Deverick Williams, Chair
Councilmember
Waco, Texas

John Kinnaird, Vice Chair
Councilmember
Waco, Texas

Sue Osborn, Vice Chair
Mayor
Fenton, Michigan

Marriott Wardman Park Hotel
Lincoln Room 6
Sunday, March 12, 2017
1:30 p.m. – 4:30 p.m.

Brett Bolton
Principal Associate
202-626-3183
Bolton@nlc.org
1:30 p.m. – 1:45 p.m. WELCOME, INTRODUCTIONS AND MEETING OVERVIEW

- The Honorable Deverick Williams, Chair
  City Council President, Gadsden, Al

Introductions and explanation of expected outcomes of the meeting.

1:45 p.m. – 2:00 p.m. OVERVIEW OF THE 2017 NLC FEDERAL ADVOCACY PRIORITIES

- Brett Bolton
  Principal Associate for Finance, Federal Advocacy, National League of Cities

Committee members will learn about the 2017 NLC Federal Advocacy priorities, as well as an update on finance and intergovernmental issues before Congress, and the Administration.

2:00 p.m. – 2:25 p.m. CITY FISCAL BENCHMARKING TOOL

- Christy McFarland
  Research Director, National League of Cities

2:25 p.m. – 2:55 p.m. E-FAIRNESS UPDATE

- Ray Ferris
  City Councilman, Roanoke, VA

Committee members will hear an update on steps Roanoke has taken to urge Chairman Goodlatte to act on a Market Place Fairness bill and how the City Council Resolution can be a national template for action.

2:55 p.m. – 3:20 p.m. TAX REFORM: WHAT WE KNOW AND WHAT TO EXPECT

- John Godfrey
  Sr. Government Relations Director, American Power Association

Both corporate and personal tax reform packages are in draft form with an emphasis on simplification of the tax-code. Are muni’s in danger? And what should our messaging be going forward.
3:20 p.m.- 3:40 p.m.  
**INFRASTRUCTURE FINANCING: ARE P3’s A VIABLE OPTION**

- The Honorable Patrick Wojahn  
  *Mayor, College Park, MD*

Mayor Wojahn will share his local perspective on P3’s and discuss the important direct funding to cities and financing of infrastructure in locations where private investors will not get a return.

3:40 p.m. – 4:30 p.m.  
**DISCUSSION: 2017 FAIR PRIORITIES AND ADVOCACY PLAN**

- The Honorable Deverick Williams, Chair  
  *City Council President, Gadsden, AL*

- Brett Bolton  
  *Principal Associate for Finance, Federal Advocacy, National League of Cities*

Committee members will review FAIR priorities for 2017, including advocacy around “Infrastructure Week” and a strategy for revising sections of the FAIR policy chapter.

**WRAP UP AND ADJOURNMENT**

**Enclosures**

- NLC Policy Development and Advocacy Process  
- 2016 City Summit FAIR Executive Summary  
- FAIR Work Plan  
- “Federal Advocacy in 2017: In a Year of Transition, Cities Seek Certainty and Opportunity” by Mike Wallace  
- Roanoke, VA Resolution on Market Place Fairness  
- The Roanoke Times op-ed, “Now is the Time to Support our Local Businesses” by Chris Morril, Ray Ferris, Larry Davidson and Joyce Waugh  
- FAIR Policy and Advocacy Committee Roster

*Next FAIR Committee meeting:  
Summer Leadership Forum  
Cleveland, OH  
*June 19-22, 2017*
NLC POLICY DEVELOPMENT AND ADVOCACY PROCESS

As a resource and advocate for more than 19,000 cities, towns and villages, the National League of Cities (NLC) brings municipal officials together to influence federal policy affecting local governments. NLC adopts positions on federal actions, programs and proposals that directly impact municipalities and formalizes those positions in the National Municipal Policy (NMP), which guides NLC’s federal advocacy efforts.

NLC divides its advocacy efforts into seven subject areas:

- Community and Economic Development
- Energy, Environment and Natural Resources
- Finance, Administration and Intergovernmental Relations
- Human Development
- Information Technology and Communications
- Public Safety and Crime Prevention
- Transportation and Infrastructure Services

For each of the seven issue areas, a Federal Advocacy Committee advocates in support of NLC’s federal policy positions. Members of each Committee serve for one calendar year, and are appointed by the NLC President.

Federal Advocacy Committees

Federal Advocacy Committee members are responsible for advocating on legislative priorities, providing input on legislative priorities, and reviewing and approving policy proposals and resolutions. Additionally, Committee members engage in networking and sharing of best practices.

