

May 13, 2022

EXECUTIVE COMMITTEE MEETING



**NOTICE OF A REGULAR MEETING OF THE
LEAGUE OF ARIZONA CITIES & TOWNS
EXECUTIVE COMMITTEE**

Friday, May 13, 2022 at 10:00 a.m.
League Office Building
1820 West Washington, Phoenix

Notice is hereby given to the members of the Executive Committee and to the general public that the Executive Committee will hold a meeting open to the public on May 13, 2022 at 10:00 a.m. Members of the Executive Committee will attend either in person or by Zoom Audio/Video conferencing. The Executive Committee may vote to recess the meeting and move into Executive Session on any item on this agenda. Upon completion of Executive Session, the Executive Committee may resume the meeting, open to the public, to address the remaining items on the agenda. A copy of the agenda is available at the League office building in Suite 200 or on the League website at www.azleague.org.

Agenda

All items on this agenda are scheduled for discussion and possible action, unless otherwise noted.

Call to Order; Pledge of Allegiance

1. Review and Adoption of Minutes
2. Legislative Policy Overview and Session Update
3. Federal Policy Update
4. Legal Update
5. 2022 League Annual Conference Update
6. League Budget for 2022-2023

Property Corporation Meeting

7. Review and Adoption of Minutes
8. Property Corporation Budget for 2022-2023
9. Annual Election of Officers

Additional informational materials are included in the agenda packet but are not part of the agenda.



EXECUTIVE COMMITTEE MEETING
Friday, May 13, 2022

Item #1 **Review and Adoption of Minutes**

Summary: Minutes of the previous meeting are enclosed for your review and approval.

Responsible Person: President Cathy Carlat

Attachments: February 4, 2022 Executive Committee Minutes

Action Requested: Approval

MINUTES
LEAGUE OF ARIZONA CITIES AND TOWNS
EXECUTIVE COMMITTEE MEETING

Friday, February 4, 2022, at 10:00 a.m.
League of Arizona Cities and Towns
1820 W. Washington St.
Phoenix, Arizona

MEMBERS

President

Cathy Carlat, Mayor, Peoria

Vice President

Douglas Nicholls, Mayor, Yuma

Craig McFarland, Mayor, Casa Grande +
Kevin Hartke, Mayor, Chandler
Alexis Hermosillo, Mayor, El Mirage +
Paul Deasy, Mayor, Flagstaff +
Brigitte Peterson, Mayor, Gilbert
Jerry Weiers, Mayor, Glendale
Cal Sheehy, Mayor, Lake Havasu City +
Thomas L. Schoaf, Mayor, Litchfield Park +
Ed Honea, Mayor, Marana
Christian Price, Mayor, Maricopa
John Giles, Mayor, Mesa +

Kate Gallego, Mayor, Phoenix +
Stephanie Irwin, Mayor, Pinetop-Lakeside +
Gail Barney, Mayor, Queen Creek +
Tom Murphy, Mayor, Sahuarita
David Ortega, Mayor, Scottsdale +
Sandy Moriarty, Mayor, Sedona +
Rick Mueller, Mayor, Sierra Vista
Mila Besich, Mayor, Superior +
Corey Woods, Mayor, Tempe +
Regina Romero, Mayor, Tucson*

*Not in attendance

+ Attended via Zoom

President Cathy Carlat called the meeting to order at 10:01 a.m. She then led the Executive Committee in the Pledge of Allegiance.

1. REVIEW AND ADOPTION OF MINUTES

President Cathy Carlat requested a motion on the adoption of the minutes. Mayor Kevin Hartke of Chandler moved to approve the minutes of the November 10, 2021, Executive Committee Meeting; Mayor Brigitte Peterson of Gilbert seconded the motion and the motion carried unanimously.

2. POSSIBLE AMENDMENTS TO BYLAWS/CHARTER

President Cathy Carlat of Peoria introduced and welcomed Executive Director Tom Belshe to discuss possible amendment to the League Charter and Bylaws.

Executive Director Tom Belshe presented two items to be voted on by the Executive Committee.

Addition of Article V, Section 2, to League Bylaws

The first item to be voted on was the amendment to the bylaws on formal communications by or on behalf of the executive committee.

President Cathy Carlat of Peoria called for a motion to approve the addition of Article V, Section 2, to the bylaws as written. Mayor Rick Mueller of Sierra Vista made a motion to approve the addition to the bylaws; Mayor Brigitte Peterson of Gilbert seconded the motion, and it passed unanimously.

Amendment to Article IV, Section 1, of the League Charter

The next item to be voted on by the Executive Committee was an amendment to the League of Arizona Cities and Towns charter regarding officer terms. If approved, the amendment would next be voted on by the League membership.

President Cathy Carlat asked for a roll call vote by the Executive Committee to decide whether the amendment should be approved and brought to the membership. A vote of no would result in the amendment being presented to the membership for a vote, and a vote for yes would result in the amendment to be withheld for a vote by the membership.

The roll call vote resulted in twelve votes for no, eight votes for yes, and two non-votes. The amendment to the charter was approved by majority vote and will be presented to the general membership at the August meeting.

3. LEGISLATIVE POLICY OVERVIEW AND UPDATE

President Cathy Carlat of Peoria introduced and welcomed Legislative Director Tom Savage to provide a legislative policy overview.

Legislative Director Tom Savage informed the committee that it is day twenty-six of the legislative session and there have been 1,532 bills introduced.

Governor's Budget

Legislative Director Tom Savage reviewed highlights of the executive budget proposed by the Governor. The proposed budget included: \$10 million dollars allocated for cybersecurity grants for cities and school districts; \$50 million for rural transportation SMART grants; \$400 billion for I-10 expansion between Casa Grande and Phoenix; \$176 million to state parks for system wide upgrade. One issue to be monitored in the executive budget proposal is the impact of the Arizona Department of Revenue's (AZDOR) integrated tax system authorization project on city and town shared revenues. This project will modernize software used to collect transaction privilege tax (TPT). It is unknown yet whether cities and towns will be included in the procurement process for the new software.

Short Term Rentals

Two bills were introduced by Representative Blackman and Senator Rogers to repeal SB 1350 passed in 2016. Representative Biasiucci and Representative Kavanagh introduced bills HR 2625 and HR 2663. These bills are meant to 1) establish regulatory license requirements for short term rental operators to enforce the code and law requirements and 2) require short term rental operators to provide contact information on front of the property and share it with surrounding property owners if there are issues with nuisance complaints or other issues. The Kavanagh bill also addresses the proliferation of short-term rentals.

Vaccine Related Bills

Fourteen vaccine related bills were introduced this session. Problematic bills include preemptive language that affects cities and towns. One example is HB 2043 sponsored by Representative Nguyen which shifts liability to employers if an employee is injured or becomes ill after receiving a vaccine. Representative Blackman introduced a bill which preempts city and town request for proposal (RFP) processes by requiring cities not to contract with companies that has a vaccine mandates.

Vaping/Tobacco Preemption

Legislative Director Tom Savage overviewed two bills on tobacco and vaping preemption. SB 1245 sponsored by Senator Leach preempts cities and towns from passing ordinances that restrict or regulate the sales and marketing of tobacco products and preempts city's zoning requirements for tobacco stores. Representative Udall introduced a bill which would impose a statewide license on tobacco retailers and protect cities and town's ability to impose restrictions on tobacco store zoning and marketing (HB 2125).

All Mail Ballots

Several bills introduced in the legislative session address election related issues. SB 1133 sponsored by Senator Rogers bans mail ballots for cities, towns, and school districts.

League Dues Bill

HB 2099 would make it so that a city or town may not pay dues to a membership organization in an amount that is greater than the city or town's total population multiplied by the per capita membership amount paid by the most populous city or town that is also a member of that organization. SB 1258 sponsored by Senator Mesnard requires all organizations with government members to be subject to public records.

Local Government Lobbying Preemption

SB 1198 sponsored by Senator Peterson prohibits local governments from hiring outside lobbyists to engage in advocacy activities and would prohibit membership dues to associations to be used for lobbying activities.

Executive Director Tom Belshe noted that the League closely monitors cities and towns' ability to pay dues, and structure of dues, to ensure undue influence is not given to any type of community. It was observed that HB 2099 is not likely to go forward in the legislature due to the efforts of mayors who testified at the legislature and contacted Representative Carter to oppose this bill.

Executive Director Tom Belshe explained that the League recommends not opposing SB 1258 as the organization does not have the same kind of records as a public body and has nothing to hide. General

Counsel Nancy Davidson overviewed possible negative consequences of the bill, such as the possibility of lawsuits that the League could not afford to cover legal fees to oppose in court. However, staff shared most of the information which would be provided in public information requests has always been publicly available. It was also noted that responding to public records requests could be time-consuming and costly for the League.

President Cathy Carlat of Peoria asked for discussion from the executive committee. Executive committee members expressed concern over the influence SB 1258 could have on chambers of commerce, COGs, and economic development organizations. Other executive committee members agreed it might be positive to take the initiative to adopt open meeting law and public records request.

The League resolved not to oppose the bill, but to take a neutral position for the time being, and report back to the committee on new developments.

Urban Revenue Sharing Bill

Executive Director Tom Belshe spoke on HB 2375 that states urban revenue sharing must be used on public safety, which includes fire, dispatch, police, but not courts. This bill will affect cities differently based on presence of fire districts and annual expenditures on safety. The League will oppose this bill.

Affordable Housing

Legislative Director Tom Savage spoke on affordable housing including preemption, zoning, land-use regulations, and parking regulations.

Housing and homelessness are the number one issue of this year's legislative session. HB 2674 sponsored by Representative Kaiser, and Representative Chavez, went forward before the League could provide input on the bill. This bill focuses on by-right zoning, which takes away city's rights for due process on discretionary developments, removes council out of decision-making process, and prevents the public from weighing in on new developments. The League will oppose this bill. The League plans to build a coalition and publicly advocate in opposition to this bill.

4. REPORT FROM LEAGUE BUDGET SUBCOMMITTEE

Vice President Douglas Nicholls of Yuma reported the outcomes of the League Budget Committee. The committee met on January 15 to review budget options. Budget options and updates to membership dues considered rate changes in relation to population changes from 2020 census of cities and towns.

