

**Federal, State, and Intergovernmental Relations (FSIR) Meeting
Video Conference Call Meeting
July 22, 2022**

Members Present: Council Member Lawson – Chair, Council Member Gardner – Vice Chair,
Council Member Marcano - Member

Absent:

Others present: A. Botham, C. McDonald, R. Venegas, H. Smith, G. Koumantakis, C.
Grant, C. Dukes, P. O’Keefe, T. Vaughn, L. Hettinger, T. Rees, J. Godwin

1. CONSENT ITEMS: None.

2. APPROVAL OF MINUTES

June 17, 2022 meeting minutes were approved.

3. STATE LEGISLATIVE UPDATE

Summary of Issue and Discussion: Peggi O’Keefe and Totsy Rees gave an update on current legislation.

Hannah Smith will set up meetings with the state delegation and share the priorities of the city. She is also working with the departments to collect their suggested changes in the statute to develop legislative priorities. Once more information is gathered, this will be shared with legislators during the interim. Representative Ricks mentioned that she has a constituent interested in legislation on addressing HOAs and requirements for watering, yards, and xeriscaping and plans to move forward with the bill on zero scaping. This is correlated with the bill on turf replacement. Lobbyists will continue to work on this bill and provide more information when it is available. During the Sales and Use Tax Interim Committee, there was a discussion on putting a \$0.27 retail delivery fee. The current discussion revolves around it being a burden on businesses, particularly small businesses, and if the fee should be taxed at the local level. The Committee will tweak the bill to make it easier for businesses as they start to figure out how to send in the fees.

Committee Discussion:

Councilmember Marcano asked if taxes on fees are common in Colorado. T. Vaughn answered that it is common with sales tax in general as it is a percentage of the price and is built into the purchase price. He mentioned that most fees are applied to the seller and the seller will choose to break the fees out. If the tax is imposed on the purchaser, it will be collected and held in trust. In Aurora, the standard definition of purchase price pertains to transportation and all other charges to effect delivery to the customer. He added that the Colorado Municipal League convened and had

a consensus that cities should go ahead and adopt a model ordinance. They drafted a model ordinance to exempt this fee and the bag fee. He mentioned that there were discussions on the bag fee and if sales tax applies to this. However, bags are considered consumed by the retailer so there is no taxable charge. T. Vaughn highlighted that CM Zvonek will sponsor and bring forward an exemption that captures all fees imposed on the consumer and held in trust by the purchaser. This would capture the bag fee, retail delivery fee, waste tire fee, etc. He mentioned that fees such as franchise fees and destination marketing improvement fees are imposed on the seller. He stressed that these cannot be separately stated to get a tax exemption.

CM Marcano said that he is glad that CM Zvonek is working on this. He asked what the fiscal note for the change will be. T. Vaughn answered that they estimated a \$10,000 revenue loss on the waste tire fee, and it is already built into the revenue structure. He added that if the sales tax were to apply to the retail delivery fee, the city would generate \$200,000 if it were allowed to move forward.

CM Lawson asked if there is still limitation on who can be on the Simplification Task Force. T. Vaughn said that the Department of Revenue put pressure on the vendor, and they have completed the last element. He mentioned that they are to go live shortly. He added that there is supposed to be a panel meeting next week on the difficulties of integration with the system. He added that he has not heard of any GenTax personnel or any cities on GenTax being invited to the panel. He said that he will check with the Colorado Municipal League on this.

CM Lawson mentioned that we will schedule meetings with the local and state delegations during the interim. The meetings will be set once they get the city priorities. CM Lawson added that she will be asking if other members of the committee also want to participate in these meetings.

Outcome: Information only.

Follow-up Action: No follow-up is needed.

4. FEDERAL LEGISLATIVE UPDATE

Summary of Issue and Discussion: Lauri Hettinger gave an update on federal legislation.

The House passed two monumental bills this week, namely the Right to Contraception Act and the Respect for Marriage Act. The Right to Contraception Act is doubtful to pass in the Senate as most bills require at least 60 votes. Several House Republicans voted for the Respect for Marriage Act. Leadership thinks that they have enough votes on the Senate side for this bill as there are five Republicans who expressed their support. The House also passed the Omnibus Appropriations Bill and included the two bills where the city has earmarks namely the Department of Transportation-HUD Appropriations and the Department of Interior . There is an allocated \$2.8 million for the Aurora Water Line Replacement Program and \$2.5 million for the MLK Library project.

