission of Resolutions
   A. All resolutions submitted by a city or town, including resolutions of courtesy, commendation or appreciation, may be considered by the Committee provided such resolutions are submitted to the Chairman of the Committee or to the League office for consideration by the Policy Committees. The resolutions process allows cities and towns to submit policy ideas to the League at any time during the year without the requirement of a co-sponsoring city or town. If approved by a policy committee, League staff will draft the resolution for presentation to the full Resolutions Committee. Sponsoring cities and towns, or other interested stakeholders may be consulted to provide more information on the idea and also may be invited to speak to the issue at one of the policy committee meetings. Submissions received after July 6 may not be processed in time for the Annual Conference.
   B. Except in the case of emergency as determined by the chair of the committee, no resolutions submitted by a city or town after the deadline specified in subsection A of this section or that have not been vetted by the Policy Committees may be considered.
   C. League staff may submit resolutions for consideration by the full Resolutions Committee if there are issues that have not been addressed through the policy committee process.

4. Resolutions Committee Process
   A. The President shall assign submissions to the relevant Policy Committee. The Policy Committees will review submissions and develop pertinent resolutions for consideration by the Resolutions Committee. Except for the provisions of subsections 3 A and B, only resolutions advanced by the Policy Committees shall be discussed at the Annual Conference Resolutions Committee.
   B. Resolutions shall be amended according to the process established by the Chairman of the Committee.
   C. The completed resolutions will go to the full Resolutions Committee at the Annual Conference for consideration. The chairs of each policy committee will be responsible for presenting the resolutions and their committee activities to the full Resolutions

Committee.
Notice shall be given to each member at least four weeks in advance of the meeting.

5. Final Report
After
the Resolutions Committee meeting, the Chairman of the Committee or a designee shall report to the entire league membership
at the Annual Business Meeting those resolutions adopted by the
Committee. Resolutions adopted by the Committee shall be formally adopted by the membersh ip at the
Annual Business Meeting and become the basis for the annual Municipal Policy Statement.

Policy Committee Reports

The following policy committee reports and resolutions are arranged in alphabetical order. The recommended resolutions are categorized by their respective committee initials and numbered according to the order in which they were approved.

Budget, Finance and Economic Development – BFED

General Administration, Human Resources and Elections – GAHRE

Neighborhoods, Sustainability and Quality of Life – NSQL

Public Safety, Military Affairs and the Courts – PSMAC

Transportation, Infrastructure and Public Works – TIPW

Number	Resolution	Sponsor	Notes
BFED 1	Pursue collaborative discussions with homebuilding industry stakeholders on potential modifications to the impact fee statutes that will streamline the adoption process and ensure that new development pays for the associated demand of new and expanded infrastructure	Prescott	
BFED 2	Seek legislation that adds an economic presence standard, including reasonable thresholds in dollar amount and number of transactions, to address transaction privilege tax collection on remote sellers for all jurisdictions	Casa Grande	
BFED 3	Add to the League's Federal Agenda support of federal legislation or rulemaking expanding the zone of permissible travel in Arizona for Mexican tourists that hold a border crossing card from the current 75 mile limitation to instead include the entire state	Flagstaff	
GAHRE 1	Allow city/town elected officials to transfer campaign contributions to a statewide or legislative office.	Maricopa	
GAHRE 2	Allow cities and towns to use excess revenues from legacy volunteer fire department profit sharing plans to reduce unfunded liabilities in the Public Safety Personnel Retirement System (PSPRS).	Florence	
GAHRE 3	Encourage Arizona state legislators to establish a legislative committee to examine and explore resources for the Revolving Emergency Telecommunications Fund (9-1-1 funding).	Yuma	
NSQL 1	Amend statute to allow local regulation of short-term home rentals through a licensing, special permit, or registration system, at the local or state level, including placing limits on number of guests, location, and % of housing that can be used for short-term rentals	Fountain Hills	

NSQL 2	Support the creation of a state workforce housing tax credit modeled after the successful federal Low-Income Housing Tax Credit (LIHTC) program	Tucson	
NSQL 3	Advocate for a state-wide non-discrimination policy that includes gender identity and sexual orientation	Mesa	
NSQL 4	Support legislation that promotes and strengthens the safety of children in school buildings located near airports while preserving airports' long-term viability and economic benefits to local communities	Mesa	
PSMAC 1	Pursue all avenues for improving the relationship between cities/towns and the State Liquor Board, including having a city/town elected official or staff member, or a League representative, appointed to the Board	Glendale	
League Staff 1	Investigate and potentially support legislation permitting PSPRS members currently enrolled in the system to make a one-time irrevocable election to convert their account from the DB plan to the PSPRS DC plan.	League	

Budget, Finance and Economic Development – BFED
General Administration, Human Resources and Elections – GAHRE
Neighborhoods, Sustainability and Quality of Life – NSQL
Public Safety, Military Affairs and the Courts – PSMAC
Transportation, Infrastructure and Public Works – TIPW

These are the only items that will be voted on. The other submissions that did not move forward as resolutions will be explained at the Resolutions Committee.

Chair's Report of the Budget, Finance and Economic Development Policy Committee

Mayor Daryl Seymore, Show Low

Resolutions Committee Meeting, League Annual Conference

On **May 24, 2018**, the Budget, Finance and Economic Development committee (BFED) convened to discuss one policy issue submitted by the City of Prescott. Below is a summary of the issue considered:

1. Development impact fees. **Prescott (Policy Issue 1)**

Below is a summary of the committee discussion and recommendations:

Phil Goode, councilman, City of Prescott, submitted **Policy Issue 1** regarding impact fees. Councilman Goode explained the intent is to identify and provide solutions to challenges regarding implementing impact fee programs pursuant to SB1525 (2011), particularly in smaller communities that are experiencing high rates of growth. The councilman further explained the result of SB1525 drastically changed how the City of Prescott and other communities levy impact fees; administrative burdens; infrastructure buildout timelines; and regulatory reporting requirements are a few examples of issues that have made it difficult to assess impact fees to allow growth to pay for growth.

After committee discussion, a motion was made and unanimously approved to form a subcommittee to develop recommendations on changes to the impact fee statutes and report back at the next scheduled BFED committee.

