

**Federal, State and Intergovernmental Relations (FSIR) Meeting
January 10, 2020**

Members Present: Council Member Angela Lawson, Chair; Council Member Allison Hiltz, Vice-Chair; Council Member Crystal Murillo, Member

Others Present: Roberto Venegas, Luke Palmisano, Nancy Rodgers, Natasha Campbell, Kathy Kitzmann, Council Member Marcano, Terri Velasquez, Trevor Vaughn, Cammie Grant, Peggi O'Keefe

1. APPROVAL OF MINUTES: None.

2. CONSENT ITEMS: None.

3. Welcome and Introductions:

Summary of Issue and Discussion: Chair CM Angela Lawson welcomed the committee and introduced the new State Lobbyists; Peggi O'Keefe and Cammie Grant of Capitol Capital Partners.

Outcome: Information only.

Follow-up Action: None.

4. 2020 Federal Lobbying Priorities:

Summary of Issue and Discussion: Roberto Venegas called Federal Lobbyist Laurie Hettinger to give an update on the 2020 Priorities. The following are the Federal issues that city staff has identified as priority for 2020.

Transportation: Reauthorization of the Fixing America's Surface Transportation (FAST) Act Congress and Department of Transportation.

The City will closely monitor developments in Congress related to the reauthorization of the Fixing America's Surface Transportation (FAST) Act of 2015, set to expire in September 2020. Prior to the end of expiration period, the City would be supportive of legislation that addresses current program funding shortages and adjustments to program regulations.

The city supports the following principles for the Reauthorization of the FAST Act:

- Provisions that provide direct funding to cities and increase local decision-making authority
- Increased funding for FHWA Railway-Highway Crossings (Section 130), a program that provides funds for the elimination of hazards at railway-highway crossings.

- Increased overall funding for the Surface Transportation Block Grant Program (STBGP) and an increase in the percentage of sub-allocation to urbanized areas.
- Increase funding for Transit Oriented Development (TOD) opportunities. Provide additional funding for multimodal projects that promote economic development and safety.

Military/Veterans: Support Buckley Air Force Base and the associated economic development in Aurora.

The City of Aurora is home to Buckley Air Force Base, serving more than 92,000 active duty, National Guard, Reserve and retired personnel throughout Aurora and the surrounding community. The Base hosts the 460th Space Wing, a unit of the U.S. Air Force Space Command, as well as the Colorado National Guard 120th Fighter Squadron. Since its establishment in 1943, Buckley Air Force Base has served a critical role in the economic vitality of the City of Aurora. In the face of budget cuts and a potential base realignment and closure process, one of the City's highest priorities is the support of the ongoing mission of the Base.

The City has prioritized the widening and extension of 6th Ave. to better support access to the Base. The City of Aurora has also been engaged in a mission-supportive endeavor during the past several years to plan and implement a Compatible Use Buffer Project with a focus on preventing incompatible development around the Base. Funding from the Department of Defense's Readiness and Environmental Protection Integration (REPI) Program has been key in our successful efforts to create this buffer zone.

Finally, the newly created Defense Community Infrastructure Program - authorized at \$100 million in the FY 2019 National Defense Authorization Act - provides critical funding for off-base but adjacent community infrastructure projects that are key to supporting the Buckley mission. The city will closely monitor the implementation of this program.

The City of Aurora asks the Colorado Congressional delegation to continue support of Buckley Air Force Base and assist in directing future missions to the Base. In particular, the City supports the Colorado Air National Guard's request for Buckley AFB to be an F-35 bed down base. In addition, the city of Aurora seeks support for future requests of the Defense Community Infrastructure Program as we protect the viability of the Base's operations and defense capabilities.

Water: Support for Healthy Forests Legislation

Aurora water supplies originate in the headwaters of three major basins within Colorado and include the Arapahoe, San Isabel and White River National Forests. Protecting Aurora's watersheds, including these National Forests, from devastating wildfires is critical to the success of the Aurora's mission to enhance and protect the quality of life for Aurora citizens by providing safe, dependable, and sustainable water services. Aurora's municipal water supplies suffered greatly as a result of previous forest fires. Barriers to prevention and restoration from wildfire are natural (forest and soil conditions, physical watershed conditions and the sequence and magnitude of rain falling on the burned area) and man-made (overly burdensome rules, regulations and laws). Healthy Forests will continue to be a priority for resilient and reliable drinking water supplies and request Congress to keep the issue at the forefront for funding and improving on forest treatment actions.

