



May 12, 2023

EXECUTIVE COMMITTEE MEETING



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

Friday, May 12, 2023 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 12, 2023 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. League Data Initiative
4. 2023 League Annual Conference Update
5. League Budget for 2023-2024

Property Corporation Meeting

6. Review and Adoption of Minutes
7. Property Corporation Budget for 2023-2024
8. 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 12, 2023

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

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

Responsible Person: President Douglas Nicholls

Attachments: February 3, 2023 Executive Committee Minutes
March 31, 2023 Executive Committee Minutes

Action Requested: Approval

MINUTES
LEAGUE OF ARIZONA CITIES AND TOWNS
EXECUTIVE COMMITTEE MEETING

Friday, February 3, 2023, at 10:00 a.m.
League of Arizona Cities and Towns
1820 W. Washington St.
Phoenix, Arizona

MEMBERS

President

Douglas Nicholls, Mayor, Yuma

Vice President

Kevin Hartke, Mayor, Chandler

Treasurer

Mila Besich, Mayor, Superior +

Ken Budge, Mayor, Bisbee +
Craig McFarland, Mayor, Casa Grande +
Robyn Prud'homme-Bauer, Mayor, Clarkdale
Alexis Hermosillo, Mayor, El Mirage +
Brigette Peterson, Mayor, Gilbert
Jerry Weiers, Mayor, Glendale
Joe Pizzillo, Mayor, Goodyear
Cal Sheehy, Mayor, Lake Havasu City +
Tom Schoaf, Mayor, Litchfield Park +
Ed Honea, Mayor, Marana

John Giles, Mayor, Mesa
Jerry Bien-Willner, Mayor, Paradise Valley
Kate Gallego, Mayor, Phoenix
Stephanie Irwin, Mayor, Pinetop-Lakeside *
Tom Murphy, Mayor, Sahuarita *
David Ortega, Mayor, Scottsdale +
Corey Woods, Mayor, Tempe
Regina Romero, Mayor, Tucson +

*Not in attendance

+ Attended via Zoom

President Douglas Nicholls called the meeting to order at 10:03 a.m. He then led the Executive Committee in the Pledge of Allegiance.

1. REVIEW AND ADOPTION OF MINUTES

President Douglas Nicholls requested a motion on the adoption of the minutes. Mayor Jerry Weirs of Glendale moved to approve the minutes of the November 10, 2022, Executive Committee Meeting; Mayor Ed Honea of Marana seconded the motion and the motion carried unanimously.

2. LEGISLATIVE POLICY OVERVIEW AND SESSION UPDATE

Executive Director Tom Belshe 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 1,418 bills introduced.

Governor's Budget

Legislative Director Tom Savage reviewed highlights of the executive budget proposed by the Governor. The proposed budget included: \$17.1 billion in spending; One of the Governor's priorities is the elimination of the TPT tax on feminine hygiene products and diapers which would have an estimated impact of \$28 million on cities and towns. Also included with regard to housing was a \$150 million appropriation to the Housing Trust Fund. Regarding state parks and the Heritage Fund, the Governor's budget proposed a \$10 million appropriation.

Residential Rental, Food, and Corporate Income Tax Repeal

Legislative Director Tom Savage reviewed HB 2061 and SB 1063 which repeals the Food Tax bill which would have an estimated \$195 million impact on cities and towns. The bills HB 2067 and SB 1184 repeal the Residential Rental Tax which would have an estimated impact of \$230 million to cities and towns. Regarding the Corporate Income Tax, the HB 2003 was introduced to repeal the tax which would have an estimated \$120 million impact on cities and towns.

Senator Epstein has introduced SB 1686 which is an alternative that moves to provide an income tax credit for individual earners under \$70,000 and those filing jointly under \$140,000 that would allow them to claim a tax credit on their income taxes for the residential rental tax that is paid.

League Resolutions

HB 2044 allows cities and towns that have fallen under the population and growth rate threshold the opportunity to refer their general plan to the ballot. SB 1006 provides flexibility for cities and towns to either post public notices in their newspaper or online.