On **June 21, 2018** the BFED convened again to discuss one policy issue submitted by the City of Flagstaff and was provided an update on an unassigned issue submitted by the City of Prescott at the **May 24, 2018** meeting:

1. Border crossing cards. **Flagstaff (Policy Issue 2)**
2. Update on Impact fees. **Prescott (Policy Issue 1)**

Below is a summary of the committee discussion and recommendations:

Caleb Blaschke, assistant to the city manager, City of Flagstaff, presented the committee information regarding potential federal legislation to permit Mexican tourists with a border crossing card to travel the entire state rather than be limited to the current 75 mile travel limit for Arizona. As mentioned in the presentation, the intent is to allow Mexican tourists to travel to destinations beyond the City of Tucson and other cities and towns near the international border, within the 75-miles restriction, to bolster tourism in northern parts of the state, such as Phoenix, Flagstaff, and central and northern Arizona.

Nathan Pryor, director of government relations, Maricopa Association of Governments, provided to the committee the background of federal administrative and legislative efforts to increase the border zone. Mr. Pryor explained the process and requirements for obtaining a border crossing card and the I-94 requirements for tourists who wish to exceed the 75-mile restriction. In addition, Mr. Pryor referenced a University of Arizona study of the economic impact to the state from Mexican tourists and the projected increase of $181 million in new spending associated with the expansion of the border zone beyond 75 miles.

Mayor Coral Evans, City of Flagstaff, expressed support for increasing the border zone beyond 75 miles and explained the importance of this issue for communities, like Flagstaff, where tourism is the main economic driver.

The committee asked the policy issue be continued to the next scheduled meeting and requested staff to provide additional information.

On **July 12, 2018** the BFED committee convened to discuss and vote on the following policy issues:

1. Border crossing cards. **Flagstaff (BFED 3)**
2. Development Impact fees. **Prescott (BFED 1)**
3. Remote TPT Collection. **Casa Grande (BFED 2)**

Below is a summary of the committee discussion and recommendations:

Border crossing cards:

Caleb Blaschke, assistant to the city manager, City of Flagstaff, updated the committee on the policy issue and answered the questions that were posed by committee members at the previous meeting.

Mayor Coral Evans, City of Flagstaff, reiterated the benefits of increasing the border zone in the state to communities in northern Arizona and addressed the questions and concerns raised by committee members.

After discussion, the committee voted, with one dissenting, to move the issue forward as a resolution to be considered at the annual conference.

Development Impact fees:

Phil Goode, councilman, City of Prescott, updated the committee on the intent of the policy issue submission, which is to support reforms to the impact fee statutes to reduce the regulatory burdens for all communities that levy impact fees.

Tom Savage, League legislative associate, provided the explanation of the impact fee issue statement and suggested reforms that were developed by the Impact Fee Subcommittee.

Joyce Clark, councilmember, City of Glendale, expressed concern about the risks of revisiting the issue after previous legislative attempts that nearly prohibited impact fees.

The committee deliberated the necessity of a resolution allowing League Staff to start discussions with homebuilding industry stakeholders to see if there are reforms they could support and what modifications the industry will seek. After discussion, the committee debated the verbiage of the resolution and voted, with three dissenting votes, to move it forward for consideration at the annual conference.

Remote TPT Collection:

Mayor Craig McFarland, City of Casa Grande, explained the intent of the policy issue submittal is to discuss moving forward with a legislative proposal allowing local governments to enforce existing sales and use tax laws on online sales from sellers who do not have a physical presence in the state.

Ken Strobeck, League executive director, briefly provided the committee details on the League's legal analysis of the South Dakota v. Wayfair, Inc. Supreme Court case.

Lee Grafstrom, League tax policy analyst, provided explanation on the events following the Court's decision and the research of the Arizona Department of Revenue regarding how other states are addressing this issue. He suggested the role of the League moving forward should be to encourage the state legislature to enact a proposal establishing an economic presence standard with thresholds to clearly define when remote sellers need to remit state and local transaction privilege taxes.

After discussion, the committee voted unanimously to move the issue forward for consideration at the annual conference.

The table below summarizes the BFED Committee's actions:

Policy Issue	**Disposition by Committee**
1 Impact Fees	Resolution BFED 1
2 Remote TPT Collection	Resolution BFED 2
3 Border Crossing Card Extension	Resolution BFED 3

Daryl Seymore
Mayor of Show Low
Chair, Budget, Finance and Economic Development

BFED #1

League of Arizona Cities & Towns Resolution

Pursue collaborative discussions with homebuilding industry stakeholders on potential modifications to the impact fee statutes that will streamline the adoption process and ensure that new development pays for the associated demand of new and expanded infrastructure.

A. Purpose and Effect of Resolution

As a result of SB1525 in 2011 and the regulations it established, cities and towns have experienced some challenges implementing the complex regulatory requirements established by the legislation and maintaining the philosophy of impact fees: growth paying for itself rather than assessing existing residents who've already paid their proportionate share. Cities and towns do their best to project what type of development will occur in their communities and when infrastructure will be needed to service it; however, when development does not occur as projected, it increases the likelihood of taxpayers paying for the cost of growth to avoid refunding impact fees if the infrastructure is not built within the time frames established by the 2011 legislation.

The requirements established by SB1525 were written at a time when the housing industry was struggling, but the result is unduly burdening existing taxpayers instead. Today, with the housing market growth and demand increasing, it's time to review these requirements and explore modifications that will streamline the adoption process and add flexibility to ensure that new development pays for the associated demand of new and expanded infrastructure.

B. Relevance to Municipal Policy

There are 40 cities in the state that currently levy impact fees in at least one of the seven categories of necessary public services. As a result of changes to the impact fee statutes in the last 10 years, 15 cities and towns have discontinued levying impact fees due to the complex regulations established and the expense to comply.

C. Fiscal Impact to Cities and Towns

There is no estimate of the fiscal impact to cities and towns that levy impact fees. Ideally, any changes would result in the use of less taxpayer dollars to fund infrastructure that impact fees should be paying for.

D. Fiscal Impact to the State

There is no fiscal impact to the state.