Executive Director Tom Belshe explained the proposed changes found in the recommended budget (Option 1). The League designated funding towards a contracted lobbyist to work with the minority party in the Legislature on key issues for cities and towns. Executive Director Tom Belshe also recommended setting aside funding in the budget to take advantage of strategic data tools. Other budget adjustments included the cost-of-living adjustments and merit raises for employees.

Revenues from the upcoming conference are likely to be excellent. There is a possibility of going into a deficit if all funding is spent without the projected revenues expected from the League Annual

Conference. Executive Director Tom Belshe explained that funds were set aside previously during COVID-19 in the fund balance, and that it may be time to consider one-time uses for this money.

President Cathy Carlat asked for any further discussion or comments and informed the committee that the final budget will be proposed and put to a vote at the next meeting in May. No further discussion.

President Cathy Carlat called for a motion to approve the changes to membership dues as outlined in Option 1. Mayor Kevin Hartke of Chandler motioned to approve the dues; Mayor Tom Murphy of Sahuarita seconded the motion and it carried unanimously.

Vice President Douglas Nicholls of Yuma noted that the Property Corporation Budget was also discussed during the League Budget Committee in January. Executive Director Tom Belshe shared that this item will be put to a vote at the May meeting. Mayor Cathy Carlat of Peoria asked for comments on the Property Corporation Budget. No further discussion.

5. PROPOSED AUDIT FIRM CONTRACT

Executive Director Tom Belshe presented the recommended audit firm contracts collected from the RFP process for the League of Arizona Cities and Towns.

The proposed contract will be for three years. CliftonLarsonAllen LLP was recommended to complete the League's audit, as it is the lowest priced of the accounting firms. Additionally, the firm is familiar with the League's structure as an instrumentality since they completed the previous audit for the League. The firm will rotate staff in the next audit to ensure it is a fair audit.

Mayor Ed Honea of Marana asked to know what might be involved in rotating auditing firms in the future. Executive Director Tom Belshe will have the League's office administrator who is involved in the auditing process review to identify what would be needed if the League should work with another auditing firm for the following contract.

President Cathy Carlat of Peoria called for a motion to approve the recommended audit firm contract. Mayor Brigitte Peterson of Gilbert made a motion to approve the audit firm contract; Mayor Christian Price of Maricopa seconded the motion, and it passed unanimously.

The Executive Committee adjourned the Executive Committee meeting at 12:16 p.m.



EXECUTIVE COMMITTEE MEETING
Friday, May 13, 2022

Agenda Item #2 Legislative Policy Overview and Session Update

Summary: The Second Regular Session of the Fifty-Fifth Arizona Legislature is now beyond its statutory 100th day. This session saw 1780 bills with an additional 140 striker amendments. League staff tracked 200 active bills, weighed in on about 80 bills, and testified in committee on 41 of those measures in both chambers throughout the session. League staff will report on the session related to issues of interest to cities and towns. Significant topics for discussion include:

- State Budget Progress and Rumors
- Short-Term Rentals
- Residential Rental Tax
- Housing/Homelessness Bills
- Fireworks
- Tobacco/Vaping Proposals
- Deferred Retirement Option Plan Extension
- Prime Contracting Exemption
- Trucking Routes
- SB1487 Expansion
- League Resolutions

Responsible Person: Tom Belshe & League Legislative Staff

Attachments: [Click Here](#) to access Legislative Bulletins to date



EXECUTIVE COMMITTEE MEETING
Friday, May 13, 2022

Agenda Item #3 Federal Policy Update

Summary: League Staff will provide updates on two federal laws impacting municipalities, namely the American Rescue Plan Act and the Infrastructure Investment and Jobs Act. The update will provide a look at recent developments including League efforts to aid cities and towns in maximizing possible benefits.

Responsible Person: Rene Guillen, Deputy Director



EXECUTIVE COMMITTEE MEETING
Friday, May 13, 2022

Agenda Item #4 Legal Update

Summary: The League filed various amicus briefs in cases before the Ninth Circuit Court of Appeals, the Arizona Supreme Court, and the Arizona Court of Appeals. It is currently drafting an amicus brief with the Arizona Supreme Court in *Southern Arizona Home Builders v. Marana* regarding the authority to charge water and wastewater impact fees. - The U.S. Supreme Court, Ninth Circuit Court of Appeals, and Arizona Supreme Court have issued several decisions in recent months that impact cities and towns. The Attorney General of Arizona has also issued its report regarding the 1487 complaint that was filed against Paradise Valley and its ordinance on short term rentals.

Responsible Person: Nancy Davidson, General Counsel

Attachments: Case law summaries
Amicus Request in *Southern Arizona Home Builders v. Marana*

Links to Attachments: [1487 Complaint against Paradise Valley](#)
[1487 Paradise Valley Ordinance](#)
[1487 Response Request](#)
[1487 Response from Town of Paradise Valley](#)
[1487 AG report & conclusion](#)
[2022 Election Manual & associated documents](#)
[Amicus Brief in *Adame v. City of Surprise*](#)
[Amicus Brief in *AZ GOP v. Hobbs*](#)
[Amicus Brief in *Kizzen v. City of Peoria*](#)
[Amicus Brief in *Mountainside v. City of Flagstaff*](#)

Note: *If necessary, the Executive Committee may vote to convene in executive session for the purpose of obtaining legal advice from the League attorney pursuant to A.R.S. § 38-431.03(A)(3).*

LEGAL UPDATE
May 13, 2022

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- *Southern Arizona Home Builders v. Marana*: authority to charge water and wastewater impact fees pursuant to A.R.S. § 9-463.05.
- *AZ GOP v. Hobbs*: early voting

- *Kizzen v. City of Peoria*: requirement in the notice of claim statute (A.R.S. § 12-821.01) that a settlement offer remain open for 60 days

Arizona Court of Appeals, Division 1

- *Mountainside v. City of Flagstaff* regarding a municipality's right to charge capacity fees under A.R.S. 9-511.01

2. Task Force on Ethical Rules Governing the State Attorney General, County Attorneys, and Other Public Lawyers.

3. Relevant 2022 Cases

U.S. Supreme Court

Shurtleff v. City of Bos., Massachusetts, No. 20-1800, 2022 WL 1295700 (U.S. May 2, 2022).

The U.S. Supreme Court ruled that Boston violated the U.S. Constitution by refusing to fly a Christian civic group's flag at city hall while raising the banners of other organizations.

Background: Boston has three flagpoles. It flies the American flag and state flag from two flagpoles. It usually flies the city's own flag from the third pole, but it has occasionally allowed groups to hold ceremonies on the plaza during which participants may hoist a flag of their choosing on the third pole in place of the city's flag. Between 2005 and 2017, Boston approved the raising of about 50 unique flags for 284 such ceremonies. Most were other countries' flags, but some were associated with groups or causes, such as a pride flag, a banner honoring emergency workers, and others. In 2017, the director of an organization called Camp Constitution asked to hold an event on the plaza to celebrate the civic and social contributions of the Christian community; as part of that ceremony, he wished to raise what he described as the "Christian flag." The city worried that flying a religious flag at city hall could violate the Establishment Clause and found no past instance of the city's having raised such a flag. The city allowed the group to hold the event on the plaza, but denied the group's request to fly its flag from the third flagpole. The director and the organization sued the city on First Amendment grounds (among other claims).

The District Court held that flying private groups' flags from city hall's third flagpole amounted to government speech, so Boston could refuse the request without running afoul of the First Amendment. The First Circuit affirmed. The U.S. Supreme Court granted certiorari to decide (1) whether the flags allowed by Boston expressed government speech and (2) whether Boston could deny the petitioners' flag-raising request under the Free Speech Clause.

U.S. Supreme Court decision: The Court concluded (1) the city's flag-raising program did not express government speech, and (2) the city's refusal to allow the organization to fly its "Christian flag" amounted to impermissible discrimination based religious viewpoint, in violation of First Amendment's Free Speech Clause.

The Court looked at various “indicia” to determine whether Boston “intended to speak for itself or to regulate private expression.”

- The Court could not discern Boston’s connection (if any) to some of the flag-raising ceremonies.
- Boston had a long history of allowing private groups to raise their own flags at city hall, but Boston “neither actively controlled these flag raisings nor shaped the messages the flags sent.”
 - Boston said it sought “to accommodate all applicants” who wished to hold events at Boston’s “public forums,” including at the city hall plaza.
 - The application asked only for contact information and a brief description of the event.
 - Boston did not request to see the flags before the events.
 - At the time, Boston had no written policy or clear internal guidance about flags or messages that were permitted at the city hall plaza.
 - Boston’s practice was to approve flag raisings without exception (that is, until the request at issue in this case).

However, *the Court left open the possibility that Boston could change its policies* to make clear it is speaking for itself with the flags:

“Boston could easily have done more to make clear it wished to speak for itself by raising flags. Other cities’ flag flying policies support our conclusion. The **City of San Jose, California**, for example, provides in writing that its “flagpoles are not intended to serve as a forum for free expression by the public,” and lists approved flags that may be flown “as an expression of the City’s official sentiments.”

A copy of San Jose’s policy was shared with your city/town attorneys.

[City of Austin, Texas v. Reagan Natl. Advert. of Austin, LLC, 20-1029, 2022 WL 1177494 \(U.S. Apr. 21, 2022\).](#)

Background: Reagan National Advertising (Reagan) owns billboards in Austin, Texas. Reagan sought permits from the City to convert some of its billboards to digital signs with changeable electronic messages. The City’s sign code allowed digitizing on-premises signs but prohibited digitizing existing off-premises signs, as well as the construction of any new off-premises signs. Under the City’s code, off-premises signs were those “advertising a business, person, activity, goods, products, or services not located on the site where the sign is installed, or that directs persons to any location not on that site.” Since the billboards Reagan wanted to digitize were off-premises signs, the City denied Reagan’s permit applications.

Reagan sued the City in state court, alleging that the sign code violated the First Amendment’s Free Speech Clause. The City removed the case to federal court. The District Court ruled in favor of the City, holding the off-premises sign regulations to be content neutral under *Reed v. Town of Gilbert* ((576 U.S. 155 (2015))). The Fifth Circuit reversed, finding the regulations were content based under its interpretation of *Reed*, since a government official would have to read a sign’s message to determine its purpose. The court further held that the City’s justifications for its distinctions between on- and off-premises signs could not meet the strict scrutiny standard applied to content-based restrictions. The City asked the US Supreme Court to review the Fifth Circuit’s decision. The Court granted certiorari in June 2021 and heard arguments in November 2021.