Homelessness Programs

SB 1585 sponsored by Senator Miranda proposes to appropriate over 500 million dollars for a variety of homelessness programs. Representative Livingston has introduced HB 2284 which would require the department of housing to use monies for parking areas with amenities, individual camping, and shelters that meet specific requirements and shelters with programs to improve employment and income of individuals. It prohibits political subdivisions from policies that discourage or prohibit enforcement of urban camping bans and authorizes the attorney general to bring civil action to violators of the bill.

Housing

SB 1117 which would propose by-right zoning which would allow for apartments and certain developments to go through administrative approvals and bypass the general plan process and take away the ability for residents to raise issues about developments that are occurring in their communities. SB 1103 would allow cities to administratively approve certain development aspects such as engineering reviews.

Legislative Director Tom Savage welcomed General Counsel Nancy Davidson to review in detail SB 1117. General Counsel Nancy Davidson overviewed details of the bill, such as the inability to address housing affordability, inability to remove existing prohibitions on cities imposing inclusionary zoning. The bill requires administrative approval of all multi-family projects by-right. The bill also stipulates that if a project is not approved within a certain timeframe, it will be automatically deemed approved. Members of the Executive Committee raised concerns regarding the bill to which League staff reported their plan to oppose the bill before it can be implemented.

Executive Director Tom Belshe expressed his gratitude to staff and members of the Executive Committee for their efforts and explained his plan going forward.

3. REPORT FROM LEAGUE BUDGET SUBCOMMITTEE

Mayor Mila Besich of Superior and chair of the League Budget Subcommittee reported that the League is in good financial health and introduced Executive Director Tom Belshe to review the proposed changes to dues structure.

Executive Director Tom Belshe reported the proposed changes in dues at a six percent increase cost-of-living adjustments and merit raises for employees. The League will pursue employees from the nonprofit and events fields going forward to avoid turnover as much as possible. There has also been an increase in money spent on contract lobbying services as well. Revenue from the League Annual Conference has seen an increase in the past fiscal year.

President Douglas Nicholls called for a motion to approve the proposed dues increase. Mayor Woods of Tempe approved the motion; Mayor Peterson of Gilbert seconded the motion and it carried unanimously.

4. EXECUTIVE COMMITTEE VACANCIES

President Douglas Nicholls introduced Executive Director Tom Belshe to explain the current vacancies on the Executive Committee.

There are a total of four vacancies open with discussion open on how quickly the committee wishes to fill the open seats. Executive Director Tom Belshe proposed to the committee that new members can be decided upon either at the May meeting or at the Annual League conference. Members of the committee discussed that it would be in the best interest of all members to fill the vacancies prior to the May meeting and proposed to have an online meeting to approve new members selected by the nominating committee.

President Douglas Nicholls called for a motion to move forward with the agreed upon process. Mayor Peterson of Gilbert approved the motion; Mayor Prud'homme-Bauer seconded the motion and it carried unanimously.

The Executive Committee adjourned the Executive Committee meeting at 11:20 a.m.

MINUTES
LEAGUE OF ARIZONA CITIES AND TOWNS
EXECUTIVE COMMITTEE MEETING

Friday, March 31, 2023, at 10:00 a.m.
League of Arizona Cities and Towns Zoom
1820 W. Washington St.
Phoenix, Arizona

MEMBERS

President

Douglas Nicholls, Mayor, Yuma *

Vice President

Kevin Hartke, Mayor, Chandler *

Treasurer

Mila Besich, Mayor, Superior

Ken Budge, Mayor, Bisbee
Craig McFarland, Mayor, Casa Grande
Robyn Prud'homme-Bauer, Mayor, Clarkdale
Alexis Hermosillo, Mayor, El Mirage
Brigitte Peterson, Mayor, Gilbert
Jerry Weiers, Mayor, Glendale
Joe Pizzillo, Mayor, Goodyear *
Cal Sheehey, Mayor, Lake Havasu City
Tom Schoaf, Mayor, Litchfield Park
Ed Honea, Mayor, Marana