E. Contact Information:

Sponsoring City or Town: Prescott
Name: Phil Goode, Councilman
Phone: (928) 777-1100
Email: phil.goode@prescott-az.gov
League Staff: Tom Savage

BFED #2

League of Arizona Cities & Towns Resolution

Seek legislation that adds an economic presence nexus standard based on reasonable thresholds for sales in dollars and number of transactions to address transaction privilege tax collection on remote sellers for all taxing jurisdictions.

A. Purpose and Effect of Resolution

The recent U.S. Supreme Court Decision in *South Dakota v. Wayfair, Inc.* overturned the outdated physical presence standard. This decision clears the way for the state and local governments to enforce existing transaction privilege tax imposition on remote sales.

Recognizing the financial drain of a physical presence standard as retail activity shifted from brick-and-mortar stores to the Internet, South Dakota began requiring collection of sales tax by sellers with no physical presence in the state provided they met certain economic criteria. The law established statewide nexus for imposing tax based on "economic presence" if a seller made more than $100,000 in sales or 200 separate transactions in the state in a calendar year, The State of Arizona should enact a similar piece of legislation as soon as possible.

To avoid litigation such legislation should mimic the South Dakota model, including reasonable thresholds for the minimum in sales dollars and transactions in a year before triggering tax liability; applying the new standard prospectively only with a reasonable delay prior to implementation; and a requirement that the State and local tax codes for the Retail classification must remain uniform for any transaction that can be conducted by a remote seller.

B. Relevance to Municipal Policy

TPT is the largest single component of local revenues. This revenue stream must be protected against continued erosion as retail sales shift to out-of-state sellers maintaining a market in Arizona with a built-in price advantage over local retailers because they don't collect the tax. It is also imperative that any legislation must protect the Model City Tax Code from misguided efforts to use the *Wayfair* decision to justify its wholesale elimination.

C. Fiscal Impact to Cities and Towns

Adopting an economic presence nexus standard will undoubtedly increase revenues for cities and towns through local TPT collections and increased shared revenues from State TPT collections. Any estimate of this increase should be conservatively calculated. Most of the largest online retailers are already paying the tax because they also have a physical presence. This will capture the few holdouts and mid-sized sellers, while providing relief allowing small sellers to grow.

D. Fiscal Impact to the State

Adopting an economic presence nexus standard will undoubtedly increase revenues for the State, however the same caution regarding how much of an increase to expect applies here as well.

E. Contact Information:

Sponsoring City or Town: Casa Grande
Name: Craig McFarland, Mayor
Phone: (520) 421-8600
Email: craig_mcfarland@casagrandeaz.gov
League Staff: Lee Grafstrom

BFED #3

League of Arizona Cities & Towns Resolution

Add to the League's Federal Agenda support of federal legislation or rulemaking expanding the zone of permissible travel in Arizona for Mexican tourists that hold a border crossing card from the current 75 mile limitation to instead include the entire state.

A. Purpose and Effect of Resolution

Border Crossing Cards (BCC) authorizes the holder to cross the U.S.-Mexico border to visit the U.S. for business or pleasure for no more than 30 days and within certain areas depending on the state of travel. Applicants for a BCC must apply and be vetted at a U.S. consulate in Mexico in order to be eligible. Currently, the zone of permissible travel is limited to 25 miles beyond the border of California; up to 55 miles in New Mexico; and up to 75 miles from selected ports in Arizona. Mexican tourists wishing to travel beyond these distances or stay longer than 30 days must request an I-94 at the U.S. port of entry from the Customs and Border Protection and pay a fee. The current 75 mile zone in Arizona, which was increased from 25 miles in 1999, only allows Mexican tourists to travel as far north as the City of Tucson.

There is a proposal being developed and is supported by various organizations, including chambers of commerce and planning organizations in Arizona, to increase the zone of permissible travel from the current 75 mile limitation to the entire state, allowing Mexican tourists to travel seamlessly to places like Flagstaff and Phoenix.

B. Relevance to Municipal Policy

Tourism is a major economic driver for many communities in Arizona and increasing the border zone may positively impact the economics of cities and towns beyond the current zone.

C. Fiscal Impact to Cities and Towns

(See below)

D. Fiscal Impact to the State

A 2015 study conducted by the University of Arizona[1] projected up to $181 million in new spending; bringing the total projected spending by Mexican tourists to Arizona to nearly $3.1 billion and a total jobs impact of 31,766.

[1] Charney, Alberta, and Alan Hoogasian. *Extending the Border Zone to the Entire State of Arizona: Estimated Expenditures and Economic Impact Simulations, 2013-2016*.

E. Contact Information:

Sponsoring City or Town: Flagstaff
Name: Coral Evans, Mayor
Phone: (928) 213-2015
Email: cevans@flagstaffaz.gov
League Staff: Tom Savage

Chair's Report of the General Administration, Human Resources and Elections Committee

Mayor Lana Mook, El Mirage

Resolutions Committee Meeting, League Annual Conference
Tuesday, August 21, 2018

On **June 21, 2018 and July 21, 2018**, General Administration, Human Resources and Elections Committee (GAHRE) convened to discuss three policy issues submitted by the cities of, Maricopa and San Luis as well as the Town of Florence. Below is a summary of the issue considered by GAHRE:

1. Allow city/town elected officials to transfer campaign contributions to a statewide or legislative office. **Maricopa (Policy Issue 1)**
2. Allow cities and towns to use excess revenues from legacy volunteer fire department profit sharing plans to reduce unfunded liabilities in the Public Safety Personnel Retirement System (PSPRS). **Florence (Policy Issue 2)**
3. Encourage Arizona state legislators to establish a legislative committee to examine and explore resources for the Revolving Emergency Telecommunications Fund (9-1-1 funding). **(Policy Issue 3)**

Below is a summary of the committee discussion and recommendations:

The City of Maricopa submitted **Policy Issue 1**. This issue was adopted as a resolution by the League Resolutions Committee last year. Legislation was introduced which passed the Senate but died in the House in the waning days of the session. Mayor Christian Price explained that current state statute, recently amended by the state legislature, allows surplus campaign contributions to be transferred to a campaign for statewide office by any elected official; with the lone exception of city and town elected officials. Excluding mayors and councilmembers from using campaign contributions to seek statewide office is a clear equity issue that really has no justification.

