CHARLOTTE

Charlotte City Council

Governmental Affairs Committee

Meeting Summary for January 3, 2012

COMMITTEE AGENDA TOPICS

I. **Subject:** **GAC Overview**
Action: None.

II. **Subject:** **State Emerging Issues**
Action: None.

III. **Subject:** **Adopt Meeting Calendar**
Action: Committee agreed to meet the first Monday of each month at 3:00 p.m.

VI. **Subject:** **Next Meeting**
Action: Monday, February 6 at 3:00 p.m. in Room 280

COMMITTEE INFORMATION

Present:	Andy Dulin, Claire Fallon, Patrick Cannon, James Mitchell and Beth Pickering
Absent:	None
Time:	3:00 p.m. to 4:00 p.m.

ATTACHMENTS

1. Agenda
2. PowerPoint: Overview of Government Affairs Committee
3. PowerPoint: 2012 Emerging State Legislative Issues

DISCUSSION HIGHLIGHTS

Committee Discussion:

Vice Chair Fallon called the meeting to order.

I. GAC Overview

Deputy City Manager Ron Kimble introduced Dana Fenton to the Committee as the Intergovernmental Relations Manager better known as our Lobbyist.

[Handout: PowerPoint Presentation – Overview of Government Affairs Committee]

Mr. Fenton reviewed mission of the GAC as well as the recommended schedule for state and federal legislative agendas.

[Dulin arrives] Chair Dulin welcomed the two new Committee (and Council members) and encouraged them to participate in the National League of Cities Conference in March which is a highlight of how well our Council works together.

Council member Dulin expressed concern that Speaker Tillis has indicated this will be a shorter than short session and wondered if Town Hall Day might be moved and if we would be nimble enough to react to issues. Mr. Fenton advised that Town Hall Day was a fixed day by the League (and therefore difficult to change) and he felt sure we would be able to stay on top of issues even at an accelerated pace.

Mr. Fenton reminded the Committee that in the Short Session local legislation can only be introduced if it has been approved by all Delegation members and statewide legislation is actively discouraged. Two mini-sessions have been scheduled and may focus on redistricting and veto overrides. Mr. Kimble added that any bill that passed in either the House or State in the long session but not the other is also still alive.

Mr. Fenton advised the Committee that they would be briefed by our federal legislative lobbyist, Holland & Knight, from time to time. They were extremely important in helping us overcome the hurdle regarding security funding for the DNC. Council member Dulin noted that Holland & Knight also works for Tampa, which helped with the security funding, but added they are precluded from working with any other North Carolina city. Their contract is through 2012 at $198,000.

Mr. Fenton concluded this presentation by saying that he will be back in front of the Committee on a monthly basis going over the status of the federal and state legislative agendas. He also introduced Keith Richardson, an integral part of the Intergovernmental Relations Team.

Mr. Kimble advised the Committee that Mr. Fenton stays in Raleigh generally Monday night through Thursday afternoon or Friday to stay on top of issues and prepares weekly reports. Council member Fallon asked how often it was necessary for Council members to go to Raleigh. Mr. Fenton said "as often as needed," which is more in the long session, but it does send a strong message that we are on the same page. He added that phone calls work just as well and you can see members of the Delegation in Charlotte on Mondays, Fridays and weekends.

II. State Emerging Issues

[Handout: PowerPoint Presentation – 2012 Emerging Stage Legislative Issues]

Mr. Fenton advised this was a 30,000 foot look at the big statewide issues.

Transit Funding

A Study Committee was formed to look at funding for mass transit projects and possible elimination of State funding. This is an important issue to us! Mayor Pro Tem Cannon added for the benefit of the new Committee members that this relates to additional roadways, business retention/attraction and air quality.

Council member Dulin wondered if there was time to actually go after this funding in the Short Session and noted that three members of the Committee are part of our Delegation. The Committee discussed that this could affect projects in areas of the Delegation. Mr. Fenton added that the Committee has yet to meet, but could meet up to four times.

State Motor Fuels Tax

The gas tax in North Carolina is the highest in the Southeast and is a huge part of NCDOT's revenues. If there are changes to the tax it will affect resurfacing, bridge projects and cities and towns will have their Powell Bill funds reduced.