John Giles, Mayor, Mesa
Jerry Bien-Willner, Mayor, Paradise Valley
Kate Gallego, Mayor, Phoenix
Stephanie Irwin, Mayor, Pinetop-Lakeside
Tom Murphy, Mayor, Sahuarita
David Ortega, Mayor, Scottsdale
Corey Woods, Mayor, Tempe *
Regina Romero, Mayor, Tucson *

*Not in attendance

Treasurer Mila Besich called the meeting to order at 10:04 a.m. She then introduced Executive Director Tom Belshe to lead the Executive Committee in the Pledge of Allegiance.

1. LEGISLATIVE SESSION UPDATE

Mayor Mila Besich introduced and welcomed Executive Director Tom Belshe to provide a legislative session update. Executive Director Tom Belshe expressed that while the current legislative session has been difficult, there have been many successes. The topic of housing has been the most divisive issue and plans for tackling the budget discussions are underway.

Executive Director Tom Belshe introduced and welcomed Legislative Director Tom Savage to provide a legislative session update.

Legislative Director Tom Savage informed the committee that it is the eighty-second day of the legislative session.

Residential Rental

SB 1131 – strike everything amendment

SB 1117 – failed a vote in the Senate, split into three bills

State Budget

SB 1131 – possibly up for discussion in the budget session

Food Tax Repeal

SB 1063 – Measure was vetoed

Corporate Income Tax Rate

HB 2003 – proposed reduction of corporate income tax rate over the next four fiscal years down to two and a half percent from four-point nine percent, this would have a 120-million-dollar impact on cities and towns.

SCR 1035 & SB 1577 – proposed structural surplus in state budget, Department of Revenue would be required to reduce by fifty percent the income tax rate based on that surplus.

TPT Prime Contracting

HB 2807 – proposed on any residential remodel that does not increase the square footage of property, taxed at materials only.

Homelessness

SB 1585 – bill appropriated 155 million for State homelessness programs, 70 million would be used for grants for cities, towns, and counties to be able to apply to the Department of Housing to fund any structured facilities for homelessness or fund expansions or upgrades to existing shelters.

Charter Authority Repeal

SCR 1023/SCR 1027 – proposes a measure that would remove from the constitution the ability for cities and towns and the public to establish a charter form of government, pertaining to cities and towns with a population over five thousand.

Home-Based Business Bill

HB 1162 – proposes to override ordinances dealing with home occupation and local regulations, removes authority that cities possess to balance needs, allowing by-right residential property owners to have a home-based business, they would be absolved of the requirement to acquire a business license.

Executive Director Tom Belshe urged members of the committee to get involved with the efforts in regard to Charter Authority and Home-Based Business bills even if the issue is not specific to their own city or town.

Affordable Housing/Zoning

HB 2536 – Statewide preemption on zoning Regulations, preemption on parking requirements, design reviews require administrative approval.

2. NOMINATING COMMITTEE RECOMMENDATIONS

Mayor Mila Besich introduced Executive Director Tom Belshe to review the nominating committee's recommendations. Executive Director Tom Belshe explained the nominating process and introduced Mayor Tom Murphy to present the slate of candidates.

Mayor Tom Murphy thanked the members of the nominating committee for their time and efforts and while there were many qualified applicants, the four nominees decided upon are:
Mayor Ginny Dickey of Fountain Hills, Mayor Nancy Smith of Maricopa, Mayor Al Gameros of Globe, and Mayor Jason Beck of Peoria.

Mayor Mila Besich called for any new nominations from the floor; no nominations were proposed. Mayor Tom Murphy called for a motion to approve the slate of nominees, Mayor Ed Honea seconded the motion and it carried unanimously.

Mayor Mila Besich inquired if any members of the committee had any topics for the Good of the Order, no topics were presented, and Mayor Mila Besich called for no further business.

The Executive Committee adjourned the Executive Committee meeting at 11:00 a.m.