The committee once again agreed that this is an issue that needs to be rectified by a change to state law and recommended that this policy issue be designated as a proposed resolution to be considered by the Resolutions Committee at the League Annual Conference. There was a unanimous vote by the committee to forward this policy issue as a resolution to the Resolutions Committee at the League Annual Conference.

The Town of Florence proposed **Policy Issue 2** that would allow cities and towns to use excess funds from legacy volunteer fire department profit sharing plans to reduce unfunded liabilities in the Public Safety Personnel Retirement System (PSPRS). Scott Barber, HR Director for the Town of Florence explained that like many Arizona communities, the Town once had a fully volunteer fire department to provide fire protection service to its citizens. Over time the approach evolved to having a department which includes both full-time (career) firefighters and part-timers to help maintain minimum staffing levels. One legacy from the fully volunteer days is the Florence Fire Department Profit Sharing Plan, a retirement vehicle which the town continues to use as a benefit for part-time employees in the department. Part-timers contribute a percentage of their compensation which is matched by the Town. For many years the vesting schedule for the Plan was 5 years. Therefore, part-time employees who left the department or who were hired as full-timers did not receive the employer's matching funds when they terminated Plan membership. This resulted in the Plan "forfeiture account" growing until it reached its current balance of $190,000. The Plan forfeiture account is used to pay Plan expenses and also the Town's matching contributions for Plan participants, but the forfeiture account cannot be used for any other purpose.

The committee asked for information related to whether this change would require legislation or if it could be done under the guidelines set up by the profit sharing plan. Tim Stratton, a tax attorney from Gust Rosenfeld gave his opinion to the committee that such a change would require legislation based on an old attorney general opinion as well as the fact that fire districts recently were successful getting legislation passed doing the same thing. There was a unanimous vote by the committee to forward this policy issue as a resolution to the Resolutions Committee at the League Annual Conference.

The City of Yuma proposed **Policy Issue 3.** It proposes to establish a legislative committee to examine and explore resources for the Revolving Emergency Telecommunications Fund (9-1-1 funding). The 9-1-1 funding model established in 2001 for telecommunication excise tax had automatic reductions written in the legislation. It scheduled a drop in the monthly fee from 37 cents to 28 cents and ultimately decreased it to 20 cents a month by 2007. This is a 46% decrease in the monthly fee between 2001 and 2007 and, although technology has and is changing dramatically, the monthly fee remains at 20 cents in was formulated prior to the proliferation of smart phone mobile technology.

Approximately 53 million dollars have been swept from the state's 9-1-1 funding source (Revolving Emergency Telecommunications Fund) since 2003.

Approximately 18 million dollars is now collected annually and distributed to the 9-1-1 systems throughout the state. The annual collection has fallen short of the 9-1-1 system and public safety requirements and requests. The 9-1-1 funding is inadequate and the 9-1-1 systems, especially in rural areas of the state, are suffering.

The committee discussed the issue and recommended that this policy issue be designated as a proposed resolution to be considered by the Resolutions Committee.

The table below summarizes the GAHRE Committee's actions:

Policy Issue	**Disposition by Committee**
1 Campaign Funds Transfer	Resolution GAHRE 1
2 Volunteer Firefighter Excess Funds	Resolution GAHRE 2
3 9-1-1 Funding Legislative Committee	Resolution GAHRE 3

Lana Mook
Mayor of El Mirage
Chair, General Administration, Human Resources and Elections Committee

GAHRE#1

League of Arizona Cities & Towns Resolution

Allow city/town elected officials to transfer campaign contributions to a statewide or legislative office.

A. Purpose and Effect of Resolution

The inability for local officials to transfer contributions to a statewide or legislative office is simply not equal treatment. This change would encourage more local elected officials to run for statewide office.

B. Relevance to Municipal Policy

City and town elected officials, because of their experience, should be encouraged to run for statewide or legislative office. It is not reasonable to exclude them from using contributions in this way.

C. Fiscal Impact to Cities and Towns

No fiscal impact to cities and towns.

D. Fiscal Impact to the State

No fiscal impact to the state.

E. Contact Information

Sponsoring City or Town: City of Maricopa
Name: Dale Wiebusch, Intergovernmental Affairs Director
Phone: 602-549-3696 Email: dale.wiebusch@maricopa-az.gov
League Staff: Tom Belshe

GAHRE#2

League of Arizona Cities & Towns Resolution

Allow cities and towns to use excess funds from a volunteer fire department profit sharing plan to pay down unfunded liability in the Public Safety Personnel Retirement System (PSPRS).

A. Purpose and Effect of Resolution

Several Arizona communities at one time had fully volunteer fire departments to provide fire protection service to its citizens. Over time the approach evolved into having a department which includes both full-time (career) firefighters and part-timers to help maintain minimum staffing levels at our One legacy from the fully volunteer days is that these volunteer departments offered "profit-sharing plans", a retirement vehicle which continue to be used as a benefit for part-time employees in the departments. Part-timers contribute a percentage of their compensation which is matched by the city or town. For many years the vesting schedule was 5 years. Therefore, part-time employees who left the departments or who were hired as full-timers did not receive the employer's matching funds when they terminated plan membership. This resulted in excess funds growing in the accounts. These forfeited, excess funds cannot be used for any other purpose. Cities and towns would like to see legislation drafted to allow the use of excess part-time pension funds to apply towards liabilities under PSPRS.

B. Relevance to Municipal Policy

Cities and towns are desperately looking for ways to reduce the very significant burden of PSPRS unfunded liability.

C. Fiscal Impact to Cities and Towns

Decreasing unfunded liability in the PSPRS will have a positive impact to municipal budgets.

D. Fiscal Impact to the State

No fiscal impact to the state.

E. Contact Information

Sponsoring City or Town: Town of Florence
Name: Scott Barber, HR Director
Phone: 520-868-7545
Email: scott.barber@florenceaz.gov
League Staff: Tom Belshe

GAHRE#3

League of Arizona Cities & Towns Resolution

Encourage Arizona state legislators to establish a legislative committee to examine and explore resources for the Revolving Emergency Telecommunications Fund (9-1-1 funding).