Federal Advocacy Committees are comprised of local elected and appointed city and town officials from NLC member cities. NLC members must apply annually for membership to a Federal Advocacy Committee. The NLC President makes appointments for chair, vice chairs, and general membership. In addition to leading the Federal Advocacy Committees, those appointed as Committee chairs will also serve on NLC’s Board of Directors during their leadership year.

At the Congressional City Conference, Federal Advocacy Committee members are called upon to advocate for NLC’s legislative priorities on Capitol Hill, as well as develop the committee’s agenda and work plan for the year. Committee members meet throughout the year to further the plan, hear from guest presenters, discuss advocacy strategies and develop specific policy amendments and resolutions. At the Congress of Cities, Committee members review and approve policy proposals and resolutions. These action items are then forwarded to NLC’s Resolutions Committee and are considered at the Annual Business Meeting, also held during the City Summit.

Advocacy

Throughout the year, Committee members participate in advocacy efforts to influence the federal decision-making process, focusing on actions concerning local governments and communities. During the Congressional City Conference, Committee members have an opportunity, and are encouraged, to meet with their congressional representatives on Capitol Hill. When NLC members are involved in the legislative process and share their expertise and experiences with Congress, municipalities have a stronger national voice, affecting the outcomes of federal policy debates that impact cities and towns.
POLICY

No changes are recommended for the Finance, Administration and Intergovernmental Relations chapter of the National Municipal Policy (NMP).

RESOLUTIONS

There are six existing resolutions recommended for renewal:

- Resolution #1: Calling to Resolve the Conflict Between State and Federal Marijuana Laws
- Resolution #2: Enabling Adoption of Pension Benefit Alternatives that Reduce Costs to Public Sector Employees
- Resolution #3: Local Government Support for E-Fairness
- Resolution #4: Preserving the Tax-exempt Status of Municipal Bonds
- Resolution #5: Calling for Comprehensive Tax Reform
- Resolution #6: In Support of Critical U.S. Census Bureau Surveys
The main purpose of the Policy and Advocacy Committee is to:

1) advocate on legislative priorities;
2) provide input on legislative priorities;
3) review and approve policy proposals and resolutions; and
4) engage in networking and sharing of best practices.

NLC’s legislative priorities are determined in January, after which the FAIR Committee will develop its own policy and advocacy work plan. The committee will meet over the course of the year to further the plan by developing policy recommendations and engaging in advocacy activities. Below are several suggestions for possible FAIR priority issues for 2015, which are based on last year’s work and legislative projections for the year ahead. This memo should be used to jump-start the deliberations of the committee. As a committee member, you will have the opportunity to comment on these issues and you are also encouraged to bring any additional policy or advocacy topics up for discussion that you would like the committee to consider this year.

**LEGISLATIVE ADVOCACY PRIORITIES FOR 2017**

- Protect the tax-exempt status of municipal bonds
- Tax-reform
- Market Place Fairness online sales tax loophole
- Infrastructure spending that benefits main street
- Fight the Cadillac Tax in ACA reform
Federal Advocacy in 2017: In a Year of Transition, Cities Seek Certainty and Opportunity

By Mike Wallace, Interim Director, Federal Advocacy, National League of Cities
January 18, 2017

In the nation’s capital, the remarkable success of the Republican Party in the 2016 election surprised many and started a fresh debate over the message voters wanted to deliver to Washington. Outside the Capital Beltway, Americans remain deeply divided in ways that could impact the division of power and authority within the intergovernmental partnership.

For a non-partisan organization like the National League of Cities (NLC), representing 19,000 cities of every size, such divisions are a concern for sure. Fortunately, NLC was not caught off guard by the election outcome because our 2017 Advocacy Agenda began taking shape two years ago, when our bipartisan leadership first started thinking about what a presidential transition would mean for cities.

In 2015, NLC convened a number of highly respected city leaders to form a Presidential Election Task Force with the goal of forging a truly bipartisan campaign platform for cities. The campaign, Cities Lead, was built on a platform of three issues important to every city: public safety, infrastructure, and the economy. City leaders around the nation used the Cities Lead Playbook to engage with the presidential candidates of both parties and to obtain assurances and commitments that areas of broad bipartisan consensus would remain on solid ground — regardless of the party in power.

Thanks to the work of that task force, NLC was able to create engagement opportunities during President-elect Donald Trump’s campaign and spotlight city leaders at the Republican National Convention (and Democratic National Convention). On election night, when the Trump campaign declared victory, NLC was there to congratulate him as the president-elect of the United States.