EXECUTIVE COMMITTEE MEETING
Friday, May 12, 2023

Agenda Item #2 Legislative Policy Overview and Session Update

Summary: The Second Regular Session of the Fifty-Seventh Arizona Legislature is now beyond its statutory 100th day. This session saw 1,632 bills with an additional 125 striker amendments. League staff tracked 370 active bills, weighed in on about 80 bills, and testified in committee on almost half 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
- Zoning
- Homelessness
- Residential Rental Tax Repeal
- Corporate Income Tax Reduction
- Taxpayer Bill of Rights

Responsible Person: Tom Belshe & League Legislative Staff

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



EXECUTIVE COMMITTEE MEETING
Friday, May 12, 2023

Agenda Item #3 League Data Initiative

Summary: League staff have been working with FLO Analytics to bring some of our data stories to life. These data stories are visual representations of data that have been collected from a variety of sources. Our first data story is related to housing. Our hope is to use these stories to help educate legislators and the public on issues that affect cities and towns.

Responsible Person: Rene Guillen, Deputy Director

Link to Attachments: [League Data Website](#)
[Housing Data Story](#)



EXECUTIVE COMMITTEE MEETING
Friday, May 12, 2023

Agenda Item #4 2023 League Conference Update

Summary: Preparations for the 2023 League Conference are well underway. The Conference will be held August 29 – September 1 at the Starr Pass Resort in Tucson. The registration information will be sent out to all cities and towns during the last week of May.

Responsible Person: Matt Lore, Deputy Director

Attachment: List of Conference Sponsors to date

Link to Attachment: [Corporate Sponsorship Information](#)

2023 Annual Conference Sponsors

As of 5/1/2023

Organization	Level
APS	Platinum
Cigna Healthcare	Platinum
Climatec LLC	Platinum
ESI	Platinum
Pierce Coleman PLLC	Platinum
Resolution Copper	Platinum
Ting Internet	Platinum
Veregy	Platinum
Verizon	Platinum
Blue Cross Blue Shield of Arizona	Gold
Center for the Future of Arizona	Gold
Public Agency Retirement Services (PARS)	Gold
Schneider Electric	Gold
Stifel	Gold
Waste Managemet of Arizona	Gold
Waymo	Gold
CORE Construction	Silver
Cox Business	Silver
WECOM INC.	Silver
Banner/Aetna	Bronze
Blink Public Policy	Bronze
Central Arizona Project	Bronze
Employers Council	Bronze
Gammage & Burnham	Bronze
Johnson Controls	Bronze
Salt River Project	Bronze
Southwest Gas Corportaton	Bronze
West Coast Arborists, Inc	Bronze
AMRRP	Key Partner
American Legal Publishing	Endorsed
BMO Harris Bank	Endorsed
VSMG	Endorsed



EXECUTIVE COMMITTEE MEETING
Friday, May 12, 2023

Agenda Item #5 League Budget for 2023-2024

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 Mila Besich, Superior, Budget Subcommittee Chair
Tom Belshe