A. Purpose and Effect of Resolution

The 9-1-1 funding model established in 2001 for telecommunication excise tax (9-1-1 tax) had automatic reductions written in the legislation. It scheduled a drop in the monthly fee from 37 cents to 28 cents and ultimately decreased it to 20 cents a month by 2007. This is a 46% decrease in the monthly fee between 2001 and 2007 and, although technology has and is changing dramatically, the monthly fee remains at 20 cents in was formulated prior to the proliferation of smart phone mobile technology.

Approximately 53 million dollars have been swept from the state's 9-1-1 funding source (Revolving Emergency Telecommunications Fund) since 2003. Approximately 18 million dollars is now collected annually and distributed to the 9-1-1 systems throughout the state. The annual collection has fallen short of the 9-1-1 system and public safety requirements and requests.

Consequences of 9-1-1 system funding shortfalls:

- Significant delay in replacing aging 9-1-1 equipment.
- Inability to fund additional 9-1-1 equipment needed to match 9-1-1 call volume increases.
- No funding available for new PSAPS (City of Maricopa, Mesa Fire, Somerton PD, etc.).
- Statewide Wireless 9-1-1 Phase II (X/Y location) access is not available due to lack of funds to compensate wireless carriers.

A legislative study group would allow elected members to look at the 9-1-1 needs for the entire state, not just a single region or community. The findings will be submitted in a report along with any recommendations from the proposed group.

B. Relevance to Municipal Policy

The health, safety and welfare of our citizens is paramount to elected officials. We need to explore how to assure adequate funding for a 9-1-1 system that will serve the needs of citizens in all areas of the state.

C. Fiscal Impact to Cities and Towns

No fiscal impact to cities and towns.

D. Fiscal Impact to the State

No fiscal impact to the state.

E. Contact Information

Sponsoring City or Town: City of Yuma
Name: Rodney Short, Assistant City Attoney
Phone: (928) 373-5050
Email: rodney.short@yumaaz.gov
League Staff: Tom Belshe

Chair's Report of the Neighborhoods, Sustainability, and Quality of Life Policy Committee

Mayor Linda Kavanagh, Chair

Resolutions Committee Meeting, League Annual Conference
Tuesday, August 21, 2018

On **June 12 and July 12, 2018**, the Neighborhoods, Sustainability, and Quality of Life Policy Committee (NSQL) convened to discuss six policy issues submitted by committee members for consideration. Below is a summary of the policy issues considered by NSQL:

1. Advocate for local regulation of short-term rentals. – **Fountain Hills (Policy Issue 1)**
2. Advocate for an open space preservation/scientific and cultural facilities special district. – **Gilbert (Policy Issue 2)**
3. Advocate for a state workforce housing tax credit modeled after the federal Low-Income Housing Tax Credit (LIHTC) program. – **Tucson (Policy Issue 3)**
4. Advocate for a state-wide non-discrimination policy that includes gender identity and sexual orientation. – **Mesa (Policy Issue 4)**
5. Work with the Arizona Department of Health Services to expedite their rulemaking process for the sober living home licensing system. – **Mesa (Policy Issue 5)**
6. Advocate for legislation to protect airport operations from encroachment. - **Mesa (Policy Issue 6)**

Below is a summary of the committee discussion and the recommendations:

The Town of Fountain Hills submitted **Policy Issue 1** for consideration at the June 12 meeting. In preparation for the meeting, input on short-term home rental problems and proposed solutions were requested by League staff by email and then summarized. At the June 12 meeting this information was presented by staff and the committee then discussed various examples of the negative consequences that short-term home rentals have had in Arizona and other states and various policy approaches that could be used to address these issues. The committee agreed on a list of provisions that should be included in legislation for next session. This information was reviewed at the July 12 meeting, at which time the committee added several more proposed provisions and voted to move the proposal forward for consideration at the Annual Conference.

The Town of Gilbert submitted **Policy Issue 2** for consideration at the June 12 meeting. At the meeting Councilman Anderson (Gilbert) presented information about Denver's Scientific and Cultural Facilities District, a special taxing district that funds several parks and science/cultural facilities in the region. During the discussion questions arose about the funding structure and League staff was asked to do follow-up research on Denver's special district as well as Arizona's existing statutes for special districts. This information was reviewed at the July 12 meeting, at which time the committee decided to hold the proposal for further study.

The City of Tucson submitted **Policy Issue 3** for consideration at the July 12 meeting. At the meeting Mayor Rothschild (Tucson) presented information about Arizona's use of the federal Low-Income Housing Tax Credit as well as supplemental state-level housing credits that have been successful in other states. After hearing the proposal the committee voted to move it forward for consideration at the Annual Conference.

The City of Mesa submitted **Policy Issue 4** for consideration at the July 12 meeting. At the meeting Councilman Heredia (Mesa) presented information about the negative economic impact of not having a state-wide non-discrimination policy that includes gender identity and sexual orientation. The committee discussed the importance of addressing this issue as well as their local ordinances on the subject. One member noted that communities currently have the ability to address the issue locally and that it should remain an issue of local concern. The committee then voted to move the proposal forward for consideration at the Annual Conference.

The City of Mesa submitted **Policy Issue 5** for consideration at the July 12 meeting. At the meeting Councilman Heredia (Mesa) presented information about last year's successful resolution to address unregulated sober living homes through state legislation and the need for the Arizona Department of Health Services to complete their rulemaking process as expeditiously as possible. After hearing the proposal the committee voted to authorize the League to work directly with ADHS to speed up the rulemaking process. Because legislation is not necessary the proposal did not need to be forwarded to the Resolutions Committee.

The City of Mesa submitted **Policy Issue 6** for consideration at the July 12 meeting. At the meeting Councilman Heredia (Mesa) presented information about the conflict between airport operations and the siting of schools nearby, as well as a bill from last session that was attempting to address this issue but that did not make it through the legislative process. After discussing the need for legislation on this issue the committee voted to move the proposal forward for consideration at the Annual Conference.

NOTE: Mayor Moriarty of Sedona chaired the July 12 meeting.