U.S. Supreme Court: The majority opinion concluded that the Fifth Circuit’s interpretation of *Reed* was too extreme and held that the City’s off-premises distinction:

- Requires reading a sign "only in service of drawing neutral, location-based lines."
- Is "agnostic as to content."

As a result, the City's distinction for off-premises signs is content neutral and does not warrant strict scrutiny unless the City had a content-based purpose or justification. (*City of Austin*, 2022 WL 1177494, at *4.)

The sign code provisions at issue in *Reed* provided different treatment for political messages, ideological messages, or directional signs for specific events. In contrast, the sign code provisions challenged by Reagan distinguished between signs based on location. The Court's majority holds that a city can look to the content of a sign to determine whether the sign is on- or off-premises. It follows that the distinction for off-premises signs is like ordinary "time, place, or manner" restrictions that must only survive intermediate scrutiny. (*City of Austin*, 2022 WL 1177494, at *5.)

The Court's decision leaves previous decisions that applied intermediate scrutiny to commercial speech regulations intact. In *Cent. Hudson Gas & Elec. Corp. v. Pub. Serv. Comm'n of N.Y.*, the Court held that the Constitution provides lesser protection to commercial speech than other constitutionally protected speech (447 U.S. 557, 566 (1980)). (Since *Reed*, some lower courts had questioned whether *Central Hudson* still applied). The *City of Austin* case did not directly involve commercial speech regulation since off-premises signs could contain both commercial and noncommercial messages. However, the majority opinion briefly discussed previous decisions that gave less protection to commercial speech (*City of Austin*, 2022 WL 1177494, at *6). A footnote to the opinion also references the Court's precedent of applying different treatment to commercial speech without questioning whether the precedent still applies (*City of Austin*, 2022 WL 1177494, n.3).

Although the Court determined the regulations Reagan challenged were facially content neutral, it remanded the case. The lower court must now determine whether:

- There is any evidence the City had an impermissible purpose or justification for the regulations that would make them content based rather than content neutral.
- The regulations are narrowly tailored to serve a significant governmental interest, as required when courts apply intermediate scrutiny under *Ward v. Rock Against Racism*, 491 U.S. 781 (1989)).

Thompson v. Clark, 142 S. Ct. 1332 (2022).

In a 6-3 decision, the U.S. Supreme Court held that, to demonstrate a favorable termination of a criminal prosecution for purposes of the Fourth Amendment claim under §1983 for malicious prosecution, a plaintiff need not show that the criminal prosecution ended with some affirmative indication of innocence. Plaintiffs only need to show that their prosecutions ended without convictions.

Ninth Circuit

R.J. Reynolds Tobacco Co. v. County of Los Angeles, 29 F.4th 542 (9th Cir. 2022).

Tobacco companies sued a county and its county officials, claiming a county ordinance prohibiting sale of all flavored tobacco products was allegedly preempted by the Family Smoking Prevention and Tobacco Control Act (TCA). The District Court granted the county's motion to dismiss for failure to state a claim, denied the companies' motion for summary judgment as moot, and entered judgment in favor of the county. The tobacco companies appealed. The Ninth Circuit affirmed and held:

- The TCA authorizes the FDA to regulate tobacco products and expressly preempts some contrary state or local regulations, while also expressly preserving and saving from preemption other state and local regulatory authority over tobacco.
- The TCA carves out the federal government's sole authority to establish the standards for tobacco products, while preserving state, local and tribal authority to regulate or ban altogether sales of some or all tobacco products.
- In addition, because the TCA explicitly preserves local authority to enact more stringent regulations than the TCA, the county's sales ban does not pose an impermissible obstacle to the TCA's purposes or objectives regarding flavored tobacco. There was a dissent.

New Harvest Christian Fellowship v. City of Salinas, 29 F.4th 596 (9th Cir. 2022).

A church sued a city claiming its zoning code provisions that required religious assemblies to obtain conditional use permits to operate in downtown core area and prohibited places of religious assembly from operating on the ground floor of buildings facing main street in downtown core area violated the Religious Land Use and Institutionalized Persons Act (RLUIPA).

The Ninth Circuit held that the church failed to demonstrate a substantial burden on its religious exercise under the RLUIPA. The church could have conducted worship services in the building had it been willing to hold services on the second floor or reconfigure the first floor; it was not precluded from using other sites within Salinas that were available; and, at the time it purchased the building, the church was on notice that zoning would prohibit it from conducting first-floor services. The Ninth Circuit also concluded, however, that the city's Assembly Uses Provision (which prohibited religious and other assemblies from operating on the ground floor of buildings facing Main Street within the downtown area) facially violated the equal terms provision of RLUIPA because other nonreligious assemblies, such as theatres, were permitted to operate on the first floor and were similarly situated to religious assemblies with respect to the city's stated purpose and criterion.

Ochoa v. City of Mesa, 26 F.4th 1050 (9th Cir. 2022).

The Ninth Circuit affirmed summary judgment in favor of Mesa police officers in an action brought pursuant to 42 U.S.C. § 1983, which alleged the police officers violated the plaintiffs' Fourteenth Amendment rights to companionship and familial association when they shot and killed Ochoa. The Court held that the plaintiffs' Fourteenth Amendment claim requires that the officers' conduct "shocks the conscience" – a standard that is more demanding of the plaintiffs than the Fourth Amendment standard typically applicable in police shooting cases. Because the Mesa police officers did not have time to deliberate before firing while at a chaotic scene with an individual acting erratically and endangering others, the Ninth Circuit concluded that the district court correctly applied the purpose-to-harm test to determine if the officers' conduct shocked the conscience. Under that test, the conduct did not violate the plaintiffs' Fourteenth Amendment rights, but instead reflected police attempts to satisfy legitimate law enforcement objectives.

Arizona Supreme Court

State v. Arizona Bd. of Regents, No. CV-21-0134-PR, 2022 WL 1011795 (Ariz. Apr. 5, 2022).

The Attorney General of Arizona brought action against the Board of Regents (ABOR) and the Vice President of ASU, seeking injunctive relief and relief under quo warranto statute related to an agreement between ABOR and operator of hotels to build and operate hotel and conference center on ABOR's property, and alleging that agreement violated the Gift Clause of the Arizona Constitution and constituted illegal payment of public money. The superior court granted ABOR's motion for summary judgment on the Gift Clause claim, granted ABOR's motions to dismiss the remaining counts, entered judgment for ABOR and the Vice President, and awarded ABOR and the Vice President attorney fees and costs. The Attorney General appealed. The Court of Appeals, Division 1, 251 Ariz. 182, 486 P.3d 1140, affirmed. The Attorney General filed a petition for review, which was granted.

The Arizona Supreme Court held that:

1. The Attorney General lacked authority to bring the claim that ABOR abused its tax-exempt status and improperly diverted property tax revenues;
2. The Attorney General lacked authority to bring quo warranto action based on claim that ABOR made a conveyance to evade taxes;
3. The Attorney General had authority to bring quo warranto action based on the claim that ABOR violated a statute and the non-delegation doctrine in its lease provision with the operator;
4. A five-year, rather than one-year, statute of limitations applied to claim that ABOR violated the Gift Clause; and
5. The amended complaint related back to original complaint, for limitations purposes.

[Vanilder v. Arizona Dept. of Revenue, 505 P.3d 274 \(Ariz. 2022\).](#)

A consumer filed a complaint seeking to enjoin the Department of Revenue (DOR), Pinal County, and a regional transportation authority (RTA) from collecting and/or enforcing an excise tax that was approved by the voters and enacted to fund a regional transportation plan, alleging the tax was invalid and unconstitutional. For those engaging in retail sales, the tax was on their gross receipts except if a single transaction was more than \$10,000 (then the tax rate was zero on any gross receipts above \$10,000). The Arizona Tax Court had granted summary judgment in favor of the consumer and invalidated the tax. Pinal County and the RTA appealed the invalidation, and the consumer cross-appealed, challenging the denial of his request for attorney fees. The Court of Appeals upheld the tax as valid and affirmed the denial of request for attorney fees.

According to the Arizona Supreme Court, counties may impose a transportation excise tax to fund regional transportation projects. While the process for approving the tax was lawful, the two-tiered tax rate on certain retail sales was not authorized by statute. The enabling legislation allowed for either a variable or modified tax rate. The Court held that taxing the first \$10,000 in a single transaction at the full 0.5% tax rate but applying a 0% tax rate to anything above the \$10,000 was not a variable or modified tax rate.

[Arizona Court of Appeals, Divisions 1 & 2](#)

[Baeuerlen v. State, 1 CA-CV 21-0182 \(Ariz. Ct. App. Mar. 1, 2022\).](#)

Reversing the superior court, the Arizona Court of Appeals, Div. One, held that, under A.R.S. § 41-1830.16, the Arizona Law Enforcement Merit System Council is precluded from making a recommendation of lesser employee discipline that is binding on a department when the council finds

that the department has proven it had "just cause" to discipline the employee. The council's option to recommend a lesser sanction is available only if the council first finds an agency has not shown just cause to impose discipline. Here, the Arizona State Parks & Trails Department had terminated a park ranger after he harassed a female coworker he supervised. The employee then appealed his termination to the council. Recognizing the council lacked the power to make a binding recommendation once it had found just cause, the department's director did not err in rejecting the council's demotion recommendation.

[*Puente, et al. v. Arizona State Legislature*, 1 CA-CV 20-0710 \(Ariz. Ct. App. Feb. 15, 2022\).](#)

This case dealt with the application of Open Meeting Law (OML) to the members of a political caucus who attended a private 3-day summit hosted by the American Legislative Exchange Council (ALEC), at which they worked with corporate lobbyists and lawmakers from other states to draft "model bills." The Court of Appeals concluded:

- The Legislature is *not* exempt from OML, despite that fact that OML expressly permits either House of the legislature to adopt rules exempting it from the statutory requirements.
- Members of a public body cannot use the political caucus exception to OML as a means of taking legal action in secret.
- Collaborating with corporate lobbyists in closed-door meetings to draft model bills is "legal action" for purposes of the OML if it is "reasonably foreseeable" the model bills will be brought to a vote in the Legislature.
- The Legislature is a proper party to an action seeking enforcement of the OML based on alleged violative conduct of political caucus members.
- The current Legislature is bound by OML, even though OML was enacted by a preceding Legislature.
- The political-question doctrine does not preclude judicial review of a claim that certain members of the Legislature violated OML.
- The plaintiffs in this case alleged sufficient facts to support their complaint "from which a reasonable inference could be drawn that the legislators violated the Open Meeting Law."