Attachments: FY 2023-2024 Recommended Budget and Budget Narrative

Action Requested: Approval

2023-2024 League Budget

PROPOSED

REVENUES	Budget FY 2023	Expected FY 2023	Over / (Under)	PROPOSED FY 2024	% Change	% of Total Budget	Notes
Affiliate Group Contracts	150,367	193,364	42,997	195,500	30.0%	5.8%	Contract increases eff FY23; plus WLG
Annual Conference	400,000	722,113	322,113	500,000	25.0%	14.8%	Estimate \$270K income
Dues	2,234,307	2,234,307	0	2,361,478	5.7%	70.0%	
Interest	5,000	28,319	23,319	25,000	400.0%	0.7%	
Miscellaneous	14,000	14,000	0	14,000	0.0%	0.4%	Includes publication sales & job postings.
Partnership Programs	48,500	40,074	(8,426)	41,000	-15.5%	1.2%	American Legal (~\$6,000), APS Internship (\$10,000), Valley Schools (\$25,000)
Risk Pool	167,000	179,900	12,900	185,000	10.8%	5.5%	
Seminars and Meetings	40,000	50,250	10,250	50,000	25.0%	1.5%	
TOTAL REVENUES	\$3,059,174	\$3,462,327	\$403,153	\$3,371,978	10.2%		
EXPENDITURES							
Annual Conference	230,000	465,082	235,082	230,000	0.0%	6.8%	
Benefits	544,000	507,373	(36,627)	586,000	7.7%	17.3%	Estimate 12% increase to UHC premiums (eff. 10/2023). Estimate 3% increase to dental premiums (eff. 5/2023). Increase of .12% in the ASRS contribution rate.
Capital Outlay	15,000	14,229	(771)	15,000	0.0%	0.4%	O365 = ~\$5000 annually
Equipment Rental & Maintenance	9,000	6,592	(2,408)	8,000	-11.1%	0.2%	
Executive Committee	6,000	6,311	311	7,000	16.7%	0.2%	
Insurance	9,000	6,017	(2,983)	9,000	0.0%	0.3%	Rec'd \$-7088 dividend for FY23
Postage & Shipping	6,000	4,942	(1,058)	6,000	0.0%	0.2%	
PR & Communications	62,000	61,948	(52)	62,000	0.0%	1.8%	Includes HighGround (\$60,000); misc (\$2,000); Possible PIO contract (??)
Printing	10,000	13,600	3,600	14,000	40.0%	0.4%	Includes directory, MPS, calendar & legis poster
Professional Services	363,000	421,986	58,986	413,000	13.8%	12.2%	
Accounting	49,000	52,497	3,497	54,000	10.2%	1.6%	Includes audit, accountants & payroll processing service
Contract Lobbying & Consulting Svcs	278,000	333,825	55,825	323,000	16.2%	9.5%	Includes HighGround (\$120K); Rounds (\$91K); K Jackson (\$7K); C Jagger (\$3K); Flo (\$30K- data); H. Arellano (\$72K).
Legal	36,000	35,664	(336)	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%	3.1%	
Salaries	1,550,000	1,541,115	(8,885)	1,700,000	9.7%	50.3%	6% avg increase; no vacancies
Seminars and Meetings	44,000	47,813	3,813	47,000	6.8%	1.4%	
Subscriptions and Dues	64,000	71,067	7,067	72,000	12.5%	2.1%	
Supplies / Office Expenses	55,000	54,094	(906)	55,000	0.0%	1.6%	general cost increases, and credit card fee increases
Telecommunications	24,000	23,176	(824)	24,000	0.0%	0.7%	
Travel	20,000	15,484	(4,516)	20,000	0.0%	0.6%	
Reserve Fund Expenditure	50,000	50,000	0	0			Board authorized FY23 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	\$3,176,000	\$3,375,829	\$249,829	\$3,383,000	6.5%		
Revenues Over (Under) Expenditures	(\$116,826)	\$86,498	\$153,324	(\$11,022)			
Beginning Fund Balance	\$2,186,650	\$2,186,650		\$2,273,148			
Ending Fund Balance	\$2,069,824	\$2,273,148		\$2,262,126			