The table below summarizes the NSQL Committee's actions:

Policy Issue	**Disposition by Committee**
1 Short Term Rental Regulation	Resolution NSQL 1
2 Special District for Scientific & Cultural Facilities	Held for further study
3 State Low-Income Housing Tax Credit	Resolution NSQL 2
4 Anti-Discrimination Law	Resolution NSQL 3
5 Rulemaking for ADHS on Sober Living Homes	Approved by NSQL, no resolution needed
6 Zoning for schools near airports	Resolution NSQL 4

Linda Kavanagh
Mayor of Fountain Hills
Chair, Neighborhoods, Sustainability, and Quality of Life Policy Committee

NSQL #1

League of Arizona Cities & Towns Resolution

Amend statute to allow local regulation of short-term home rentals.

A. Purpose and Effect of Resolution

Short-term rentals are meant to help homeowners generate extra income and allow travelers to enjoy the comforts of a residential home when travelling. Short-term rentals have become very popular and economically significant but have also led to unintended consequences for neighborhoods. Most of the issues stem from the renter taking advantage of the benefits of a residential home/area without having any of the accountability/responsibility of being a long-term renter or owner, as well as the homeowner being absent or unable or unwilling to address complaints from neighbors. This includes things such as:

- Increased traffic in neighborhoods and other areas of city/town
- Noise violations that do not get resolved with calls for service
- Large parties that congest the street and are loud and disruptive
- Neighbors have no recourse for resolving issues other than calling police/city
- Short-term renters that create public safety hazards when not familiar with the area
- Allowing too many in one area can change the residential character of neighborhoods
- Increased home prices/loss of housing stock for full-time residents as investors buy homes
- Reduced availability/increased prices of long-term rental options
- Lack of tax remittance
- Negative impact to the economy of communities that depend on hotels and motels
- Treated differently than hotels, motels and B&B's (business equity, safety inspections)
- Treated differently than long-term rentals (deposits, lease, other rules/accountability)
- Treated differently than other home-based businesses (registration, permitting)

Allowing for local or state regulation of short-term rentals would address these issues by requiring that the homeowner be legally responsible. This could be accomplished by:

- Creating a distinction between "shared" homes and short-term rentals of entire residences
- Requiring a license or special use permit that can be revoked after multiple violations
- Requiring contact information be registered with the city, county or state
- Making the property owner legally responsible for all violations and fines
- Placing a cap on the number of guests that can stay in a short-term rental
- Limiting short-term home rentals to a primary or secondary homes (i.e. no investors)
- Addressing homes that are being converted into "boarding houses", homes with separate guesthouses, and short-term rentals in multi-family housing
- Establishing a cap on # of homes or % of housing that can be used for short-term rentals and/or establishing distance requirements to avoid clustering

B. Relevance to Municipal Policy

Protecting the local housing stock as well as the residential character of neighborhoods is a municipal responsibility.

C. Fiscal Impact to Cities and Towns

There may be an administrative cost associated with regulating short-term rentals locally.

D. Fiscal Impact to the State

There may be an administrative cost to the state if regulation is pursued at the state-level.

E. Contact Information

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NSQL #2

League of Arizona Cities & Towns Resolution

Support the creation of a state workforce housing tax credit modeled after the successful federal Low-Income Housing Tax Credit (LIHTC) program.

A. Purpose and Effect of Resolution

Across the state of Arizona, families and individuals are facing a housing affordability crisis. In Tucson alone, more than 18,000 families are on the waiting list for Section 8 Housing Choice vouchers, and we cannot accept any new applications. According to Sally Stang, Tucson's Housing and Community Development Director, Tucson needs more than 60,000 affordable units to meet the needs of our citizens. We are not alone in this housing crisis: throughout Arizona, we are short 159,999 affordable rental homes that are needed to meet demand for existing families.

According to data from the National Low-Income Housing Coalition, in Arizona 75% of extremely low-income renter households suffer severe cost burden, spending more than half their monthly income on housing. Families must then make hard choices about paying bills, getting necessary medical care, or buying groceries.

There are few tools to incentivize affordable housing development but the ones that remain in place remain because they are sound policy. The most successful tool is the federal Low-Income Housing Tax Credit (LIHTC) program, which was created during the Reagan administration. This 32 year old program awards federal tax credits to developers who build or rehabilitate high-quality units leasing them to low income tenants at below market rents. The LIHTC credits are awarded annually through a highly competitive process administered by the Arizona Department of Housing (ADOH).

Like the federal Low-Income Housing Tax Credit (LIHTC), a state credit would support the development of a wide range of affordable housing projects for those that have limited income in rural and urban areas, in some cases with non-profits providing supportive services. This tax credit would help those who most need it, as determined by the Arizona Department of Housing (ADOH). A state credit would incentivize development which benefits our constituents in several ways: stabilizing families and reducing our homeless population; bringing in additional revenue to the city in the form of construction materials and taxes; and new jobs for construction, operation, and maintenance of new developments.

There are more than 15 states that already have a state low income housing tax credit including Utah, New Mexico, California, Oklahoma, Georgia, Nebraska and Wisconsin. In Colorado, where they have had a state affordable housing tax credit for 7 years, the outcomes have been dramatic. Analysis of that program during the three year period from 2015-2017 shows that over 4,000 housing units were directly supported through the tax credit. In addition to the new units, there has been $465 million in new private sector investment to support housing and Colorado has leveraged $33 million in previously untapped federal 4% LIHTC funding. Overall during this three year time period, there has been $1.6 billion in economic impact to the state of Colorado and over 19,000 jobs created because of the housing tax credit.

Arizona could benefit similarly. This is a proven and efficient tool that drives economic development, offers relief to rent-overburdened families and will help us to end homelessness in Arizona.

B. Relevance to Municipal Policy

Homelessness and transient populations result from a lack of affordable housing and can create expensive demands on our public safety, emergency services, criminal justice, healthcare and education systems. By working together to fill the affordable housing void we can reduce our costs through the stabilization of the individuals and families who need it most.

C. Fiscal Impact to Cities and Towns

There would be no fiscal impact to cities or towns. However, cities and towns will benefit from increased development activity in the form of increased TPT and economic outputs associated with the development, operation and maintenance of this new housing.

D. Fiscal Impact to the State

Fiscal impact to the state will be determined by the limit set on the tax credit in the sponsoring legislation. Based upon what has occurred in other states, this will be offset by greater economic activity in the form of construction TPT, income tax from jobs created and increased local tax revenues.

E. Contact Information

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NSQL #3

League of Arizona Cities & Towns Resolution

Amend statute to protect from discrimination based on sexual orientation or gender identity.