The Senate will not consider its bills in Committees but will publicize them online. It is unlikely that the Senate and House will be able to pass all 12 appropriation bills before the end of the fiscal

year on September 30th. They will pass a continuing resolution and work to pass an Omnibus bill that will include all the appropriation bills together in December before the Christmas holidays. The Senate is considering the Chips Bill that would provide billions of dollars to the US Semiconductor Industry. They are also considering the Build Back Better bill which will provide more money for housing, climate, and renewable energy. Senator Manchin is opposed to including the energy and climate provisions. The bill will then focus on drug pricing and doing a two-year extension of Obamacare subsidies. The Senate is going to consider this bill in the second week of August. After coming back from campaigning and the midterm elections, they will consider the appropriations bills, National Defense Authorization Act, and other bills. It looks likely that the House is going to come under Republican control and the Senate will stay 50-50. Several Democratic members are retired in the House and only five seats are needed for a Republican majority.

For the Infrastructure Bill, there will be notice of funding opportunities for transportation, energy, and environmental infrastructure. She mentioned that Aurora Water is working with the Colorado Department of Public Health and Environment (CDPHE) to pursue and negotiate infrastructure money called the State Revolving Loan Fund. Aurora Water also applied for a Water Smart Grant. The whole delegation sent letters of support for helping with the drought supply, contingency plan, and ensuring that the city has the right reserves. There are several transportation infrastructure opportunities for bridges, road grid crossings, Vision Zero, comprehensive highway safety, etc. L. Hettinger will send the updated spreadsheet to H. Smith to be sent to the committee.

Committee Discussion:

CM Marcano asked for more information on the Chips bill and if there are potential local impacts. L. Hettinger said there are none unless they have a semiconductor manufacturing plant or are trying to build one. She added that there was not a lot of R&D in it like the National Science Foundation, so it is guaranteed to pass in the House and Senate. She mentioned that she has a slide deck that she can send to H. Smith to provide to the Committee. CM Marcano commented that it is mostly geared towards boosting existing productive capacity as opposed to expanding.

CM Gardner mentioned that he had an interest in Marijuana Banking as a federal priority. He mentioned that he prefers it be legalized on a federal level, however, this is unlikely. He added that he read about Chuck Schumer's marijuana legalization legislation which is not hopeful to pass. He asked if there has been any traction on full legalization or marijuana banking. L. Hettinger said no and added that it came close in the last Congress. She said that Senator Cory Gardner was the biggest champion of this, and Senate Majority Leader McConnell tried to get more support. She highlighted that there are some supporters but not enough to get 60 votes. CM Gardner said that based on his reading, legalization will not happen due to the different versions. L. Hettinger stated that they will continually pass it in the House every year. She mentioned that if many Democrats go up in the Senate, there could still be a possibility since they have been holding hearings. She said that there is more education and information sharing on the Republican side. She highlighted that it is going to get better, but it might not happen this year or next year.

Outcome: Information only.

Follow-up Action: No follow-up is needed.

5. LOBBYING CONTRACTS UPDATE

Summary of Issue and Discussion: Hannah Smith provided an update on lobbying contracts.

The staff is beginning to review the scope and plan for the RFP process for both contracts for the state and federal lobbyists. The plan is to release the contract for the state in mid-August and the contract for the federal in early September. Both would then go before Council at a Study Session in early November to get them through the process so that the contractors can start in the new year. Staff proposed a staggered release to have convenience for panelists to not be doing both at the same time. Staff is asking if other committee members would be interested in being panelists.