Superior Court

Goldwater Institute lawsuit against the City of Phoenix

You can read the complaint here: <https://goldwaterinstitute.org/wp-content/uploads/2022/05/Paulin-v.-Phoenix-Complaint.pdf>

4. Other

Department of Justice Investigation into the City of Phoenix

Scope of the investigation:

- Use of excessive or deadly force
- Handling protestors and journalists during protests
- Discriminatory policing
- Responding to individuals with disabilities

- Responding to individuals experiencing homelessness

TO: LACT General Counsel

FROM: Andrew J. Petersen, counsel for Town of Marana

RE: Request for LACT *amicus curiae* participation

DATE: April 7, 2022

CASE NAME, NUMBER, PENDING COURT:

Southern Arizona Homebuilders Association v. Town of Marana, Arizona Supreme Court case CV-21-0211-PR

NAME, TITLE, AND CONTACT INFORMATION OF ATTORNEY REPRESENTING MUNICIPALITY ON APPEAL:

Andrew J. Petersen
for Town of Marana
6063 East Grant Road
Tucson, AZ 85712
520-795-1900 (phone)
520-795-1904 (fax)
apetersen@humphreyandpetersen.com

Frank Cassidy
for Town of Marana
5190 W Paseo del Campo
Tucson AZ 85745
520-260-7908 (phone)
frank@fcpcalaw.com

NATURE OF THE CASE, RELVANT FACTS, PROCEDURAL HISTORY, AND STATUS OF THE APPEAL:

This is a challenge by Southern Arizona Homebuilders Association (“SAHBA”) to ordinances adopted by Town of Marana assessing water and sewer impact fees on new development. This fees were imposed after the wastewater reclamation facility (the “WRF”) was acquired from Pima County for the purpose of meeting the Town’s assured 100-year water supply by obtaining the rights to effluent which the Town could recharge into the aquifer and thereby obtain water credits permitting future growth. Acquiring the WRF was the most cost-effective means of meeting the 100-year assured water supply requirement, and without a 100-year assured water supply there could be no future development in Marana. SAHBA argues it is unfair to place almost the entire burden of acquiring and expanding the WRF on new development, and claims the requirements of

A.R.S. § 9-463.05, Arizona’s statute governing the imposition of development impact fees, were not met.

SAHBA argues that the legislative deference traditionally accorded municipalities with respect to land use regulations was abrogated by the legislature when it adopted A.R.S. § 9-463.05(M). The traditional presumption that a municipality’s land use regulations of general application are valid was stated, among other cases, in *Home Builders Ass’n of Central Arizona v. City of Scottsdale*, 187 Ariz. 479, 482 (1997) (holding such regulations may be overturned “only if a challenger shows the restrictions to be arbitrary and without a rational relation to a legitimate state interest”). A.R.S. § 9-463.05(M), provides:

In any judicial action interpreting this section, all powers conferred on municipal governments in this section shall be narrowly construed to ensure that development fees are not used to impose on new residents a burden all taxpayers of a municipality should bear equally.

SAHBA argues that this section of the statute does not permit courts to defer to municipalities with respect to the adoption of impact fees placed on new development.

The trial court ruled for the Town on summary judgment, finding that the requirements of A.R.S. § 9-463.05 were met, and holding that the traditional deference provided to municipalities in this context still applied. The Court of Appeals upheld the trial court’s ruling in both respects. SAHBA filed a petition for review with the Arizona Supreme Court. The Town submitted its Response to the Petition on November 12, 2021, and the Homebuilder’s Association of Central Arizona filed an *amicus curiae* brief on December 3, 2021. Review was granted on April 5, 2022.

ACTUAL (OR ESTIMATED) AMICUS FILING DEADLINE:

Any amicus briefs are due on May 9, 2022.

STATEMENT OF THE ISSUES PRESENTED:

1. Whether the Town can reasonably require new development to fund the WRF’s debt and acquisition costs when the assured water supply benefits new development.
2. Whether the Town can reasonably require new development to fund WRF’s expansion when the assured water supply benefits new development.
3. Whether the Legislature abolished the legislative presumption by enacting A.R.S. § 9-463.05(M).

SIGNIFICANCE TO ARIZONA CITIES AND TOWNS:

The authority and discretion of Arizona cities and towns to enact impact fees for new development, and whether such enactments are entitled to a presumption of validity, are directly at issue. As drought conditions continue throughout Arizona, a municipality's ability to enact ordinances to address water supply issues is becoming ever more important. An assured water supply is critical to new development yet it is the developers that have challenged Marana imposing the costs on new development.

Fundamentally, this case exemplifies developers use of the statutory framework for development fees as a litigation tool against any impact fees. The threat of such litigation will undoubtedly be used by homebuilders and their trade associations during the process of adopting future impact fees. These issues will have a direct impact on the authority and ability of municipalities to impose impact fees on new development, and that is what warrants *amicus* participation by the LACT.

SUGGESTED AMICUS ROLE/FOCUS:

Reinforce the importance of the local legislative processes and adoption of DIFs for water resources.

RELEVANT ATTACHMENTS:

Petition for Review and Response

Amicus Brief of Homebuilder's Association of Central Arizona

Court of Appeals ruling

Briefs filed in Court of Appeals (Opening, Answering, Reply)

Notice of Appeal

Trial Court ruling



EXECUTIVE COMMITTEE MEETING
Friday, May 13, 2022

Agenda Item #5 **2022 League Conference Update**

Summary: Preparations for the 2022 League Conference are well underway. The Conference will be held August 30 – September 2 at the Renaissance in Glendale. The registration information will be sent out to all cities and towns during the last week of May.

Responsible Person: Matt Lore, Deputy Director

Attachments: List of Conference Sponsors to date
Corporate Sponsorship Brochure

2022 Annual Conference Sponsors

As of 5/3/2022

Organization	Level
APS	Platinum
ASU	Platinum
Cigna	Platinum
Johnson Controls	Platinum
Schneider Electric	Platinum
Southwest Gas	Platinum
Climatec LLC	Gold
Mercy Care	Gold
Stifel	Gold
Swire Coca-Cola USA	Gold
Verizon	Gold
CORE Construction	Silver
Waste Management	Silver
American Airlines	Bronze
Banner Aetna	Bronze
Blue Cross Blue Shield of Arizona	Bronze
EPCOR	Bronze
Gammage & Burnham	Bronze
PARS	Bronze
Resolution Copper	Bronze
AMRRP	Key Partner
Horizon Strategies	Partner
American Legal Publishing	Endorsed
BMO Harris Bank	Endorsed
H-PACT	Endorsed
NLC	Endorsed

LACT 22

2022 League Annual Conference

Aug. 30 - Sept. 2 | Glendale

The Renaissance

**Conference Sponsorship
Opportunities**

League of Arizona

Cities AND Towns

SPONSOR THE 2022 LEAGUE ANNUAL CONFERENCE

The 2022 League Annual Conference will be held at the Renaissance Glendale Hotel, August 30 – September 2. The Annual Conference is the League’s signature event - a four-day meeting bringing together more than 1,000 Arizona mayors, councilmembers, appointed officials and guests. The Annual Conference allows members and other municipal officials to share experiences and discuss current local, regional and national trends impacting our communities.

Sponsorship of the conference allows you to:

- Reach the largest gathering of Arizona local elected officials and guests at one conference
- Increase visibility for your company with Arizona policy and decision makers
- Participate in conference events to learn more about the issues municipal leaders care about
- Develop and maintain trusted relationships with elected officials and municipal staff
- Demonstrate your commitment to partnering with communities across the state of Arizona

In addition to showcasing your company’s dedication to fostering strong Arizona cities and towns, your financial support of the annual conference permits the League to offer the event at a price point that is accessible for every Arizona municipality. In addition, the range of participation levels provides your organization with flexible opportunities to support important conference events - along with optimum visibility and name recognition for your organization. The sponsorship levels, benefits, and optional package enhancements are below.

Levels of Sponsorship:

For detailed information on the sponsor levels and corresponding benefits, please see page 3.

Platinum
\$15,000

Gold
\$10,000

Silver
\$8,000

Bronze
\$5,000

Questions? Contact Matt Lore at 602-258-5786



SPONSOR BENEFITS

PLATINUM
\$15,000

GOLD
\$10,000

SILVER
\$8,000

BRONZE
\$5,000

	PLATINUM \$15,000	GOLD \$10,000	SILVER \$8,000	BRONZE \$5,000
ANNUAL PARTNERSHIP Opportunity to engage in additional League of Cities events throughout the year, enhancing relationships and dialogue with municipal leaders across Arizona by working with the League to host League trainings on your product or service, having a presence at the Newly Elected Officials Training and other similar opportunities.	●			
EXHIBIT SPACE				
Table top exhibit in conference registration area for entire event	●	●		
PUBLIC RECOGNITION SPONSORSHIP				
Company name included on conference program, signage and app	LOGO	LOGO	LOGO	NAME ONLY
Company name, logo and link included on conference section of League website	LOGO & WEB LINK	LOGO & WEB LINK	LOGO & WEB LINK	NAME ONLY
Company name and logo included on special signage recognizing sponsors at major conference events	LOGO	LOGO	NAME ONLY	NAME ONLY
Public recognition of sponsorship during Opening General Session	●	●	●	●
Company representative invited on stage during Opening General Session, including photo opportunity with League Chair	●	●		
Ability to pre-record a one-minute commercial that will be played during the League Conference Sessions & Events	●			
Ability to submit one article in League's monthly newsletter E-Connection	●	●	●	
Ability to provide pre-approved content for posting on behalf of sponsor on League Facebook & Twitter with a targeted social media campaign to be determined with the sponsor.	●			
Video thanking all of our sponsors, posted to the League's social media channels leading up to and throughout the week of the conference.	●	●	●	●
Company logo on conference bag	●			
Opportunity to place one pre-approved promotional item in conference bags	●	ADDITIONAL FEE	ADDITIONAL FEE	ADDITIONAL FEE
Ability to distribute pre-approved items to golfers and attendees at Topgolf Tournament.	●	ADDITIONAL FEE	ADDITIONAL FEE	ADDITIONAL FEE
Opportunity to place program ad in the final program. <i>Platinum Sponsors automatically receive a 1/2 page ad</i>	●	ADDITIONAL FEE	ADDITIONAL FEE	
Opportunity to sponsor conference networking and refreshment station	ADDITIONAL FEE	ADDITIONAL FEE	ADDITIONAL FEE	ADDITIONAL FEE
Opportunity to sponsor the Topgolf tournament	●	ADDITIONAL FEE	ADDITIONAL FEE	ADDITIONAL FEE
Opportunity to meet and interact with city and town mayors at special sponsor reception	●	●	●	●
Company logo included on photo station backdrop	●	●	●	
Sponsor name and logo listed in conference mobile app	LOGO & WEB LINK	LOGO & WEB LINK	LOGO & WEB LINK	LOGO & WEB LINK
CONFERENCE REGISTRATIONS				
Complimentary registrations to the conference	4	3	2	2
Complimentary Topgolf registrations	6	3	2	ADDITIONAL FEE
ADDITIONAL BENEFITS				
Complimentary copy(s) of the 2023 Local Government Directory (additional copies available at 50% off regular price)	4	3	2	1