A. Purpose and Effect of Resolution

Arizona must provide an environment that is welcoming and inclusive. Whether it is Fortune 500 companies that are looking to bring jobs to our state or the small businesses that are attempting to expand, nondiscrimination in the workplace is an issue of vital importance. Today, many of Arizona's neighbors have laws that prohibit discrimination based on sexual orientation or gender identity. If we want to live in cities and a state that remain economically competitive, attract the very best talent and are vibrant places to live, we must be open for business to everyone.

Today, a baseline level of statewide nondiscrimination protections inclusive of sexual orientation and gender identity does not exist. While individual municipalities have the authority to create local ordinances unique to our individual cities and towns, we believe issues of nondiscrimination transcend borders and are a matter of statewide concern.

We urge the Arizona State Legislature to adopt statewide non-discrimination protections that are inclusive of sexual orientation and gender identity. Not only is such an update the right thing to do, it would also aid economic development efforts for our cities and the State of Arizona.

B. Relevance to Municipal Policy

Arizona cities would be stronger together with a statewide update to our laws that applied to all municipalities equally.

C. Fiscal Impact to Cities and Towns

There is no anticipated fiscal impact to cities and towns.

D. Fiscal Impact to the State

There is no anticipated fiscal impact to the state.

E. Contact Information

Sponsoring City/Town: City of Mesa
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League Staff: Alex Vidal

NSQL #4

League of Arizona Cities & Towns Resolution

Support legislation that promotes and strengthens the safety of children in school buildings located near airports while preserving airports' long-term viability and economic benefits to local communities.

A. Policy Issue

Aviation in Arizona provides more than $58 Billion annually in economic activity. Arizona's airports are economic hubs for our cities and towns and it is crucial to protect them from encroachment which threatens their airspace and constrains their potential community benefits. In the City of Mesa, Phoenix-Mesa Gateway Airport's growth is an integral part of our local, state and international economy. The recent addition of Skybridge Arizona marks a new era in cross-border trade, growing our city and state economy and playing a vital role in international commerce. Skybridge Arizona will enable E-commerce companies, manufacturers and other commercial interests in North and South America to efficiently transport goods while ensuring safety controls. This project is expected to create thousands of direct jobs in our state and significantly increase Phoenix-Mesa Gateway Airport cargo flights. Such growth will inevitably foster future opportunities; thus, it is crucial for our cities and airports to continue to be great partners to support economic growth across our State. Other airports, large and small, throughout Arizona provide similar benefits to their local communities.

Current state law provides exemptions for schools from local planning and zoning requirements and fails to provide adequate communication and collaboration between airports and schools when a new school is locating in an airport's vicinity. The lack of proper communication and coordination can result in negative unintended consequences for schools and airports, risking the safety and operations of all involved. Under current law, when a new school is planned within the airport traffic pattern airspace boundary, the school has no requirement to communicate their plans to the airport. This has resulted in the construction of a high-profile structure that has led to a reduction in airport's airspace and FAA fines incurred by the school. Although the construction occurred within the letter of the law, better communication and coordination amongst the school officials and the airport would have yielded a better result for all parties. Because school buildings are currently exempt from zoning requirements, adequate planning can be challenging. However minor changes thoughtfully planned can provide a lasting solution to this occasional but serious concern while protecting everyone's best interests.

B. Purpose and Effect of Resolution

The League of Cities and Towns has an important role in the legislative stakeholder process, where airports, City officials, school district and charter school representatives, and business community members can develop comprehensive legislation to protect public safety and lower our airports exposure to encroachment, possible air space loss and noise abatement concerns. Reaching and adopting compromise legislation that promotes better communication and coordination for school buildings near airports and/or restricts such construction/relocation in pertinent areas, is imperative to ensure that public safety and the airports' economic benefits are protected.

C. Fiscal Impact to Cities and Towns

There is no anticipated fiscal impact to cities or towns. Failure to enact these protections could lead to constraints on airspace and substantial negative fiscal impacts.

D. Fiscal Impact to the State

There is no anticipated fiscal impact on the state General Fund associated with this legislation.

E. Contact Information

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Chair's Report of the Public Safety, Military Affairs, and the Courts Policy Committee

Mayor Jerry Weiers, Chair

Resolutions Committee Meeting, League Annual Conference
Tuesday, August 21, 2018

On **May 15, 2018**, the Public Safety, Military Affairs, and the Courts Policy Committee (PSMAC) convened to discuss one policy issues submitted by a committee member for consideration. Below is a summary of the policy issue considered by PSMAC:

1. Advocate for a city or League representative to be appointed to the State Liquor Board. **Glendale (Policy Issue 1)**

Below is a summary of the committee discussion and the recommendations:

The City of Glendale submitted **Policy Issue 1** for consideration at the May 15 meeting. In preparation for that meeting League staff summarized the existing statutes that govern the State Liquor Board (Board) including designated qualifications for several of the seats as well as the current members of the Board and their roles. At the meeting, the committee discussed various instances where the Board disregarded a recommendation for disapproval from the local governing body as well as other actions that the Board has taken that reflected a lack of awareness or concern for local input. The committee agreed that the League should pursue any and all avenues for improving the relationship between cities/towns and the Board, up to and including having a city/town elected official or staff member, or a League representative, appointed to the Board.

The table below summarizes the NSQL Committee's actions:

Policy Issue	**Disposition by Committee**
1 League Representation on Liquor Board	Resolution PSMAC 1

Jerry Weiers,
Mayor of Glendale
Chair, Public Safety, Military Affairs, and the Courts Policy Committee

PSMAC #1

League of Arizona Cities & Towns Resolution

Pursue all avenues for improving relations between cities/towns and the State Liquor Board, including having a city/Town official or staff member, or a League representative, appointed to the Board

A. Purpose and Effect of Resolution

In Arizona, the State Liquor Board (Board) has the ultimate authority to approve or deny liquor license applications. Although city and town councils make recommendations on the applications, the recommendations are non-binding and the Board can choose to override the local government's recommendation.

State statute currently includes specific criteria for three of the seven seats on the State Liquor Board, two liquor industry representatives and one representative from a neighborhood association. State statute could be amended to specify that one of the remaining four seats be designated for either a member of a city or town council, a city or town employee, or a representative from the League.