AUDITED YEAR END FIGURES	Ending Balance *	FY	Rev over Exp
Total fund balance as of July 1, 2022	\$2,186,650	21-22	\$105,326
Total fund balance as of July 1, 2021	\$2,081,324	20-21	(\$277,345)
Total fund balance as of July 1, 2020	\$2,358,669	19-20	\$134,693
Total fund balance as of July 1, 2019	\$2,223,976	18-19	(\$128,219)
Total fund balance as of July 1, 2018	\$2,352,195	17-18	\$254,405
Total fund balance as of July 1, 2017	\$2,097,790	16-17	\$117,613
Total fund balance as of July 1, 2016	\$1,980,177	15-16	\$152,942
Total fund balance as of July 1, 2015	\$1,827,235	14-15	(\$609)
Total fund balance as of July 1, 2014	\$1,827,844	13-14	\$203,785
Total fund balance as of July 1, 2013	\$1,624,059	12-13	\$165,383
Total fund balance as of July 1, 2012	\$1,458,676	11-12	\$200,953
Total fund balance as of July 1, 2011	\$1,257,723	10-11	(\$53,713)
Total fund balance as of July 1, 2010	\$1,311,436	09-10	\$98,313
Total fund balance as of July 1, 2009	\$1,213,123	08-09	\$212,926
Total fund balance as of July 1, 2008	\$1,000,197	07-08	\$323,069
Total fund balance as of July 1, 2007	\$677,128	06-07	\$192,095
Total fund balance as of July 1, 2006	\$485,033	05-06	\$101,561
Total fund balance as of July 1, 2005	\$383,472	04-05	(\$23,245)
Total fund balance as of July 1, 2004	\$406,717	03-04	(\$11,936)
Total fund balance as of July 1, 2003	\$418,653	02-03	

* Audited Figures

Dues Collected	
FY 22-23	\$2,234,307
FY 21-22	\$2,226,243
FY 20-21	\$1,875,056 (COVID 15% reduction)
FY 19-20	\$2,097,422 (Phoenix rejoined at mid-year)
FY 18-19	\$1,912,145 (Phoenix left organization)
FY 17-18	\$2,044,236
FY 16-17	\$1,938,076
FY 15-16	\$1,897,376
FY 14-15	\$1,749,423 (includes Phx pop reduction)
FY 13-14	\$1,818,423
FY 12-13	\$1,818,423
FY 11-12	\$1,817,063
FY 10-11	\$1,490,140 (5% reduction)
FY 09-10	\$1,550,568 (included \$18K - hardship waiver)
FY 08-09	\$1,568,568
FY 07-08	\$1,515,572

2023-2024 League Budget Narrative

PROPOSED

REVENUES	Budget FY 2023	Expected FY 2023	Over / (Under)	PROPOSED FY 2024	% Change	% of Total Budget
Affiliate Group Contracts	150,367	193,364	42,997	195,500	30.0%	5.8%
The Arizona City/County Management Association (\$75,000), the Government Finance Officers Association of Arizona (\$69,000), the Arizona Municipal Clerks Association (\$6,367), and the Arizona Women Leading Government Association (\$43,000) contract with the League for staff services. The four associations currently pay \$193,367 for services including graphic design, website management, conference planning and membership management.						
Annual Conference	400,000	722,113	322,113	500,000	25.0%	14.8%
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 \$270,000 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	2,234,307	2,234,307	0	2,361,478	5.7%	70.0%
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	5,000	28,319	23,319	25,000	400.0%	0.7%
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	14,000	0	14,000	0.0%	0.4%
This item includes publication sales and job postings.						
Partnership Programs	48,500	40,074	(8,426)	41,000	-15.5%	1.2%
Any revenue realized from League partnership programs is included in this line item. Current programs included in this item are: American Legal, APS Internship and Valley Schools.						
Risk Pool	167,000	179,900	12,900	185,000	10.8%	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	50,250	10,250	50,000	25.0%	1.5%
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	\$3,059,174	\$3,462,327	\$403,153	\$3,371,978	10.2%	

Prior Years Actuals

	FY21-22 Actual	FY20-21 Actual	FY19-20 Actual	FY18-19 Actual	FY17-18 Actual
...	\$159,450.00	\$137,950.00	\$137,950.00	\$136,950.00	\$136,950.00
...	\$606,420.67	\$0.00	\$529,184.55	\$535,420.55	\$444,795.32
...	\$2,226,243.00	\$1,875,056.00	\$2,097,422.00	\$1,912,145.00	\$2,044,236.00
...	\$6,618.32	\$3,029.85	\$47,307.69	\$63,065.52	\$39,128.68
...	\$20,484.33	\$10,258.40	\$15,631.58	\$25,513.36	\$16,489.74
...	\$41,425.87	\$101,972.16	\$79,345.06	\$65,395.03	\$69,509.83
...	\$166,970.68	\$164,623.04	\$159,976.00	\$155,768.56	\$151,056.44
...	\$35,845.00	\$37,140.00	\$14,155.00	\$54,842.00	\$32,330.00