There is a fair amount of uncertainty about the priorities of the next administration and the 115th Session of Congress, but we are certain of at least three areas of common ground between the incoming administration and cities: the need to create greater resources for infrastructure, a desire to help cities and neighborhoods reduce crime and grow opportunity, and a focus on creating and retaining jobs.

It is unfortunate that the president-elect too often relies on mischaracterizations of cities, and there appears to be an urgent need for city leaders to build relationships with stakeholders inside and outside of the new administration. That’s why NLC is taking the lead and focusing on what may be cities’ most important federal priority for 2017: promoting a positive narrative around cities to the Administration and new lawmakers in Congress.

In 2008, then-Candidate Barack Obama said along the campaign trail that “we need to stop seeing our cities as the problem and start seeing them as the solution.” There is little question that, within the recent intergovernmental partnership, local governments were empowered by the greater value placed on cities by the outgoing administration.
Place-based programs prospered across federal agencies and allocated federal funding directly to local governments, including those programs strongly associated with NLC like the My Brother’s Keeper Community Challenge and the Mayors Challenge to End Veterans Homelessness. The appointment of multiple former mayors and city officials to lead federal agencies, including the Department of Housing and Urban Development and the Department of Transportation, sent a message about the value of local leaders and ensured a city point of view inside the Obama Administration and at every cabinet meeting.

Of course, there were many actions taken by the Administration which drew criticism from NLC, including President Obama’s repeated proposals to cap tax exempt municipal bonds to achieve a balanced budget, and the $1 billion cut to the Community Development Block Grant (CDBG) program early in his first term that has yet to be reversed.

The fact remains that, as the result of a strong relationship between local leaders and the White House, the majority of decision-makers inside the Obama Administration understood that the overall success of federal policies depends on good local input and leadership.

This, then, is our main advice to the incoming administration: gain local insight. Alongside our Cities Lead Advocacy Agenda, NLC also remains focused on specific legislative priorities. Our top asks for Congress this year are to protect tax-exempt municipal bonds, to authorize the collection of sales tax on internet purchases, and to allocate funding for infrastructure directly to local governments.

NLC has built a history of progress and success with both Democratic and Republican leadership in Congress, and we are poised to continue that success. Over the previous session of Congress, NLC helped deliver legislative victories for cities: a five-year transportation bill that puts more money in the hands of local governments; a water bill that includes resources for cities with contaminated water, like Flint, Michigan; a public health bill that significantly increases resources to battle the opioid epidemic tearing through communities; and spending bills that have largely maintained level funding for local priorities — just to name a few.

What’s most impressive is that Congress sent all of these measures to the president without tampering with municipal bonds.

New challenges and opportunities await cities, and NLC, in the coming year. Yet, as a non-partisan organization, NLC is the best-placed organization to build a new partnership for cities with the incoming administration, to advance policies where we are aligned, and to express opposition without fear of reprisal.

In turn, we are asking city leaders to help us in our mission by reintroducing their city to members of Congress (and Congressional staff) in their district as well as to the new administration officials in federal agencies overseeing the programs that matter most to their city.
A RESOLUTION urging the United States Congress to enact legislation that will enable State and Local governments to collect revenues due to local government that are essential to the expansion of our local and regional economy, creation of thousands of new jobs, enhancement of the quality of life within our communities, and preservation of limited State and Local revenue sources.

WHEREAS, many State and Local governments rely on the collection of sales and use taxes to support funding to improve needed infrastructure improvements, strengthen local small businesses, create jobs for their citizens, and fund essential services;

WHEREAS, local small businesses confront expanded competition from the explosion of Internet sales by remote sellers who are unwilling to collect and remit properly assessed sales taxes to State and Local governments;

WHEREAS, national studies reveal that State and Local governments lose approximately $30 Billion each year from uncollected sales taxes from transactions involving remote Internet retailers;

WHEREAS, local businesses estimate that the City of Roanoke has lost millions of uncollected sales and use taxes from remote online sales;

WHEREAS, State and Local associations, including the Government Finance Officers Association, the National League of Cities, the National Association of Counties, the United States Conference of Mayors, and the National Governors Association, along with partners in the retail community, worked together for years to develop a fair and easy system to collect and remit these sales taxes structured on a system of collection based on the purchaser’s location;
WHEREAS, through this collaborative effort, we believe that an effective and efficient response in eliminating the competitive disadvantage faced by our local small business retailers appeared in 2013 when the Marketplace Fairness Act passed in the United States Senate through a bi-partisan effort and would have established a fair system for the collection of existing taxes owed to State and Local government, and address the pressing need to level the playing field among remote Internet sellers and local “bricks and mortar” retailers;