B. Relevance to Municipal Policy

Having a designated local government representative on the State Liquor Board will help to ensure that feedback from residents and the city or town council is properly considered and understood. It will also give the other members of the State Liquor Board the opportunity to hear a municipal perspective. Just as the industry has a designated seat at the table, the Board should also include someone representing the cities and towns where the licensees will be operating.

C. Fiscal Impact to Cities and Towns

There is no anticipated fiscal impact to cities and towns.

D. Fiscal Impact to the State

There is no anticipated fiscal impact to the state General Fund.

E. Contact Information

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Chair's Report of the Transportation, Infrastructure and Public Works Policy Committee

Mayor Bob Rivera, Thatcher

Resolutions Committee Meeting, League Annual Conference

On **July 11, 2018**, the Transportation, Infrastructure and Public Works committee (TIPW) convened to discuss one policy issue submitted by the City of Casa Grande. Below is a summary of the issue considered:

1. I-10 widening project. **Casa Grande (Policy Issue 1)**

Craig McFarland, mayor, City of Casa Grande, submitted **Policy Issue 1** that would request the Arizona Department of Transportation (ADOT) add the I-10 Chandler-Casa Grande section widening project to the State's five-year transportation plan to begin the planning, design and construction phases of the project. Mayor McFarland explained the intent is also to request the League support the project moving forward and assist with the formation of a coalition consisting of government and private stakeholders to work with ADOT and the Gila River Indian Community (GRIC).

Christian Price, mayor, City of Maricopa, explained the current barriers to the project moving forward include the pending agreement with the GRIC on acquiring right of way for one additional east and westbound lane and the availability of funding for the project. Mayor Price also explained that ADOT and the State Transportation Board cannot add the project to the five-year plan without funding.

Bob Rivera, mayor, Town of Thatcher, provided support for the project and explained this corridor of I-10 is important to focus on due to the amount of travel and freight from southern Arizona and Mexico.

After discussion of the issue, the committee determined that it will not move forward as a resolution since it is not a state legislative matter. The committee instead voted unanimously to request the League gather further data on the project and work with ADOT and other stakeholders to assist in moving the project forward. The committee voted to permit the League to work with ADOT and GRIC on this issue.

The table below summarizes the BFED Committee's actions:

Policy Issue	**Disposition by Committee**
1 I-10 widening project	League staff assigned to work with ADOT and Gila River Indian Community to encourage prudence in planning, funding, and widening I-10

Bob Rivera
Mayor of Thatcher
Chair, Transportation, Infrastructure and Public Works

Report from the League Executive Director on Staff-Developed Resolutions

Ken Strobeck, Executive Director

Resolutions Committee Meeting, League Annual Conference
Tuesday, August 21, 2018

After the completion of the Policy Committee meetings, League staff met to determine whether there were policy issues that had not been proposed through the Policy Committee process. Staff believes the following proposed resolution should be considered by the Resolutions Committee at the Annual Conference.

1. Perform research on IRS tax law regarding the possibility for police and fire employees currently participating in PSPRS to irrevocably opt out of the Defined Benefit plan and into the Defined Contribution plan. Depending on the outcome of that research, the League could develop legislation for introduction in the 2019 Legislative Session that establishes this option. – **League Staff (Policy Issue 1)**

League Staff #1

League of Arizona Cities & Towns Resolution

Research and pursue potential legislative approaches during the 2019 Legislative Session to permit Tier 1 and Tier 2 members of the Public Safety Personnel Retirement System (PSPRS) to make an irrevocable election to join the PSPRS Defined Contribution Plan established by Laws 2016, Chapter 2.

A. Purpose and Effect of Resolution

Laws 2016, Chapter 2 (SB1428) established a Tier 3 of pension participation and benefits for PSPRS members hired on or after July 1, 2017. In addition to establishing Tier 3 for the Defined Benefit (DB) plan, legislation also established a Defined Contribution (DC) plan for new employees hired on or after July 1, 2017. Upon employment a new employee now has the option to participate in either the DB or DC plan and, absent an election, will default into the DB plan.

A DB plan is an annuity in which the employer inherits the investment risk of the plan and failure to meet assumed rates of return resulting in unfunded liabilities to the employer plan. A DC plan is similar to a 401(k) in that the investment risk is inherited by the employee and, upon retirement, the employee can withdraw funds in a lump sum or annuitize their benefits. There are no unfunded liabilities in a DC plan.

Tier 1 and 2 members must meet certain periods of service requirements between 15 and 20 years in order to become eligible for retirement benefits. However, many police and fire personnel are hired in Arizona as their second career following service in the military, service in police or fire employment in another state, or in other career paths. During the Pension Ad Hoc Committee established by the Arizona House of Representatives, the committee heard testimony from police and fire personnel indicating they wished they had the opportunity to join a DC plan and not be bound by the years of service requirement for Tiers 1 and 2.

Current liabilities in the PSPRS Fund, as of 06/30/2017, amount to $15,578,700,116 with a total of 33,522 active, inactive, retired, disabled, and survivor members. Although liabilities vary by individual, the average per-member liability totals $464,730. By permitting police and fire personnel to make an irrevocable election to join the PSPRS DC plan two outcomes will result: 1) for each member that joins the DC plan, the employer's plan liabilities will diminish and 2) it provides employees a voluntary election they do not currently have to participate in a plan that may more adequately suit their situation.

B. Relevance to Municipal Policy

Title 38, Chapter 5, Article 4 established PSPRS and its corresponding construct, including membership. Of the 233 separate employer plans in PSPRS, 122 of the plans are municipal police and fire plans. Potential alleviation of employer liabilities by permitting Tier 1 and 2 employees to join the DC plan would permit municipalities to utilize those funds in a different way.

C. Fiscal Impact to Cities and Towns

While the fiscal impact is unknown because it is contingent upon each individual election, each individual transitioning from the DB to DC plan will save hundreds of thousands of dollars.

D. Fiscal Impact to the State

The State of Arizona has within its purview the Department of Public Safety (DPS) which has 1,059 employees and $819,253,340 in unfunded liabilities. While there will be benefits to the state, the exact amount is unknown for the reasons listed above relating to cities and towns.

E. Contact Information

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