Committee Discussion:

CM Lawson mentioned that the committee members have copies of the contract agreements. She asked what the time frame is to make additional changes should committee members want to revise? H. Smith said that she is hoping to get the contracts out in mid-August. The deadline for changes would be the early first or second week of August. CM Lawson requested the committee members review the contracts and give their thoughts, suggestions, or changes if they have any. CM Lawson asked for an explanation of the process and the score sheet in reviewing proposals that are submitted through the RFP process H. Smith said that they have a strict timeline for the review, but they will have the a week to review responses against the score sheet. She said that the panel will review all the candidates, rank the top ones, then decide whom to interview. CM Lawson requested to conduct the interviews in person or through a hybrid format. CM Gardner said that he would prefer it to be in person. He mentioned that he would appreciate the advanced notice. CM Marcano said that he is happy to do it in person if it is safe to do so. CM Lawson requested to get dates of the interviews on the calendar early to ensure there is enough time discuss any issues that may arise in the schedules of committee members .H. Smith agreed and said that they will move forward with the set timeframe.

Outcome: Information only.

Follow-up Action: No follow-up is needed.

6. WATER UPDATE

Summary of Issue and Discussion: Joshua Godwin presented the updates to the Committee.

Aurora Water is attending the Water Resources and Agricultural Review Committee and the Interim Wildfire Matters Review Committee starting in late August. Currently, they have no proposed topics but are watching out for big-ticket items for the 2023 session. The water tour for Council Members will be on August 26th and is set to be at Wild Horse Reservoir. Aurora Water received kudos from the Colorado Water Conservation Board (CWCB) Executive Director Rebecca Mitchell for implementing the non-usable turf regulation.

The Colorado River Basin Conservation Act is legislation that reauthorizes a 2014 Colorado River System Conservation Pilot program through the Bureau of Reclamation and extends its deadline. The program contemplates monetary incentives for voluntary conservation throughout the basin and is subject to available funding. This is sponsored by Senators Hickenlooper and Barrasso. Aurora Water requests a letter of support for this act.

Committee Discussion:

CM Marcano asked for examples of monetary incentives in the Colorado River Basin Conservation Act. J. Godwin said that they oftentimes pay a farmer not to irrigate for a period of time. He stressed that it is a temporary and voluntary conservation effort. CM Marcano asked if it will pertain to municipalities. J. Godwin said that it could. He mentioned that he had not read the original 2014 language as the updated language just extends the date. CM Marcano said that it was only two pages and was light on substance. J. Godwin said that he can get more information and will ask Kathy to follow up. CM Marcano requested it to be sent to the committee. J. Godwin agreed.

J. Godwin said his farewells and mentioned that he will be working for the CWCB. CM Lawson thanked J. Godwin for his dedication to the city. J. Godwin added that working with Aurora has been the highlight of his career.

Outcome: The Committee approved moving the letter of support for the Colorado River Basin Conservation Act forward to Study Session.

Follow-up Action: The letter of support will move forward to Study Session.

7. MISCELLANEOUS MATTERS FOR CONSIDERATION

CM Lawson said that if there is anything that CM Marcano would like to bring up to the Committee, he can forward it to her or H. Smith for the items to be added to the agenda in advance. CM Marcano agreed.

CM Marcano also mentioned that the Committee does not seem to upload items onto e-Scribe. He mentioned that the last update he has on e-Scribe is for September 17, 2021. CM Gardner said that he tends to use the PDF packet that is sent through email. CM Lawson explained that because there are revisions to the packet that could occur to the day of the meeting, it has been difficult to upload on e-Scribe at this time. Venegas mentioned that they had a conversation with the Clerk's Office about getting training for Cindy, Hannah, and him on uploading the backup onto e-Scribe. He explained that they use PDFs because they are revising up until the last minute to get updated backup material. The PDF attachments are then posted as part of the meeting back up to the public. He added that they are having difficulty with the required permissions and approvals on e-Scribe. However, they are working on removing some of these elements. Hannah and Cindy will then have the approval to put items up and CM Lawson will then review them. R. Venegas added that they can use e-Scribe as it has more archiving. He mentioned that they will do this in the interim after

the session and they can have a hybrid e-Scribe approval system. Once the legislative session starts, this will be continuously used. He highlighted that they plan to start it for the August meeting backup.

CONFIRM NEXT MEETING

The next meeting is initially set for August 26, 2022, at 1:00 PM. However, CM Gardner pointed out that it is the same date as the water tour. CM Lawson requested H. Smith to send out recommended time frames to the Committee members to reschedule the meeting.

Approved:

Angela Lawson

9-1-22

Angela Lawson
Committee Chair

Date