EXPENDITURES	Budget FY 2023	Expected FY 2023	Over / (Under)	PROPOSED FY 2024	% Change	% of Total Budget	FY21-22 Actual	FY20-21 Actual	FY19-20 Actual	FY18-19 Actual	FY17-18 Actual
Annual Conference	230,000	465,082	235,082	230,000	0.0%	6.8%	\$410,723.50	\$1,657.39	\$318,244.41	\$330,711.86	\$247,551.06
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	544,000	507,373	(36,627)	586,000	7.7%	17.3%	\$513,598.26	\$481,589.74	\$494,054.61	\$507,001.51	\$491,644.97
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 - \$200,000; Group Health - \$202,000; Group Dental - \$14,600; Life Insurance - \$4,300; FICA - \$125,000; Worker's Compensation - \$3,600; Other Miscellaneous - \$26,500; Education/Professional Development - \$10,000.											
Capital Outlay	15,000	14,229	(771)	15,000	0.0%	0.4%	\$17,453.10	\$13,576.20	\$26,297.57	\$11,218.71	\$17,168.58
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	6,592	(2,408)	8,000	-11.1%	0.2%	\$4,520.38	\$10,890.81	\$8,562.34	\$12,794.66	\$11,225.41
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	6,311	311	7,000	16.7%	0.2%	\$2,475.49	\$97.78	\$6,705.11	\$7,089.52	\$4,019.03
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	6,017	(2,983)	9,000	0.0%	0.3%	\$9,261.30	\$8,775.44	\$8,675.25	\$8,161.25	\$7,714.50
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	4,942	(1,058)	6,000	0.0%	0.2%	\$3,415.56	\$5,027.92	\$5,264.43	\$5,146.85	\$6,392.45
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	62,000	61,948	(52)	62,000	0.0%	1.8%	\$55,271.22	\$49,500.00	\$58,218.67	\$60,781.00	\$49,392.50
The League retains the services of a communications management firm to coordinate our social media messaging in response to legislative issues.											
Printing	10,000	13,600	3,600	14,000	40.0%	0.4%	\$10,170.83	\$10,772.48	\$9,557.19	\$9,457.18	\$11,033.16
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	363,000	421,986	58,986	413,000	13.8%	12.2%	\$274,895.59	\$329,020.06	\$254,549.98	\$185,750.46	\$151,830.33
Accounting	49,000	52,497	3,497	54,000	10.2%	1.6%	\$47,721.58	\$47,705.56	\$47,544.85	\$47,150.46	\$44,663.67
Contract Lobbying & Consulting Svcs	278,000	333,825	55,825	323,000	16.2%	9.5%	\$200,820.00	\$248,530.00	\$142,950.00	\$133,850.00	\$106,166.66
Legal	36,000	35,664	(336)	36,000	0.0%	1.1%	\$26,001.36	\$32,784.50	\$64,055.13	\$4,750.00	\$1,000.00
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 2023	Expected FY 2023	Over / (Under)	PROPOSED FY 2024	% Change	% of Total Budget
Prop Corp - Building Improvement Fund	10,000	10,000	0	10,000	0.0%	0.3%
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%	3.1%
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	1,550,000	1,541,115	(8,885)	1,700,000	9.7%	50.3%
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, Member Services Associate, Member Services Assistant, Office Manager, three clerical staff and a 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 6% salary increases for FY24.</i>						
Seminars and Meetings	44,000	47,813	3,813	47,000	6.8%	1.4%
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	64,000	71,067	7,067	72,000	12.5%	2.1%
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	55,000	54,094	(906)	55,000	0.0%	1.6%
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	23,176	(824)	24,000	0.0%	0.7%
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	15,484	(4,516)	20,000	0.0%	0.6%
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	50,000	0	0		
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 for FY23.						
TOTAL EXPENDITURES	\$3,176,000	\$3,375,829	\$249,829	\$3,383,000	6.5%	