WHEREAS, following the passage of the Marketplace Fairness Act by the United States Senate in 2013, the United States House of Representatives did not vote on the Marketplace Fairness Act or any alternative to address this critical economic development issue, and this inaction by the House of Representatives caused the United States Senate to reintroduce the Marketplace Fairness Act in 2015;

WHEREAS, the continued inability of Congress to reach a consensus has resulted in an increase in the Virginia state sales tax from 5.0% to 5.3% and has placed significant and challenging limitations on localities; and

WHEREAS, 2017 is now the opportunity for the 115th Congress to demonstrate real political courage and break this unwarranted and unjustified stalemate by moving the Marketplace Fairness Act or other legislation to collect and remit sales taxes structured on a system of collection based on the purchaser’s location through the United States Senate and United States House of Representatives during its 2017 session in order to protect localities and level the playing field between local retailers and remote Internet sellers.
NOW, THEREFORE, be it resolved by the Council of the City of Roanoke, Virginia that:

1. City Council urges Senate Majority Leader Mitch McConnell, Senator Mark Warner, Senator Tim Kaine, and all United States Senators to reintroduce the Marketplace Fairness Act into the United States Senate during its 2017 session.

2. City Council urges Speaker Paul Ryan, Chairman Bob Goodlatte, and all Members of the House of Representatives to act on the Marketplace Fairness Act or other legislation to collect and remit sales taxes structured on a system of collection based upon the purchaser’s location in the House Judiciary Committee.

3. City Council urges the United States Senate and the United States House of Representatives to hold votes to pass the Marketplace Fairness Act or other legislation to collect and remit sales taxes structured on a system of collection based upon the purchaser’s location during the 2017 session and send the clear and unequivocal message to States and Localities that the United States Congress supports small business women and men who create jobs, produce revenues to support essential infrastructure improvements, and create a stronger and more resilient economy for the benefit of all Americans.

4. City Council directs the City Clerk to provided attested copies of this Resolution to The Honorable Paul Ryan, Speaker of the United States House of Representatives, The Honorable Bob Goodlatte, Chairman of the House Judiciary Committee, The Honorable Mitch McConnell, Senate Majority Leader of the United States Senate, The Honorable Mark Warner, United States Senator, and The Honorable Tim Kaine, United States Senator.
Imagine federal legislation that would help local small businesses compete with behemoth online retailers. Imagine if, at the same time, this legislation would help address our nation’s infrastructure backlog, enhance public education and support other critical services by providing more than $30 billion annually to state and local governments. And, this legislation would not create or increase taxes; it would simply make it easier for state and local governments to collect taxes that are already owed by those who purchase items online.

We had this opportunity in 2013 when the Marketplace Fairness Act, or MFA, passed in the U.S. Senate through a bi-partisan effort (thank you, Senator Mark Warner, for cosponsoring this legislation). This legislation levelled the playing field for brick-and-mortar retailers that are currently at a five- to 10-percent competitive disadvantage with online remote sellers that are not required to collect sales taxes. It also finally brought federal law into the digital age by enabling state and local governments to receive sales taxes on online purchases.

To the detriment of our local businesses, the Marketplace Fairness Act was never voted on by the House of Representatives. In the meantime, state, local and retail coalitions have addressed concerns some had with the MFA — making collection and reconciliation of sales taxes quick and easy for retailers by using computer software already proven ready for the task of basing collection on the purchaser’s location.

Congress’ failure to act makes our local businesses less competitive while large Internet retailers grab larger shares of retail purchases each year. While this legislation is stalled, state and local governments across the country have lost billions that could have been used to repair infrastructure and provide other crucial services. In effect, Congress’s inaction has taken funds that could be invested in our local communities and, instead, provided them to increase profits for large, out of state, Internet retailers.

Some have given up hope that common-sense legislation to make our local small businesses competitive with online retailers can ever make it through Congress. Moreover, the concept of sales tax fairness is difficult to explain to the public, who could misinterpret this as a tax increase rather than what it is — an improved collection system.

However, we are not ready to give up.

Courageous public officials have stepped up to support local brick-and-mortar businesses. The Virginia General Assembly, through a bi-partisan effort, included the new revenue generated from online sales tax in funding of its 2013 transportation infrastructure bill, Smart Scale. Unfortunately, since MFA did not make it out of the House of Representatives, lawmakers had to
increase statewide taxes, burdening all citizens instead of collecting the Internet sales taxes that were already owed.

Another hero in this story is Deb Peters, a South Dakota Republican state senator who was recently named a Public Official of the Year by Governing magazine. Senator Peters drafted and shepherded through legislation that allows South Dakota to collect taxes from online sales. Internet retailers immediately sued the state, and it is possible the case will be heard by the U.S. Supreme Court next year.