EXTRA SPONSOR OPPORTUNITIES

Conference Bag Merch Sponsor

(must be a sponsor at any level)

For a \$1000 contribution beyond your selected benefactor level, a sponsor may send the League a pre-approved promotional item from your company to be placed in the conference bags.



Lanyard Sponsor

(must be a gold or platinum sponsor)

For a \$3,000 contribution beyond your selected benefactor level, you may sponsor the conference lanyards that will be handed out with each attendee badge. If you choose this option you must design the lanyards and have them made (the League will provide the specification details).

This option is only available to one sponsor and is on a first-come, first-served basis.

Topgolf Tournament Sponsor

(must be a sponsor at any level)

For a \$1300 contribution beyond your selected benefactor level, you may sponsor a Topgolf bay for up to 6 participants. Your company logo will be included on signage at the tournament and you will have the opportunity to distribute a promotional item to golfers. Have fun with this one!



Networking and Refreshment Station Sponsor

(must be a sponsor at any level)

For a \$1000 contribution beyond your selected benefactor level, you may sponsor a conference morning break. Included in this sponsorship opportunity is signage or promotional items with your company's logo, or another customized activation to be determined with League staff, in the coffee/break area.

(Please indicate which break you would like to sponsor on the reservation form.)

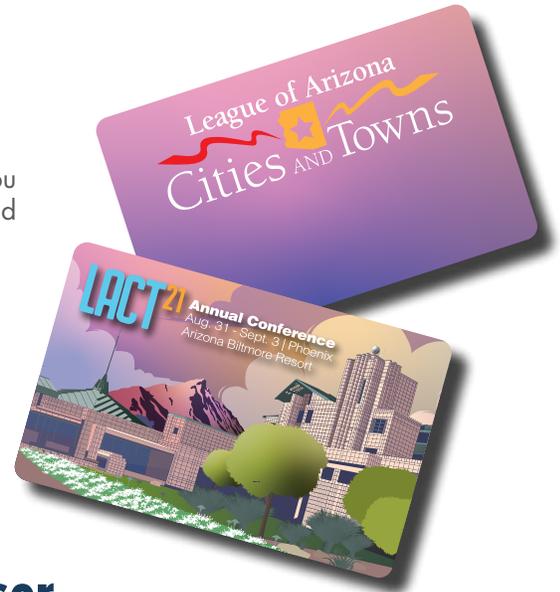
EXTRA SPONSOR OPPORTUNITIES

Keycard Sponsor

(must be a gold or platinum sponsor)

For a \$3,000 contribution beyond your selected benefactor level, you may sponsor the host hotel keycard and put your company's logo and message on one side of the keycard.

This option is only available to one sponsor and is on a first-come, first-served basis.



Youth Program Sponsor

For a \$1,000 sponsorship, you will be recognized in the program with your logo as a Youth Program Sponsor. You will have the opportunity to speak to Youth Program participants and can have an item placed in the conference bags that go to all youth and chaperones. The Youth Program offers a premier leadership and learning opportunity for high school students across Arizona who want to engage in their local community and make an impact.

Note: You do not need to be a Conference Sponsor to sponsor Youth Program

Ad in Final Conference Program

(must be a gold or silver sponsor)

PLATINUM sponsors automatically receive a 1/2 page ad as part of their sponsorship package. PLATINUM, GOLD and SILVER can also purchase additional ads in the program

- Back Cover \$3,000
- Inside Front Cover . . . \$2,500
- Inside Back Cover . . . \$2,500
- Inside Full Page \$2,000
- Inside Half Page \$1,000



The inside front cover, inside back cover and the back cover are available on a first-come, first-served basis.

Questions? Contact Matt Lore at 602-258-5786



PRELIMINARY CONFERENCE AGENDA

Tuesday, August 30

- Golf Tournament (morning)
- League Resolutions Committee (afternoon)

Wednesday, August 31

- Opening General Session (morning)
 - Parade of Flags
 - Keynote
- League Youth Program (all day)
- Concurrent Sessions (afternoon)
- Sponsor Reception (evening)
- Dinner and Entertainment (evening)

Thursday, September 1

- Concurrent Sessions (all day)
- Spouse/Guest Program
- Governor, Service and Legislative Award Luncheon
- Annual Business Meeting (afternoon)
- Showcase of Cities and Towns (evening)

Friday, September 2

- Closing Sessions (morning)

A detailed agenda will be available when registration opens in May 2022. Once registration is open, the agenda will be posted to the League's homepage, www.azleague.org.

Questions? Contact Matt Lore at 602-258-5786

PAST CONFERENCE SPONSORS

- Agenda Discovery, LLC
- Amazon Web Services
- Ameresco
- American Airlines
- American Legal Publishing
- American Medical Response Team
- AMRRP
- ARCADIS
- Arizona Food Marketing Alliance
- Arizona Lottery
- Arizona Metropolitan Trust
- Arizona Office of Tourism
- Arizona Pipe Trades UA Local 469
- Arizona Public Service
- Arizona State University
- A T & T
- ATN International
- Ballard Spahr
- Banner Aetna
- BMO
- Brevet Capital Management
- Brookfield Residential Arizona
- Brown and Associates
- BNSF Railway
- CAP
- Center for the Future of Arizona
- CenturyLink
- Charles Abbott
- Cigna
- Civicplus
- Comcast
- Commvault
- Copley Consulting Group
- CoreCivic
- Core Construction
- Cox Business
- Crown Castle
- Employees Council
- EPCOR
- FCS Advisors
- Flock Safety
- Gammage and Burham
- Gust Rosenfeld
- Harris
- Highground
- HPACT
- ITC Holdings
- Gallagher Benefit Services
- Johnson Controls
- Kairos
- Kutak Rock
- Law Enforcement Specialists
- LIUNA/LECET Southwest
- McKinstry
- Midstate Energy
- Molera Alvarez
- Money Management International
- National Bank of AZ
- NLC USP
- Northern Arizona University
- ONE Community
- PFM
- Piper Sandler
- Public Agency Retirement Services (PARS)
- PSPRS
- Public Trust Advisors
- RBC
- Redflex
- Republic Services
- Resolution Copper
- Salesforce Carahsoft
- Salt River Project
- Schneider Electric
- Security Industry Alarm Coalition
- Siemens
- Solar City
- SOLON
- Southwest Gas
- SRP
- Strata Clean Energy
- Stifel
- Sunstate Technology
- Swire Coca-Cola
- Nature Conservancy
- University of Arizona
- TEP/Unisource Energy Services
- UMB Bank
- US Communities
- UP
- United Healthcare
- University of Arizona
- Verizon
- Virtua Partners
- Waste Management
- WAYMO
- Wendel Energy Services

Questions? Contact Matt Lore at 602-258-5786

SPONSOR OPPORTUNITIES

Please Select a Sponsorship Level:

Platinum	\$15,000
Gold	\$10,000
Silver	\$8,000
Bronze	\$5,000

Extra Benefactor Opportunities:

(Must be a conference sponsor to participate in extra benefactor opportunities)

Conference Bag Merch	\$1,000
Top Golf Sponsor	\$1,300
Lanyard Sponsor	\$3,000*
Keycard Sponsor	\$3,000*
Networking and Refreshment Station Sponsor . .	\$1,000

Two options: Wednesday Morning or Thursday Morning

* The Conference Lanyard and Keycard Sponsorships are on a first-come, first-served basis.

Conference Program Ad:

(Platinum**, gold and silver sponsors only)

Back Cover	\$3,000*
Inside Front Cover.	\$2,500*
Inside Back Cover	\$2,500*
Inside Full Page	\$2,000
Inside Half Page	\$1,000

* The Conference Program inside cover and the back cover, are on a first-come, first-served basis.

**Platinum sponsors automatically get a 1/2 page ad in program but can choose other options in addition.

Extra Benefactor Opportunity:

(Do not need to be a general conference sponsor to participate as a Youth Program Sponsor)

Youth Program Sponsor	\$1,000
---------------------------------	---------

To select sponsorship options and to reserve your sponsorship

[click here](#)

Questions:

sponsors@azleague.org





EXECUTIVE COMMITTEE MEETING
Friday, May 13, 2022

Agenda Item #6 League Budget for 2022-2023

Summary: The proposed budget for the League for the upcoming fiscal year, as recommended by the Budget Subcommittee, is presented for your review and approval.