Nonvoted Debt

This is a result of concern that debt has been abused. None of the examples come from North Carolina; in fact, North Carolina has some of the strongest laws regarding the issuance of debt already. We would not want to lose our ability to issue debt.

Underground Damage Prevention

The major utility companies want the North Carolina Act to conform to the federal act. The issues include enforcement and fines. Mayor Pro Tem Cannon accurately noted that we could be the enforcer and finer to ourselves.

Planning and Zoning Authority

Theme continues that local governments overstep their planning and zoning authority. Several initiatives have been proposed to grant broad rights to property owners:

- Abuse of Discretion / Attorney Fees (enacted)
- HB 652 Property Owners Protection Act (under study)
- SB 560 Sport Shooting Range Relocation (crossover)
- SB 731 Design Standards (crossover)

Mr. Fenton said that as written the property owners protection act grants broad rights to property owners and that local governments are looking for more balance. Council member Dulin noted they could make it harder to build sidewalks for example or expand an intersection. Mr. Fenton acknowledged such a possibility might make providing infrastructure more difficult.

The Committee discussed the number and location of sport shooting ranges in Charlotte and noted this was created probably as the result of someone doing something somewhere – with support from the NRA.

SB 731 would restrict the ability of cities to require design standards on new residential structures.

Extraterritorial Jurisdiction

This is an outgrowth of the annexation legislation.

Next Steps

Mayor Pro Tem Cannon asked about the business privilege license tax. Mr. Fenton said that would be considered in the context of tax reform so it shouldn't be looked at again until 2013. It is still a possibility. They have talked about broadening the sales tax as a replacement and not have as many exemptions, but it is a difficult issue. [Example: paying sales tax on doctor's visits.]

Council member Dulin advised the new Committee members that the business privilege license tax is worth $17.5 million to the City. Mr. Kimble added the next largest city gets $6-$7 million.

III. Adopt Meeting Calendar

The Committee agreed to meet on the first Monday of each month at 3:00 p.m. By meeting at 3:00 p.m., they'll have an opportunity to have an hour to prep for the Council meeting.
They agreed to go ahead and meeting on February 6 even though there isn't a Council meeting. And, to adjust their September meeting to August 27 with the time to be determined.

IV. Next Meeting

Monday, February 6 at 3:00 p.m. in Room 280

Governmental Affairs Committee

Tuesday, January 3rd, 2012 at 3:00pm
Charlotte-Mecklenburg Government Center
Room 280

Committee Members: Andy Dulin, Chair
Claire Fallon, Vice Chair
Patrick Cannon
James Mitchell
Beth Pickering

Staff Resource: Ron Kimble

AGENDA

I. Comments from Chairman – Andy Dulin

II. GAC Overview – Ron Kimble, Dana Fenton

III. State Emerging Issues – Dana Fenton

Issues expected to be brought up in 2012 NC General Assembly

IV. Adopt Meeting Calendar

Committee discussion of 2012 meeting dates and times

V. Hot Topics

Distribution: Mayor/City Council, Bob Hagemann, Greg Gaskins, Curt Walton, City Manager, Stephanie Kelly, Kim Eagle, Leadership Team

CHARLOTTE.
OFFICE OF THE
CITY MANAGER

Overview of Government Affairs Committee

Government Affairs Committee

January 3, 2012

Overview

- GAC Mission: Recommend annual state and federal legislative agendas to City Council
- January – June:
  - January: Emerging State Legislative Issues
  - February: Present proposed State agenda
  - March: GAC recommends adoption; NLC Congressional City Conference
  - March 26: Brief Council on proposed State agenda
  - April 9: Council adopts State agenda
  - April ?: State Delegation Breakfast
  - May16: NCGA convenes its “Short” session
  - June 6: NCLM Town Hall Day
  - End of June: Adjournment

2012 NCGA

- House and Senate Leadership has instructed committees to thoroughly vet issues during interim for quick resolution in “Short” session
- “Short” session begins May 16
  - Leadership desires to adjourn by end of June
- Local legislation may be introduced
  - Requires sign-on from all Delegation members
  - Statewide legislation is actively discouraged
- Agenda tailor-made to the “Short” session
- NCGA is scheduled for two “Mini” sessions February 16-18 and April 23-25
  - Some issues currently being vetted may be considered

