

Western Municipal Association (WMA) Hears from Governors Association in Denver, Dec 2010 "Be at the Table, or be on the menu."

Chair, Mayor Lou Ogden (Tualatin, OR) opened the annual WMA meeting with introductions. There was excellent representation from municipal leaders from the West. Ron Loveridge, NLC President, (Mayor of Riverside, CA) also a western municipal leader, attended as well.

The keynote speaker was **Pam Inmann, Executive Director of the Western Governors Association (WGA)**. The western Governors, the first western government association, first met in 1891. She noted that the west is unified by the need to present one voice to the federal government and to work on issues uniquely impacting the western states. Those issues historically include the need to negotiate with the federal government to manage the vast tracts of federal lands, and the other regional issues of water quality, drought and water availability, pollution, energy, natural resources, transportation, and climate.

Governor Otter of Idaho is the current Chair of the WGA. He has a strong policy of achieving consensus positions and meaningfully involving **key partners, like the Western Municipal Association**. The WGA recognizes the need to work with the 5300 municipalities in the west. Given the challenges facing the west, and considering the difficulty of communicating with thousands of western cities, working with regional organizations like the Western Municipal Association is critical. In a warning to western cities, counties, and the states, Inmann repeated the old saying, "Be at the table, or be on the menu."

A continuing WGA project with major implications for the entire West is the development of new sources of alternative energy. The WGA has received a large federal grant to find the best sources of alternative energy in the West, and plan new or expanded transmission lines to bring the energy to market. **Interestingly, the most problematic part of developing new energy is planning and building new transmission lines.** In the past two years, the WGA has assessed the most promising new alternative energy sources. **The WGA has invited the Western Municipal Conference to participate in the first transmission line planning session on January 11.** The WMA Coordinator will attend the meeting and report back to the western state leagues.

Inmann also especially urged the WMA and municipalities to support the Secure Rural Schools Funding in Congress. Secure Rural Schools Funding is critical to funding schools. Although schools are generally administered by counties, education is a critical issue for every city resident. Secure Rural Schools is essentially a way of compensating rural school districts for the loss of revenue from federal land and economic activities on federal land (logging).

In an earlier meeting between WMA leaders, Inmann and her staff, she offered to include WMA in the development and approval of WMA policy positions as they arise.

Sam Mamet, Colorado Municipal League Director asked what WMA could do in Washington DC in March when NLC holds its annual congressional conference. Inmann said that the WGA has a lobbyist in Washington DC that can work with WMA on strategic issues. **WMA Chair Lou Ogden said that before we go to DC, we can determine an appropriate set of issues working with the state**

municipal league directors. There was general agreement. Last year WMA Chair Ogden attended the Western Governors Association annual meeting to establish a working relationship. There was general agreement that he should also attend this year.

NLC Policy Committees leaders from the west reported on western issues:

- FAIR (Finance) - Need to help get the feds to act on marijuana issues. They currently, "have their heads in the sand."
- TIS (Transportation) - There will be a "big show" for the transportation bill. The big issue will be the cost. The committee invites comments from western states on specific transportation issues.
- HD (Human Development) - The key issues are education reform and helping returning veterans.
- PS (Public Safety) - Immigration is the key issue.

The State Municipal League Directors reported on the situation in each western state:

- Arizona - Ken Strobeck: Arizona has a very conservative legislature and a new \$1 billion deficit largely due to the real estate downturn. The voters overwhelmingly adopted a 1% sales tax. The state is awaiting a decision on the state immigration bill. The bill is intended to do away with "sanctuary cities" that do not enforce federal immigration policy, but there really aren't any such cities. The bill is a huge unfunded mandate. "Don't boycott us."
- Idaho - Ken Harwood: All three propositions supported by local governments passed. But a gas tax increase was unsuccessful, even though transportation is a key issue.
- Colorado - Sam Mamet: There is a need for reform of the initiative process. Local government supporters spent \$12 million to defend against damaging initiatives. They won but this simply maintains the status quo. Medical marijuana is allowed in the state constitution, and local governments won greater control over dispensaries. Some local governments are taxing it. There is more than a \$1 billion hole in the state budget. The key local concern is severance tax funding for loans to municipalities, especially small ones.
- Washington - Mike McCarty: The state has a \$5.7 billion budget hole. The Governor has appointed a blue ribbon panel of business, labor, local government, environment, etc. The Legislature took \$250 million out of a CIP fund for municipalities. There are 7 potentially damaging initiatives on the ballot. He likes the idea of initiative reform. 95% of initiatives are funded by corporations and out of state organizations.
- Nebraska - Lynn Rex: A \$1.4 billion state budget hole. The state is facing draconian cuts. Proposed is an elimination of state revenue sharing if a city has a lower than average property tax rate. Immigration and "anchor babies" are huge issues. An anchor baby is a child born of parents who are illegal aliens; the child is then a U.S. citizen and can facilitate immigration. There are public pension issues with a discussion of large retirement incomes. Also, out of state money for initiatives is a significant issue as well.
- Nevada - David Fraser: Las Vegas is a very depressed city with huge downturns in revenue. The impact spreads across the state. There was a 20% deficit in state revenue. Municipalities

- New Mexico - Regina Romero (Intergovernmental Director) Gross receipts tax funds 75% of local government budgets. The state removed food and health this year, but held municipalities harmless - this year. There is no guarantee for future years. This is a \$120 million problem for local governments. Last year cities took a large hit in CIP funding.
- Wyoming - George Parks: No severe revenue crisis, but some significant anti-local government measures, like annexation restrictions. Federal regulatory actions are the biggest issue, especially for coal bed methane. Access to medical help in rural areas is a big issue.
- North Dakota - Lynn James (League President): We have a \$2 billion surplus due to oil. A "legacy fund" has been created to benefit local governments. It can't be used until 2013, then interest only. There has been an incredible influx of people into the state, so housing and infrastructure is a huge issue.
- Alaska - Betty Svenssen (Deputy Director): The key issues are unfunded mandates, maintaining and inflation-proofing revenue sharing, affordable energy, and transportation. Alaska is a rich state with many small poor municipalities.
- California - Jim Waggoner (President) - Prop 22 to protect local revenues passed by 61%. However, the state is creating a problem with unfunded mandates that are causing rounds of layoffs in local governments. The largest issue in California is jobs.
- Utah - Dennis Tenny: The two key issues are immigration and the creation of jobs. There are no major crises with finance.
- Oregon - Mike McCauley: The league is working on a pilot project with the Corps of Engineers to access water behind dams. A constitutional amendment has been offered that would take away some local revenue powers to set property tax rates, etc. Under state law, the State League may not spend funds to fight this election issue.

At the close of the meeting, Chair Ogden reminded members that the position of Vice-Chair is open and will be selected in March. The Chair's term is open for selection at the meeting next December. Interested members should email Lou Ogden, Mayor of Tualatin, OR. He is interested in communicating with anyone interested in participating with the WMA at any level.