Responsible Person: Mayor Douglas Nicholls, Budget Subcommittee Chairman; Tom Belshe

Attachments: FY 2022-2023 Recommended Budget and Budget Narrative

Action Requested: Approval

2022-2023 League Budget

PROPOSED

REVENUES	Budget FY 2022	Expected FY 2022	Over / (Under)	PROPOSED FY 2023	% Change	% of Total Budget	Notes
Affiliate Group Contracts	137,950	137,950	0	150,367	9.0%	4.9%	Contract increases eff FY23
Annual Conference	400,000	592,411	192,411	400,000		13.1%	
Dues	2,226,243	2,226,243	0	2,234,307	0.4%	73.0%	Proposed with no change to formula; adjustment to 2020 census figures (Adopted Feb 2022)
Interest	20,000	1,628	(18,372)	5,000	-75.0%	0.2%	
Miscellaneous	14,000	13,169	(831)	14,000	0.0%	0.5%	Includes publication sales & job postings.
Partnership Programs	48,500	48,164	(336)	48,500	0.0%	1.6%	American Legal (~\$6,000), APS Internship (\$10,000), Utility Service Partners (\$7,500), Valley Schools (\$25,000)
Risk Pool	165,000	166,971	1,971	167,000	1.2%	5.5%	
Seminars and Meetings	40,000	35,500	(4,500)	40,000	0.0%	1.3%	
TOTAL REVENUES	\$3,051,693	\$3,222,036	\$170,343	\$3,059,174	0.2%		
EXPENDITURES							
Annual Conference	230,000	405,149	175,149	230,000	0.0%	7.2%	
Benefits	542,000	491,760	(50,240)	544,000	0.4%	17.1%	Estimate 12% increase to UHC premiums (eff. 10/2022). Estimate 3% increase to dental premiums (eff. 5/2022). Decrease of .24% in the ASRS contribution rate.
Capital Outlay	10,000	12,032	2,032	15,000	50.0%	0.5%	O365 = ~\$5000 annually
Equipment Rental & Maintenance	9,000	7,114	(1,886)	9,000	0.0%	0.3%	
Executive Committee	6,000	4,800	(1,200)	6,000	0.0%	0.2%	
Insurance	9,000	8,854	(146)	9,000	0.0%	0.3%	
Postage & Shipping	6,000	4,525	(1,475)	6,000	0.0%	0.2%	
PR & Communications	51,000	60,000	9,000	62,000	21.6%	2.0%	Includes HighGround (\$60,000); misc (\$2,000); no longer using Ideas Collide for newsletters (-\$7,500)
Printing	10,000	10,138	138	10,000	0.0%	0.3%	Includes directory, MPS, calendar & legis poster
Professional Services	249,000	264,934	15,934	363,000	45.8%	11.4%	
Accounting	48,000	47,722	(278)	49,000	2.1%	1.5%	Includes audit & accountants
Contract Lobbying & Consulting Svcs	165,000	204,400	39,400	278,000	68.5%	8.8%	Includes HighGround (\$120K); Rounds (\$48K); K Jackson (\$12K); L Goodman (\$66K); C Jagger (\$2000); data (\$30K) for FY23.
Legal	36,000	12,812	(23,188)	36,000	0.0%	1.1%	
Prop Corp - Building Improvement Fund	10,000	10,000	0	10,000	0.0%	0.3%	Savings for building repairs / improvements.
Rent	105,000	105,000	0	105,000	0.0%	3.3%	
Salaries	1,520,000	1,477,695	(42,305)	1,550,000	2.0%	48.8%	3% increase; one vacant position
Seminars and Meetings	44,000	41,235	(2,765)	44,000	0.0%	1.4%	
Subscriptions and Dues	63,000	64,207	1,207	64,000	1.6%	2.0%	
Supplies / Office Expenses	38,000	52,600	14,600	55,000	44.7%	1.7%	general cost increases, and credit card fee increases
Telecommunications	24,000	21,231	(2,769)	24,000	0.0%	0.8%	
Travel	20,000	9,118	(10,882)	20,000	0.0%	0.6%	
Reserve Fund Expenditure				50,000			Board authorized expenditure by the League for meeting room upgrades to accommodate virtual and hybrid meetings pursuant to Paragraph 9 of the Property Corporation Lease.
TOTAL EXPENDITURES	\$2,946,000	\$3,050,392	\$104,392	\$3,176,000	7.8%		
Revenues Over (Under) Expenditures	\$105,693	\$171,644	\$65,951	(\$116,826)			
Beginning Fund Balance	\$2,081,324	\$2,081,324		\$2,252,968			
Ending Fund Balance	\$2,187,017	\$2,252,968		\$2,136,142			

2022-2023 League Budget Narrative

PROPOSED

REVENUES	Budget FY 2022	Expected FY 2022	Over / (Under)	PROPOSED FY 2023	% Change	% of Total Budget
Affiliate Group Contracts	137,950	137,950	0	150,367	9.0%	4.9%
The Arizona City/County Management Association (\$75,000), the Government Finance Officers Association of Arizona (\$69,000) and the Arizona Municipal Clerks Association (\$6,367) contract with the League for staff services. The three associations currently pay \$144,367 for services including graphic design, website management, conference planning and membership management.						
Annual Conference	400,000	592,411	192,411	400,000		13.1%
Revenues from the Annual Conference are estimated since that number is highly variable depending on sponsorships and attendance. Conference revenue is intended to cover all conference expenses, except staff salaries, plus provide approximately \$190,000 in net revenue to the League to support other programs throughout the year. Sponsorships play a very important role in conference revenue and we will continue to pursue existing and new companies to assure that our sponsorship revenues will remain strong. Conference registration fees and sponsorships are the second-largest source of revenue for ongoing League operations.						
Dues	2,226,243	2,226,243	0	2,234,307	0.4%	73.0%
The current dues formula is a \$4,300 base fee plus a varying per capita rate ranging from \$.52 to \$.55 depending on population. Cities over 185,000 population pay on a capped dues formula.						
Interest	20,000	1,628	(18,372)	5,000	-75.0%	0.2%
Through investment accounts, the League earns interest income on our unexpended fund balances. The bulk of the funds are invested with the State Treasurer's Local Government Investment Pool.						
Miscellaneous	14,000	13,169	(831)	14,000	0.0%	0.5%
This item includes publication sales and job postings.						
Partnership Programs	48,500	48,164	(336)	48,500	0.0%	1.6%
Any revenue realized from League partnership programs is included in this line item. Current programs included in this item are: American Legal, APS Internship, Utility Service Partners and Valley Schools.						
Risk Pool	165,000	166,971	1,971	167,000	1.2%	5.5%
The League receives an annual fee from the Arizona Municipal Risk Retention Pool (AMRRP) for institutional value related to our sponsorship, marketing, promotion, lobbying and other services for the insurance pool program. The Executive Director serves as a non-voting member of the AMRRP Board.						
Seminars and Meetings	40,000	35,500	(4,500)	40,000	0.0%	1.3%
The League offers a variety of classes and training program opportunities throughout the year, most at minimal or no cost. We also present programs in conjunction with one of the affiliate groups such as the city managers or city clerks, or other government-related groups. Fees are assessed to cover costs of training materials, mailings, refreshments, building space, etc.						
TOTAL REVENUES	\$3,051,693	\$3,222,036	\$170,343	\$3,059,174	0.2%	

Prior Years Actuals

FY20-21 Actual	FY19-20 Actual	FY18-19 Actual	FY17-18 Actual	FY16-17 Actual
\$137,950.00	\$137,950.00	\$136,950.00	\$136,950.00	\$136,950.00
\$0.00	\$529,184.55	\$535,420.55	\$444,795.32	\$444,968.57
\$1,875,056.00	\$2,097,422.00	\$1,912,145.00	\$2,044,236.00	\$1,938,081.00
\$3,029.85	\$47,307.69	\$63,065.52	\$39,128.68	\$16,355.98
\$10,258.40	\$15,631.58	\$25,513.36	\$16,489.74	\$41,238.26
\$101,972.16	\$79,345.06	\$65,395.03	\$69,509.83	
\$164,623.04	\$159,976.00	\$155,768.56	\$151,056.44	\$147,313.96
\$37,140.00	\$14,155.00	\$54,842.00	\$32,330.00	\$52,018.00