The city of Aurora supports adequate funding for forest programs and the streamlining of the approval process for watershed projects.

Aquatic Nuisance Species (ANS):

Colorado has one of the most comprehensive and successful aquatic nuisance species (ANS) abatement programs in the country. ANS are a significant and rapidly growing threat to Colorado's water supply infrastructure and to outdoor recreation. ANS include invasive animals, plants and disease-causing pathogens that are not native to Colorado's rivers, lakes, streams, and wetlands, and have harmful effects on natural resources, water supply systems and recreational opportunities. Aurora's invasive species include zebra and quagga mussels—which are very prolific once established—and cause shell buildup and blockages of pipes, valves and other facilities, which are used to convey water.

The Cities of Aurora and Colorado Springs provide the majority of funding for inspection programs targeting aquatic nuisance species at both Bureau of Reclamation owned Turquoise and Twin Lakes Reservoirs, with additional funding provided by the Pueblo Board of Water Works, the U.S. Forest Service, and Colorado Parks and Wildlife. Even though these facilities are managed by the federal Bureau of Reclamation, the Bureau is currently unwilling to provide funding for any ANS inspection program. Other federal agencies, such as the Army Corps of Engineers, fund ANS prevention and treatment at their federally owned facilities. The City of Aurora spends approximately \$35,000 for inspection at both reservoirs, with that amount increasing in the future as funding from the State of Colorado is also anticipated to decrease significantly.

The city of Aurora requests support for SB 2975 Stop the Spread of Invasive Mussels Act. The Act will provide the Bureau of Reclamation with explicit authority to partner with states and municipalities to fund prevention actions and streamline efforts between federal agencies to limit the movement of aquatic nuisance species.

Marijuana: Cannabis Industry and Banking Regulations

In May of 2014, the City Council approved the licensure of retail marijuana establishments throughout the City of Aurora. The Council authorized 24 retail marijuana store licenses, with four licenses allowed in each of the six Council wards. However, the use, possession and sale of cannabis remains a federal crime. This conflict in federal and local marijuana laws has made it difficult for legitimate recreational marijuana businesses to access basic banking services. With financial institutions hesitant to provide services to cannabis businesses, the industry has become cash reliant, creating public safety issues and the potential for money laundering to become more prevalent.

The City of Aurora asks the Colorado Congressional delegation to lift the illegality of banking services to the cannabis industry. Toward that end, the City asks for legislation that would prohibit penalizing a bank for providing financial services to a legitimate state-sanctioned and regulated cannabis business.

Community Development: Community Development Block Grant (CDBG), Home Investment Partnership (HOME) Grant, and HUD-Veterans Affairs Supportive Housing (HUD-VASH) Programs

The increased cost of housing in the City of Aurora, as with many cities across the country, has reached a crisis level and continues to worsen. These high housing costs have contributed to

a dramatic increase in homelessness. The City of Aurora relies on an annual allocation of Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) funds from HUD. The programs help to create a suitable living environment for low- and moderate-income persons, households and neighborhoods through funding the preservation and development of affordable housing, improving public infrastructure, and expanding economic opportunities.

The City's housing authority is currently the recipient of only 85 HUD-VASH vouchers, despite being the third largest City in the state and with a large veteran demographic. With the completed VA Regional Medical Center in Aurora, we anticipate a sharp increase in the number of homeless veterans, making additional HUD-VASH vouchers critical.

The City of Aurora requests Colorado Congressional delegation support for an increase in funding for the CDBG and HOME programs. In addition, the City requests Congress and federal agencies support the following:

- SB 923/HR 1978, the Fighting Homelessness Through Services Act, sponsored by Senators Feinstein and Murkowski.
- SB 3030, the Eviction Crisis Act, sponsored by Senator Bennet of Colorado
- An increase of the HUD maximum income restrictions for the down payment assistance and the rental assistance program in order to stay relevant in the current market.
- Programs that preserve housing for extremely low-income households, including those that address chronic homelessness among veterans, youth and families.
- An increase in the number of HUD-VASH vouchers allocated for Aurora.
- Raise the Davis-Bacon project threshold to \$250,000 for non-residential and increase the CDBG housing unit threshold to 12 units to coincide with the HOME program.
- Eliminate the 15% set-aside of HOME funds for CHDOs.
- ESG – remove the 60% cap that may be used for emergency shelter.