In the Roanoke Valley, local governments have lost millions that could have been invested in infrastructure like drainage improvements, roads and bridges; increased funding for our schools; and used to support other services to spur the local economy and create jobs. The loss in state revenues is even greater, as local governments receive only a penny of every 5.3 cents collected. Much of the shortfall in the Commonwealth’s budget is the result of the additional 4.3 cents that is due but not collected on Internet purchases by residents. Now is the time to support our local small businesses that contribute so much to our economy. It is our hope that the new Congress will move this important initiative forward. Breaking the stalemate of online sales tax fairness will be difficult, but we have faith there is enough political courage in the Senate and House to take action sooner rather than later – after all, action is what the American people are seeking from the 115th Congress.

Passing legislation to make online sales tax fairness a reality would enable Roanoke Valley governments, and state and local governments around the country, to invest billions of dollars that could help our communities in these challenging times. We ask the U.S. Congress to level the playing field for our local brick-and-mortar businesses and invest in our future by supporting online sales tax fairness today.
2017 Finance, Administration and Intergovernmental Relations (FAIR) Committee Roster

**Vice Chair**

John Kinnaird  
City Councilmember  
Waco, Texas

**Chair**

Deverick Williams  
Council President  
Gadsden, Alabama

**Vice Chair**

Sue Osborn  
Mayor  
Fenton, Michigan

**Arizona**

Bart Turner, Councilmember, Glendale, Arizona  
Chris Glover, Councilmember, Mesa, Arizona  
Suzanne Klapp, Councilwoman, Scottsdale, Arizona  
Joanne Osborne, Councilmember, Goodyear, Arizona

**Arkansas**

Harold Perrin, Mayor, Jonesboro, Arkansas  
Richard Madison, Staff Attorney, Little Rock, Arkansas

**California**

Jim Clarke, Mayor, Culver City, California
Colorado
Charlie Richardson, City Council Member, Aurora, Colorado
Gabe Santos, Council Member At-Large, Longmont, Colorado
Valentin Vigil, Councilmember, Thornton, Colorado

Connecticut
Jose Casco, City Council Member, Bridgeport, Connecticut

Florida
Keith James, Commissioner, West Palm Beach, Florida
Christine Thrower, Village Manager, Golf, Florida
Leondrae Camel, City Manager, South Bay, Florida
Diana Arteaga, Director of Government Relations, Miami, Florida
Thomas Barnhorn, City Councilor, Seminole, Florida
Rhonda DiFranco, Vice-Mayor, North Port, Florida

Georgia
Alexander Gothard, Council Member, East Point, Georgia
Stephanie Woods Miller, Chief Deputy Clerk, Macon, Georgia

Illinois
Kurt Summers, City Treasurer, Chicago, Illinois

Kentucky
Brian Dehner, City Administrative Officer, Edgewood, Kentucky
John Link, Mayor, Edgewood, Kentucky

Maryland
Johnathan Medlock, Commissioner, District Heights, Maryland

Minnesota
Thomas Goodwin, Councilmember, Apple Valley, Minnesota

Missouri
Jim Giles, Director of Council & Community Relations, Kansas City, Missouri
Louvenia Mathison, Councilwoman, Berkeley, Missouri

Nevada
Andy Hafen, Mayor, Henderson, Nevada
New Mexico
Phillip Burch, Mayor, Artesia, New Mexico
Linda Calhoun, Mayor, Red River, New Mexico

North Carolina
Denise D. Adams, Council Member, Winston-Salem, North Carolina
Catherine Dorando, Town Clerk, Carrboro, North Carolina
Timothy Rohr, City Council, Lenoir, North Carolina

Ohio
Earl Leiken, Mayor, Shaker Heights, Ohio

Oklahoma
Bo Summers, City Councilor, Jenks, Oklahoma
Larry McAtee, Councilman, Ward 3, Oklahoma City, Oklahoma

Pennsylvania
Catherine Dauler, Councilmember, State College, Pennsylvania

Texas
Victoria Farrar-Myers, Council Member, Arlington, Texas
Jennifer Gates, Council Member, Dallas, Texas
Chris Brown, City Controller, Houston, Texas
David Booe, Councilmember, Hurst, Texas

Virginia
Robert Coiner, Mayor, Gordonsville, Virginia

Washington
Donna Wright, Council Member, Marysville, Washington

Wisconsin
Jennifer Gonda, Director of Intergovernmental Relations, Milwaukee, Wisconsin