EXPENDITURES	Budget FY 2022	Expected FY 2022	Over / (Under)	PROPOSED FY 2023	% Change	% of Total Budget	FY20-21 Actual	FY19-20 Actual	FY18-19 Actual	FY17-18 Actual	FY16-17 Actual
Annual Conference	230,000	405,149	175,149	230,000	0.0%	7.2%	\$1,657.39	\$318,244.41	\$330,711.86	\$247,551.06	\$256,385.56
The amount budgeted for Conference expenses is only an estimate because final contracts for meal functions and other activities are not yet finalized. This amount includes direct costs only, primarily for the conference hotel; staff time is not included in this figure. Revenue received from the Conference is expected to offset the entire amount of these expenses.											
Benefits	542,000	491,760	(50,240)	544,000	0.4%	17.1%	\$481,589.74	\$494,054.61	\$507,001.51	\$491,644.97	\$442,082.56
Both the professional and clerical staff have pension coverage with the Arizona State Retirement System (ASRS) in addition to Social Security. Employees are covered by group insurance for health under policies with United Healthcare, a dental plan through Delta Dental, life insurance through the Guardian and long term disability insurance under ASRS. The League pays 100% of each employee's costs and 80% of an employees' dependent health coverage. The League also offers two other options: a vision program and AFLAC insurance, both options fully paid by employees. By League policy, staff is also provided with an opportunity to participate in a professional development activity such as specialized training or conferences and higher education, upon the approval of the Executive Director. The following expenditures are projected: ASRS - \$185,000; Group Health - \$186,600; Group Dental - \$12,500; Life Insurance - \$3,500; FICA - \$117,000; Worker's Compensation - \$3,500; Other Miscellaneous - \$25,900; Education/Professional Development - \$10,000.											
Capital Outlay	10,000	12,032	2,032	15,000	50.0%	0.5%	\$13,576.20	\$26,297.57	\$11,218.71	\$17,168.58	\$20,010.27
The amount budgeted in this category is to keep up with the ongoing schedule of replacing computer equipment and operating software.											
Equipment Rental & Maintenance	9,000	7,114	(1,886)	9,000	0.0%	0.3%	\$10,890.81	\$8,562.34	\$12,794.66	\$11,225.41	\$12,800.98
This category includes the costs for equipment repair and maintenance agreements on office equipment such as the copiers and computers as well as IT services.											
Executive Committee	6,000	4,800	(1,200)	6,000	0.0%	0.2%	\$97.78	\$6,705.11	\$7,089.52	\$4,019.03	\$9,408.22
Members of the Executive Committee and subcommittees are eligible for reimbursement of expenses incurred in attending Executive Committee meetings other than the meeting held during the Annual Conference and for special meetings or legislative matters. The League President can be reimbursed for travel, lodging and related costs for attendance at the two major conferences of the National League of Cities. This category also includes the costs incurred for the luncheons in conjunction with the Executive Committee meetings.											
Insurance	9,000	8,854	(146)	9,000	0.0%	0.3%	\$8,775.44	\$8,675.25	\$8,161.25	\$7,714.50	\$7,633.00
The League has consolidated all our liability and workers comp coverage through AMRRP, the League-sponsored municipal insurance pool. This item includes insurance coverage for office contents, liability, data processing and employee bond.											
Postage & Shipping	6,000	4,525	(1,475)	6,000	0.0%	0.2%	\$5,027.92	\$5,264.43	\$5,146.85	\$6,392.45	\$5,802.44
The largest costs for the year in the postage and shipping budget are for shipping of the Local Government Directory, Legislative Poster and Annual Calendar.											
PR & Communications	51,000	60,000	9,000	62,000	21.6%	2.0%	\$49,500.00	\$58,218.67	\$60,781.00	\$49,392.50	\$47,310.00
The League retains the services of a communications management firm to coordinate our social media messaging in response to legislative issues. The League also retains the services of a communications marketing firm to create and implement aspects of the AZ Cities @ Work campaign as well as provide web assistance.											
Printing	10,000	10,138	138	10,000	0.0%	0.3%	\$10,772.48	\$9,557.19	\$9,457.18	\$11,033.16	\$9,623.93
The League prints as many publications as possible in-house. Copy costs for in-house work are included in their respective lease/maintenance plans which are in the Equipment Rental and Maintenance budget item. Larger projects, such as the Local Government Directory are competitively bid out to private printing firms. Budgeted printing projects for the next fiscal year include the Local Government Directory, Policy Statement, Legislative Poster and Calendar.											
Professional Services	249,000	264,934	15,934	363,000	45.8%	11.4%	\$329,020.06	\$254,549.98	\$185,750.46	\$151,830.33	\$286,674.74
<i>Accounting</i>	48,000	47,722	(278)	49,000	2.1%	1.5%	\$47,705.56	\$47,544.85	\$47,150.46	\$44,663.67	\$44,278.91
<i>Contract Lobbying & Consulting Svcs</i>	165,000	204,400	39,400	278,000	68.5%	8.8%	\$248,530.00	\$142,950.00	\$133,850.00	\$106,166.66	\$143,068.83
<i>Legal</i>	36,000	12,812	(23,188)	36,000	0.0%	1.1%	\$32,784.50	\$64,055.13	\$4,750.00	\$1,000.00	\$99,327.00
This category principally includes services from outside vendors and consultants such as contract lobbying assistance, specialized expertise on municipal elections, one-time projects and outside legal counsel. It also includes our annual audit by a certified public accounting firm, our monthly accounting services which are handled by a contractual agreement with a private accounting firm, paycheck processing fees and contracting fees for web hosting and maintenance.											

EXPENDITURES	Budget FY 2022	Expected FY 2022	Over / (Under)	PROPOSED FY 2023	% Change	% of Total Budget	FY20-21 Actual	FY19-20 Actual	FY18-19 Actual	FY17-18 Actual	FY16-17 Actual
Prop Corp - Building Improvement Fund	10,000	10,000	0	10,000	0.0%	0.3%	\$10,000.00	\$10,000.00	\$10,000.00		
The League contributes \$10,000 annually into a fund to save for future building improvements.											
Rent	105,000	105,000	0	105,000	0.0%	3.3%	\$105,000.00	\$105,000.00	\$105,000.00	\$105,000.00	\$105,000.00
The League building is owned by the League's Property Corporation. In order to account for maintenance and utility costs, the League pays rent to the Property Corporation. The rental cost for next year is \$105,000, a rate of \$19/sq. ft.											
Salaries	1,520,000	1,477,695	(42,305)	1,550,000	2.0%	48.8%	\$1,451,972.85	\$1,440,064.32	\$1,423,874.94	\$1,438,882.06	\$1,279,851.92
Staff salaries make up the largest expenditure line item of the League budget. Our fifteen staff positions include Executive Director, two Deputy Directors, Legislative Director, General Counsel, two Legislative Associates, Tax Policy Analyst, Communication and Education Associate, Member Services Associate, Office Manager, three clerical staff and a part-time Graphic Designer. We also hire interns for the legislative session and other special projects. Over time, our goal has been to have a competitive compensation package compared to other similar public and private organizations in order to retain our talented and effective League staff, while remaining sensitive to the fiscal condition of many of our member cities and towns. Maintaining staff stability helps with continuity on many complex issues, provides greater value to our members and gives us the opportunity to develop credibility and positive relationships with the legislators. <i>The budgeted amount includes 3% salary increases for FY23.</i>											
Seminars and Meetings	44,000	41,235	(2,765)	44,000	0.0%	1.4%	\$12,915.54	\$40,795.46	\$77,903.67	\$51,623.08	\$66,186.04
This category includes all costs associated with our training seminars, workshops, luncheon meetings and special events. It also includes charges for receptions at the NLC conferences for Arizona delegates.											
Subscriptions and Dues	63,000	64,207	1,207	64,000	1.6%	2.0%	\$64,406.37	\$64,300.79	\$59,391.27	\$64,461.98	\$65,350.73
The bulk of this category is used to pay the League's annual dues for membership in the National League of Cities. Other costs in this category include our subscriptions to printed versions of legislative bills and amendments, legislative-related newsletters and background sheets, our online legislative information tracking service and the update costs for the state statutes and legal resources housed in our library.											
Supplies / Office Expenses	38,000	52,600	14,600	55,000	44.7%	1.7%	\$25,740.82	\$41,283.34	\$46,798.97	\$36,937.51	\$42,452.06
This line item pays for general office supplies such as paper and toner for the printers, pens, pads, notebooks as well as mailing supplies. It also includes other miscellaneous office expenses such as bankcard fees for processing credit card payments.											
Telecommunications	24,000	21,231	(2,769)	24,000	0.0%	0.8%	\$24,888.16	\$23,667.43	\$23,667.47	\$24,479.14	\$27,170.40
This category includes usage charges for the phones, Internet service, and web hosting fees. This category also includes charges for teleconferencing and virtual meeting services which are used extensively for legislative business and other meetings and webinars.											
Travel	20,000	9,118	(10,882)	20,000	0.0%	0.6%	\$1,542.20	\$28,135.89	\$17,852.10	\$16,625.42	\$18,606.44
As part of their job duties, League staff members travel to our member cities and towns for in-person visits and presentations as often as reasonably possible. It is a priority for staff members to keep in touch with our members across the state in support of legislative efforts and city assistance projects. Items in this category include rental vehicles as well as reimbursement for actual travel costs. This line item also includes air travel and lodging for NLC conferences and special meeting activities such as various State League meetings and NLC related meetings.											
Reserve Fund Expenditure				50,000							
Board authorized expenditure by the League for meeting room upgrades to accommodate virtual and hybrid meetings pursuant to Paragraph 9 of the Property Corporation Lease.											
TOTAL EXPENDITURES	\$2,946,000	\$3,050,392	\$104,392	\$3,176,000	7.8%						

Revenues Over (Under) Expenditures	\$105,693	\$171,644	\$65,951	(\$116,826)
Beginning Fund Balance	\$2,081,324	\$2,081,324	\$2,252,968	
Ending Fund Balance	\$2,187,017	\$2,252,968	\$2,136,142	



PROPERTY CORPORATION MEETING
Friday, May 13, 2022

Agenda Item #7 Review and Adoption of Minutes of League Property Corporation

Summary: Minutes of the previous meeting are enclosed for your review and approval.

Responsible Person: President Cathy Carlat

Attachment: May 14, 2021 Minutes

Action Requested: Approval

MINUTES
PROPERTY CORPORATION OF ARIZONA CITIES AND TOWNS
BOARD MEETING
Friday, May 14, 2021
Zoom

MEMBERS

President

Cathy Carlat, Mayor, Peoria

Vice President

Douglas Nicholls, Mayor, Yuma

Treasurer

Greg Mengarelli, Mayor, Prescott

Tom Brady, Mayor, Bullhead City
Craig McFarland, Mayor, Casa Grande
Kevin Hartke, Mayor, Chandler*
Alexis Hermosillo, Mayor, El Mirage
Paul Deasy, Mayor, Flagstaff
Bridgette Peterson, Mayor, Gilbert
Jerry Weiers, Mayor, Glendale*
Georgia Lord, Mayor, Goodyear
Cal Sheehy, Mayor, Lake Havasu City
Thomas L. Schoaf, Mayor, Litchfield Park
Ed Honea, Mayor, Marana

Christian Price, Mayor, Maricopa*
John Giles, Mayor, Mesa
Kate Gallego, Mayor, Phoenix
Gail Barney, Mayor, Queen Creek
Tom Murphy, Mayor, Sahuarita
David Ortega, Mayor, Scottsdale
Sandy Moriarty, Mayor, Sedona
Rick Mueller, Mayor, Sierra Vista
Mila Besich, Mayor, Superior
Corey Woods, Mayor, Tempe*
Regina Romero, Mayor, Tucson

*not in attendance

League President Cathy Carlat called the meeting to order at 11:43 a.m.

1. REVIEW AND ADOPTION OF MINUTES OF LEAGUE PROPERTY CORPORATION

Mayor Greg Mengarelli moved to approve the minutes of the May 29th, 2020 League Property Corporation meeting; Mayor Sandy Moriarty seconded the motion and it carried unanimously.

2. PROPERTY CORPORATION BUDGET 2021-2022

President Cathy Carlat asked Mayor Greg Mengarelli, Chairman of the Budget sub-committee, to provide an update on the Property Corporation budget. Mayor Greg Mengarelli explained that the League building represents a separate corporation. Tom Belshe, League Executive Director, added that the Property Corporation was set to clarify the relationship between the League and

the building and to make sure there was a separate budget for the building maintenance and rental units. This format was established by the Executive Committee to be seen as an infrastructure plan.

Mayor Greg Mengarelli moved to adopt the FY21 – FY22 Property Corporation Budget as recommended by the Budget Subcommittee; Mayor Sandy Moriarty seconded the motion and it carried unanimously.