CM Lawson asked if there has been any rule making progress in regards to Opportunity Zones. L. Hettinger said no not yet. CM Lawson would like to follow up on his issue since it is significant to Aurora. L. Hettinger said that she would follow up on that.

L. Hettinger gave an update on general issues happening on the federal level.

R. Venegas said the federal lobbying trip to DC is scheduled for March 24-26, 2020.

Outcome: The Committee unanimously agreed to bring these priorities to the next possible Council meeting for approval.

Follow-up Action: Staff will bring Federal Priorities to the January 27, 2020 Special Study Session.

5. 2020 STATE LEGISLATIVE PRIORITIES

Summary of Issue and Discussion: R. Venegas gave an overview of the State legislative issues that staff has deemed priority. He said with State issues the city usually takes a more defensive

role either opposing or recommending bills depending on how they affect the city. These are the issues the city will be monitoring this legislative session.

Affordable Housing: The city will closely monitor affordable housing legislation, including bills that provide for increased funding for affordable housing projects as well as housing supportive services for vulnerable populations (e.g. homeless, mental health/substance abuse). The city will support efforts at the state level to help address both the need for affordable housing and the housing services often required of these populations

Public Safety Communication/911: The city will support legislation related to 911 surcharges that accomplish the following:

- Modernize the legal cap of monthly 911 surcharges to match CPI. Today's cap is set at 70 cents per month and was established in 1990.
- Increase the prepaid wireless phone surcharge to likewise match CPI and adjust annually thereafter.
- Clarify language for Governing Bodies and the PUC to audit the 911 surcharges remitted by carriers on traditional landlines or cellular lines.
- Update the language to clarify eligible expenditures for the local 911 surcharge funding.

Marijuana: As in past sessions, the city will monitor closely any changes the State considers regarding the regulation of recreational marijuana consumption. In addition, the city will support local control in the authority to regulate businesses related to the processing, extraction, manufacturing and sales of consumable and industrial hemp.

Municipal Courts: As in past sessions, the city anticipates legislation in 2020 that impacts the operation of our municipal courts. As such, the city will closely monitor legislation that places limitations on the authority of municipalities to enforce their own ordinances in municipal courts.

Transportation: The city supports increased state transportation and transit funding that includes an equitable portion of new revenue to cities and other local governments.

Fire & Police Pensions: As an unfunded mandate, the city opposes proposed legislation that increases the employer contribution rate to the Statewide Defined Benefit Plan by 4% over 8 years and allows the Fire and Police Pension Association Board to require future increases without legislative approval. For the city, there would be a \$1.7M impact to the general fund over the first 8 years of the bill should it pass. In addition, the city believes the 1% increase for a new early retirement benefit allowing members to retire at 50 years of age with 30 years of service should be funded by employees. If amended to exclude unfunded contribution mandates, the city would support any proposed bill that would increase funding of the Statewide Death and Disability Plan. Terri Velasquez, Finance Director, gave more details about the bill and its impact on the city.

1. Increase funding of the Statewide Death and Disability Plan to reach 100% funded status.
 - Increase member and employer contributions from 2.8% to 3.0% in 2021.
 - Authorize the Board to further increase the contribution rate by 0.2% annually.
 - Cost to the city for both Police and Fire starting in 2021 is anticipated to be an estimated \$181,300 and would be ongoing.

2. Increase employer contribution rate to the Statewide Defined Benefit Plan (SWDB) by 4%
 - Implementation beginning in 2021 with a 0.5% percent increase each year over 8 years.
 - Allow FPPA Board to offset employer reentry contributions towards the increase.
 - Allow the board to implement equal member and employer contribution increases approved by both member and employer plan election.
 - City pension contributions for Fire would increase 0.5% starting in 2021 at an estimated cost of \$158,100. The cost at full implementation at 4% would be \$1,721,100. This cost would continue to increase annually thereafter based on salary and staffing increases.

3. Convert separate retirement accounts to defined contribution investments. This could impact the FPPA’s ability to utilize the separate retirement accounts for any future funding shortfall.

4. When the SWDB plan member’s age and years of service total 80, they are allowed to elect a normal retirement benefit. Cost to the city is unknown at this time. If retirements occur sooner than age 55, costs to the plan will likely increase. The 1% contribution increase to afford this enhancement of benefits would be solely on the employer per FPPA. For 2021 that amount is estimated at \$316,200 annually and the amount will continue to grow by salary and staffing increases.