2012 US Congress

- 2012 Federal Legislative Agenda adopted in November 2011
- 2012 National League of Cities Congressional City Conference scheduled for March 10-14 in Washington, D.C.
  - Public policy seminars
  - Council meets with Congressional Delegation
- GAC will be briefed periodically by City's federal legislative lobbyist Holland & Knight
  - Holland & Knight coordinates City's lobbying activities
  - Interface between City and Delegation

2013 State and Federal Agendas

- September and October devoted to developing GAC recommended 2013 State and Federal Legislative Agendas
- Council briefed on recommended agendas in November
- Council consideration and adoption in late November or early December
- US Congress and NCGA convene regular sessions in January 2013

Intergovernmental Relations Team

- Ron Kimble
  - Deputy City Manager / GAC Staff Resource
  - 704.336.4169
- Dana Fenton
  - Intergovernmental Relations Manager
  - 704.408.7393
- Keith Richardson
  - Deputy Corporate Communications Manager
  - 704.336.5865

CHARLOTTE.

OFFICE OF THE
CITY MANAGER

2012 Emerging State Legislative Issues

Government Affairs Committee

January 3, 2012

CHARMECK.ORG

Transit Funding

- NCGA formed Transition to Federal and Local Funding for Local Mass Transit study committee
- Purpose: Examine utilization of federal and local funding for mass transit projects and the elimination of State funding for such projects
- 10 member committee including Senator Rucho (co-chair) and Representatives Brawley and Moore
- Potential impact: Build out of the 2030 Transit Corridor System Plan

State Motor Fuels Tax

- Recent NCGA proposal to cap state motor fuels (gas) tax would have reduced annual NCDOT construction/maintenance budgets approximately $400 million
  - Tax is indexed to recover costs to ensure roads are properly maintained
- Gas tax represents 50% of NCDOT transportation revenues compared to 30% across the nation
- Potential impacts to Mecklenburg County
  - Resurfacing reduced by 105 miles
  - 11 bridge projects postponed
  - City/Town road maintenance (Powell Bill) funds reduced $915K

Nonvoted Debt

- NCGA formed joint committee to review most debt authorized by local governments
  - Philosophical argument that all public debt should be approved by the voters
  - Abuses in other states
- **Nonvoted Debt** refers to debt not secured by full faith and credit of borrower and is not required to be approved by the voters
  - Revenue bonds for City projects (e.g. Airport, CMUD)
  - Special project financing for Public Private Partnerships
- NC local governments have strong history on financial matters, especially debt issuance
  - Appropriate safeguards are in place to prevent abuses

Underground Damage Prevention

- NC Underground Damage Prevention Act of 1985 governs excavation work
  - Requires notification of utilities prior to digging
  - NC One Call System
- Act is inconsistent with the federal PIPES Act of 2006
  - PIPES = **P**ipeline **I**nspection, **P**rotection, **E**nforcement and **S**afety Act
- Major utility companies advocating “model” legislation to replace the NC Act
  - Enforcement would fall to local governments
  - Fines for utilities that do not mark all of their lines

Planning and Zoning Authority

- Underlying theme of 2011 legislation was that local governments are overstepping their planning and zoning authority
  - What appears to some as “overstepping” of authority may actually be a way for development proposals to be accepted by affected communities
  - Local elected officials strive to protect legitimate interests of property owners and residents
- Theme of several initiatives was to grant overly broad rights to individual property owners:
  - Abuse of Discretion / Attorneys Fees (HB 687 – enacted)
  - Property Owners Protection Act (HB 652 – under study)
  - Sport Shooting Range Relocation (SB 560 – crossover)
  - Design Standards (SB 731 – crossover)

Extraterritorial Jurisdiction

- Cities authorized to exercise extraterritorial jurisdiction (ETJ) powers in unincorporated areas adjacent to cities on the premise these areas will eventually be annexed into the City
  - Land subdivision control
  - Zoning
  - Code enforcement
  - Stormwater
- ETJ powers are under study by the House Select Committee on Extraterritorial Jurisdiction
  - Outgrowth of recently enacted Annexation restrictions

Next Steps

- Staff will present proposed State Legislative Agenda to GAC in February
  - Tailor made to realities of upcoming session
  - Enable City to respond appropriately to other issues raised during the “short” session
- Committee recommended agenda in March
- Brief City Council on March 26
- City Council consideration and approval on April 9
- “Short” session begins May 16