3. ANNUAL ELECTION OF OFFICERS

President Cathy Carlat asked League Executive Director, Tom Belshe to share more on the annual election of officers. Mr. Belshe explained that when changes are made to the board of the League Executive Committee and when vacancies are filled, the League Executive Committee board is then appointed to act as the governing board of the Property Corporation.

Mayor Douglas Nicholls asked if this approval was for just officers or the whole board. Director Belshe clarified that it is for the whole board.

Mayor Nicholls moved to elect the League officers and members of the Executive Committee as the board of directors for the Property Corporation; Mayor Bridgette Peterson seconded the motion and it carried unanimously.

Seeing no further business, President Cathy Carlat adjourned the Property Corporation Meeting at 11:49 a.m.

PRESIDENT

EXECUTIVE DIRECTOR



PROPERTY CORPORATION MEETING
Friday, May 13, 2022

Agenda Item #8 Property Corporation Budget for 2022-2023

Summary: The proposed budget for the Property Corporation for the upcoming fiscal year, as recommended by the Budget Subcommittee, is presented for your review and approval. It is identical to the tentative budget presented at the February meeting.

Responsible Person: Mayor Douglas Nicholls, Budget Subcommittee Chairman; Tom Belshe

Attachment: FY 2022-2023 Recommended Budget and Budget Narrative

Action Requested: Approval

2022-2023 Property Corporation Budget

PROPOSED

REVENUES	Budget FY 2022	Expected FY 2022	Over / (Under)	PROPOSED FY 2023
Rental Income	129,696	129,996	300	130,930
Building Improvement Fund*	10,000	10,000	---	10,000
Interest	35	15	(20)	35
Miscellaneous	2,300	1,500	(800)	1,500
TOTAL REVENUES	142,031	141,511	(520)	142,465

LACT: \$105,000; Press: \$25,200*;
*new tenant eff Apr 1, 2022

AGC's 1/2 share of dumpster cost

EXPENDITURES				
Accounting and Auditing	7,600	7,620	20	7,900
Capital Outlay	21,000	8,107	(12,893)	70,000
Insurance	6,500	5,997	(503)	6,500
Maintenance Services/Agreements	41,000	43,893	2,893	54,000
Operating Expenses	5,000	4,495	(505)	5,000
Repairs and Maintenance	12,000	10,245	(1,755)	24,000
Utilities	24,000	24,529	529	24,000
TOTAL EXPENDITURES	117,100	104,886	(12,214)	191,400

\$4620 accountants; \$3229 audit

Replace parking lot - \$50K

Increase in Siemen's contract to include firmware & software subscription updates as well as maintenance on the additional split unit.

Sealcoat west parking lot - \$6K;
Electrical evaluation \$12,500

Revenues Over (Under) Expenditures	\$24,931	\$36,625	\$11,694	(\$48,935)
Beginning Fund Balance	\$197,718	\$197,718		\$234,343
Ending Fund Balance	\$222,649	\$234,343	\$11,694	\$185,408

* Building Improvement Fund has collected \$40,000 since it started in FY19.

PROPERTY CORPORATION FISCAL YEAR 2022-2023

REVENUES

RENTAL INCOME: Revenue from rental of space in the League Building by the League and other tenants is expected to be:

League of Arizona Cities and Towns (\$19/sq ft/yr)	\$105,000
Rural Transportation Liaison (Room 104)	2,400
The Arizona Republic (Room 106)	6,000
Arizona Mirror (Room 105)	9,600
Associated Press (2 desks @ \$100 ea/mo)	2,400
Arizona News Radio (2 desks @ \$100 ea/mo)	2,400
Capitol Media Services (1 desk @ \$100 ea/mo)	1,200
Arizona Agenda (1 desk @ \$100 ea/mo)	1,200
Plus taxes	<u>730</u>
Total	\$130,930

BUILDING IMPROVEMENT FUND: The League contributes \$10,000 into a fund to save for future building improvements.

INTEREST: The Property Corporation's funds are invested in a high balance savings account. A total of \$35 is budgeted for interest earnings for next year.

MISCELLANEOUS: This category includes fees from Associated General Contractors for our shared refuse container and other miscellaneous revenues for a total of \$1,500.

TOTAL REVENUES **\$142,465**

EXPENDITURES

ACCOUNTING AND AUDITING: A total of \$7,900 is budgeted for the CPA audit of Property Corporation accounts and for monthly accounting services and preparation of audit work papers.

CAPITAL OUTLAY: We will continue to make necessary repairs and improvements to the building. A total of \$70,000 is budgeted for this year. *(This includes an additional \$50,000 to replace the League's parking lots.)*

INSURANCE: This item includes building, flood and liability insurance. The total amount budgeted is \$6,500.

MAINTENANCE SERVICES/AGREEMENTS: This category includes janitorial services, lawn service and refuse collection plus maintenance agreements for the elevator, air conditioning, parking lot sweeping and pest control for a total of \$54,000.

OPERATING EXPENSES: Items in this account include paper goods, soap, light bulbs, air conditioning filters and cleaning supplies not furnished by the janitor. It also includes corporation fees, business license fees and other annual operating costs. The total amount budgeted is \$5,000.

REPAIRS AND MAINTENANCE: This budget item provides for the repair and maintenance of the heating and air conditioning system not covered by the maintenance agreement, appliances, plumbing fixtures, the roof, the sprinkler system and other miscellaneous repairs. A total of \$24,000 is budgeted. *(This includes an additional \$12,500 to perform an electrical evaluation.)*

UTILITIES: The budgeted amount for all utilities is \$24,000.

TOTAL EXPENDITURES **\$191,400**



PROPERTY CORPORATION MEETING
Friday, May 13, 2022

Agenda Item #9 Annual Election of Officers

Summary: The election of officers and the board of directors for the Property Corporation is required annually according to the bylaws.

Responsible Person: President Cathy Carlat

Action Requested: Approval



**Additional Informational Materials
Not Part of the Agenda**

League Budget Report

Property Corporation Budget Report

League of Arizona Cities & Towns
FY 2021-2022 Budget vs. Actual
July 2021 through March 2022

	Jul '21 - Mar 22	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4000 · Affiliate Group Contribution	91,966.72	137,950.00	-45,983.28	66.7%
4005 · Annual Conference	606,420.67	400,000.00	206,420.67	151.6%
4010 · Dues	2,226,243.00	2,226,243.00	0.00	100.0%
4020 · Miscellaneous	14,573.04	14,000.00	573.04	104.1%
4016 · Partnership Programs	38,291.58	48,500.00	-10,208.42	79.0%
4030 · Risk Pool	125,228.01	165,000.00	-39,771.99	75.9%
4035 · Seminars & Meetings	26,840.00	40,000.00	-13,160.00	67.1%
4040 · Interest Income	1,435.24	20,000.00	-18,564.76	7.2%
Total Income	3,130,998.26	3,051,693.00	79,305.26	102.6%
Expense				
5005 · Annual Conference (Expense)	410,157.05	230,000.00	180,157.05	178.3%
5010 · Benefits	401,894.26	542,000.00	-140,105.74	74.2%
5015 · Capital Outlay	8,077.74	10,000.00	-1,922.26	80.8%
5030 · Equipment Rental & Maintena...	2,586.93	9,000.00	-6,413.07	28.7%
5035 · Executive Committee	1,502.91	6,000.00	-4,497.09	25.0%
5050 · Insurance	5,725.80	9,000.00	-3,274.20	63.6%
5055 · Postage & Shipping	3,375.24	6,000.00	-2,624.76	56.3%
5057 · PR & Communications	40,271.22	51,000.00	-10,728.78	79.0%
5060 · Printing	10,170.83	10,000.00	170.83	101.7%
5065 · Professional Services				
5065-1 · Accounting Services	36,093.83	48,000.00	-11,906.17	75.2%
5065-3 · Legal Services	13,804.00	36,000.00	-22,196.00	38.3%
5065-2 · Contract Lobbying & Cons...	131,500.00	165,000.00	-33,500.00	79.7%
Total 5065 · Professional Services	181,397.83	249,000.00	-67,602.17	72.9%
5070 · Rent	78,750.00	105,000.00	-26,250.00	75.0%
5071 · Salaries	1,128,766.19	1,520,000.00	-391,233.81	74.3%
5075 · Seminars and Meetings	13,145.92	44,000.00	-30,854.08	29.9%
5085 · Subscriptions & Dues	48,075.27	63,000.00	-14,924.73	76.3%
5090 · Supplies	50,860.52	38,000.00	12,860.52	133.8%
5095 · Telecommunications	19,242.32	24,000.00	-4,757.68	80.2%
5100 · Travel	13,896.78	20,000.00	-6,103.22	69.5%
5115 · Prop Corp-Bldg Improvement ...	0.00	10,000.00	-10,000.00	0.0%
Total Expense	2,417,896.81	2,946,000.00	-528,103.19	82.1%
Net Ordinary Income	713,101.45	105,693.00	607,408.45	674.7%
Net Income	713,101.45	105,693.00	607,408.45	674.7%

Property Corporation
FY 2021-2022 Budget vs. Actual
July 2021 through March 2022

	Jul '21 - Mar 22	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4003 · Building Improvement Fund	0.00	10,000.00	-10,000.00	0.0%
4000 · Rental Income	102,108.30	129,696.00	-27,587.70	78.7%
4005 · Miscellaneous	0.00	2,300.00	-2,300.00	0.0%
4010 · Interest	10.96	35.00	-24.04	31.3%
Total Income	102,119.26	142,031.00	-39,911.74	71.9%
Expense				
5000 · Maintenance Services/Agreements	37,919.60	41,000.00	-3,080.40	92.5%
5015 · Utilities	15,214.64	24,000.00	-8,785.36	63.4%
5020 · Repairs and Maintenance	8,126.60	12,000.00	-3,873.40	67.7%
5025 · Operating Expenses	2,366.57	5,000.00	-2,633.43	47.3%
5030 · Accounting and Auditing	6,080.00	7,600.00	-1,520.00	80.0%
5035 · Insurance	3,178.67	6,500.00	-3,321.33	48.9%
5040 · Capital Outlay	8,106.80	21,000.00	-12,893.20	38.6%
Total Expense	80,992.88	117,100.00	-36,107.12	69.2%
Net Ordinary Income	21,126.38	24,931.00	-3,804.62	84.7%
Net Income	21,126.38	24,931.00	-3,804.62	84.7%