5. Grant authority to the FPPA Board to set contribution policy for local plan employers for final funding of Old Hire Fire and Police plans as they wind down. Based on information provided by FPPA’s actuary city contributions for the Old Hire Fire and Old Hire Police pension plans will increase as a result of this proposed legislation as follows:

Old Hire Fire			
Year	Current Projected Contributions	Proposed Projected Contributions	Projected Increased Cost to City
2020	\$ 3,033,111	\$ 3,033,111	\$ -
2021	\$ 3,007,229	\$ 3,245,000	\$ 237,771
2022	\$ 3,007,229	\$ 3,245,000	\$ 237,771
2023	\$ 2,984,205	\$ 3,590,000	\$ 605,795
2024	\$ 2,984,205	\$ 3,590,000	\$ 605,795

Old Hire Police			
Year	Current Projected Contributions	Proposed Projected Contributions	Projected Increased Cost to City
2020	\$ 4,164,773	\$ 4,164,773	\$ -
2021	\$ 4,120,337	\$ 4,165,000	\$ 44,663
2022	\$ 4,120,337	\$ 4,165,000	\$ 44,663
2023	\$ 4,075,326	\$ 4,521,000	\$ 445,674
2024	\$ 4,075,326	\$ 4,521,000	\$ 445,674

R. Venegas recommended that this bill be taken to full Council for direction whether to support or oppose. Any updates on the bill will be forwarded to the committee members. Committee unanimously agreed to move bill forward to full council for discussion.

Sales Tax Centralization: On average, over 70% of municipal tax revenues are derived from sales and use taxes. The city supports efforts to simplify tax collection efforts without impairing local control, including collection of remote sales taxes in a manner that complies with South Dakota vs. Wayfair. In addition, the city opposes changes to the business personal property tax that do not “backfill” reductions to local government tax revenues.

Broadband: The city will support legislation freeing up revenue to bring fast, reliable broadband to underserved and unserved areas of the state.

Water: The Colorado Water Conservation Board (CWCB) has the unique ability to hold instream flow rights for the purpose of preserving the natural environment. Under certain conditions, the CWCB may accept leased or loaned water to meet instream flows. The Nature Conservancy, Colorado Conservation, and others desire to expand the CWCB instream flow program criteria. Another proposal would create flexibility to augment instream flows. While the goals of these legislative changes are well meaning, they could create conflicts and injury to other water users. During the session, Aurora Water will closely track legislation dealing with state instream flow flexibility and expansion to ensure all stakeholder issues are appropriately addressed.

The State of Colorado’s Water Plan identifies and outlines a pathway forward to address long-term water supply planning gaps. The CWCB has numerous grant opportunities and categories for funding activities and projects that work toward Water Plan goals. Part of the statewide water planning activities includes Colorado River compact issues with a current focus on drought contingency planning and exploration of demand management actions. Recently passed Ballot Initiative DD provides a new funding source for water projects but will not provide all the funding needed. Proposals are being made to direct use of the new funds and new proposals may come to address additional funding. During the session, Aurora will work with stakeholders to maintain water funding opportunities for water supply infrastructure and for projects that support Colorado River water supply reliability.

Finally, Northern Colorado communities have previously proposed and have recently revised concepts to allow water providers to temporarily share water rights. We understand the concept to be for emergency purposes and to be restricted to fully consumable water. The idea has

historically been controversial on how to implement without injury to others. However, we agree that there is merit in providing water rights sharing flexibility and that the concept offers the potential to more efficiently utilize Colorado's limited water resources. Toward that end, Aurora Water will be reviewing and working on legislative improvements to protect Aurora's water supplies from injury and to increase the security and reliability of our system.

Luke Palmisano, Intergovernmental Relations Manager, gave an overview of some bills that staff is monitoring and the city may want to take a position on.

Nicotine Product Regulation: HB20-1001

This bill would raise the minimum age of a person to whom cigarettes, tobacco products, and nicotine products may be sold from 18 years of age to 21 years of age. It also repeals the criminal penalty for purchasing or attempting to purchase the products as a minor. The bill includes new regulations on retailers. The bill has been assigned to the House Health & Insurance Committee. Not hearing date has been set. CM Murillo asked since the federal government has passed a law making it illegal to purchase nicotine products under the age of 21 already, does the federal law now preempt any local laws? Trevor Vaughn, Tax & Licensing Manager, said the city does not enforce federal law, but these types of issues tend to have a trickle down effect and the state will most likely adopt the federal laws. CM Lawson said the resolution that she is proposing has other components in regards to licensing and internet sales and fines. She would like to look into these aspects more before moving forward with her ordinance. T. Vaughn said he would recommend monitoring this bill to see where it goes before moving on any local policy change.

911 Authority Legislative Changes: Not yet introduced

This bill will modernize and update the 911 system with respect to 911 surcharges, prepaid wireless phones, governing body and the PUC to audit ability, data collection, and development of Next Generation 911 network. This bill has not yet been introduced.

Suppressing Court Records of Eviction Proceedings: HB20-1009

The bill requires a court to suppress court records related to an eviction proceeding or an action for termination of a mobile home park tenancy so that the records are not publicly available. The bill has been assigned to the House Judiciary Committee. No hearing date has been set.

Programs To Develop Housing Support Services: HB20-1035

The bill establishes and expands programs within the division of housing in the Department of Local Affairs to build the capacity of communities across the state to provide supportive housing services to individuals with behavioral, mental health, or substance use disorders who are homeless or at risk of becoming homeless and who have contact with the criminal or juvenile justice system. The bill has been assigned to the House Transportation and Local Government and House Appropriations Committees. No hearing date has been set.

Repeal Ban On Local Government Regulation Of Plastics: SB20-010

The bill repeals language that prohibits local governments from banning the use or sale of specific types of plastic materials or restricting or mandating packaging or labeling of any consumer products. This bill has local control implications. The bill has been assigned to the Senate Local Government Committee. No hearing date has been set. CML has taken a support position on the bill.

Multilingual Ballot Access: HB20-1081

The bill requires the secretary of state and county clerk and recorders of certain counties to provide multilingual ballot access. The bill has been assigned to the House State, Veterans, & Military Affairs Committee. No hearing date has been set.

Local Government Liable Fracking Ban Oil And Gas Moratorium: HB20-1070

The bill specifies that a local government that bans hydraulic fracturing of an oil and gas well is liable to the mineral interest owner for the value of the mineral interest and that a local government that enacts a moratorium on oil and gas activities shall compensate oil and gas operators, mineral lessees, and royalty owners for all costs, damages, and losses of fair market value associated with the moratorium. The bill has been assigned to the House Energy and Environment Committee. No hearing date has been set. This bill is unlikely to be voted out of committee.

Workers' Compensation For Audible Psychological Trauma: SB20-026

The bill defines events to aid in determining eligibility for workers' compensation benefits with regards to a psychologically traumatic event that includes an event that is within a worker's usual experience when the worker is diagnosed with post-traumatic stress disorder by a licensed psychiatrist or psychologist. The bill has been assigned to the Senate Business, Labor, & technology Committee. No hearing date has been set.

Sales And Use Tax Revenue For Transportation: SB20-044

For state fiscal years commencing on or after July 1, 2020, the bill requires 10% of net revenue from sales and use tax, as a portion of the sales and use taxes attributable to sales or use of vehicles and related items, to be credited to the highway users tax fund (HUTF) and thereafter allocated for state, county, and municipal highway system projects. The bill has been assigned to the State, Veterans, & Military Affairs Committee. No hearing date has been set.

Retail Liquor Stores Additional Licenses: SB20-053

This bill updates SB16-183 and SB18-243 concerning retail liquor store licenses. The bill removes the requirement that the licensee be a Colorado resident. The bill also mirrors the multiple license provisions applicable to liquor-licensed drugstore licenses by allowing a retail liquor store owner to obtain additional store licenses. The bill has been assigned to the Senate Business, Labor, & Technology Committee. No hearing date has been set.

6. MISCELLANEOUS MATTERS FOR CONSIDERATION

R. Venegas said the Water Department would like to schedule their water tour on August 18 & 19, 2020.

A. Lawson asked the committee members what the best way to communicate would be. They all agreed to communicate via email and text so that nothing gets missed.

R. Venegas said the Legislative Dinner will be January 29, 2020 at Wooley's. RSVP to Natasha Campbell.

R. Venegas said Peggi O'Keefe will present at the January 27, 2020 Special Study Session on the State legislative process and the FSIR rules related to how the city takes positions on bills.

7. **CONFIRM NEXT MEETING**

The next meeting is scheduled for January 24, 2019, 12:00 PM in the Ponderosa conference room.

Approved:

Angela Lawson 1-24-20
Angela Lawson Date
Committee Chair