FY21-22 Actual	FY20-21 Actual	FY19-20 Actual	FY18-19 Actual	FY17-18 Actual
\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	
\$105,000.00	\$105,000.00	\$105,000.00	\$105,000.00	\$105,000.00
\$1,519,084.03	\$1,451,972.85	\$1,440,064.32	\$1,423,874.94	\$1,438,882.06
\$50,772.46	\$12,915.54	\$40,795.46	\$77,903.67	\$51,623.08
\$67,423.21	\$64,406.37	\$64,300.79	\$59,391.27	\$64,461.98
\$58,688.81	\$25,740.82	\$41,283.34	\$46,798.97	\$36,937.51
\$25,863.41	\$24,888.16	\$23,667.43	\$23,667.47	\$24,479.14
\$19,515.41	\$1,542.20	\$28,135.89	\$17,852.10	\$16,625.42

Revenues Over (Under) Expenditures	(\$116,826)	\$86,498	\$153,324	(\$11,022)
Beginning Fund Balance	\$2,186,650	\$2,186,650		\$2,273,148
Ending Fund Balance	\$2,069,824	\$2,273,148		\$2,262,126



PROPERTY CORPORATION MEETING
Friday, May 12, 2023

Agenda Item #6 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 Douglas Nicholls

Attachment: May 13, 2022 Minutes

Action Requested: Approval

**MINUTES
PROPERTY CORPORATION OF ARIZONA CITIES AND TOWNS
BOARD MEETING**

Friday, May 13, 2022
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

League President Cathy Carlat called the meeting to order at 11:16 a.m.

1. REVIEW AND ADOPTION OF MINUTES OF LEAGUE PROPERTY CORPORATION

Mayor Sandy Moriarty of Sedona moved to approve the minutes of the May 14, 2021, League Property Corporation meeting; Mayor Ed Honea of Marana seconded the motion and it carried unanimously.

2. PROPERTY CORPORATION BUDGET 2022 - 2023

President Cathy Carlat asked Executive Director Tom Belshe to provide an update on the Property Corporation budget.

Executive Director Tom Belshe shared that the building tenants have increased revenues. The League updated its estimated accounting and auditing expenses due to increased fees. The amount for waste

management costs has changed so that the League is no longer bearing a higher cost for the shared resource. A line item was created for parking lot upgrades.

President Cathy Carlat asked for any discussion on the Property Corporation budget.

Mayor Sandy Moriarty moved to adopt the FY 23 Property Corporation budget as recommended by the Budget Subcommittee; Mayor Craig McFarland of Casa Grande 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.

President Cathy Carlat asked for discussion on this item and requested a motion. Mayor Sandy Moriarty of Sedona moved to elect the League officers and members of the Executive Committee as the board of directors for the Property Corporation; Mayor Ed Honea of Marana seconded the motion and it carried unanimously.

Seeing no further business, President Cathy Carlat adjourned the Property Corporation Meeting at 11:20 a.m.



PROPERTY CORPORATION MEETING
Friday, May 12, 2023

Agenda Item #7 **Property Corporation Budget for 2023-2024**

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 Mila Besich, Superior, Budget Subcommittee Chair
Tom Belshe

Attachment: FY 2023-2024 Recommended Budget and Budget Narrative

Action Requested: Approval

2023-2024 Property Corporation Budget

PROPOSED

REVENUES	Budget FY 2023	Expected FY 2023	Over / (Under)	PROPOSED FY 2024
Rental Income	130,930	132,578	1,648	132,180
Building Improvement Fund*	10,000	10,000	---	10,000
Interest	35	15	(20)	20
Miscellaneous	1,500	1,500	0	1,500
TOTAL REVENUES	142,465	144,093	1,628	143,700

LACT: \$105,000; Press: \$27,180*;
*new tenant eff Jan 1, 2023

AGC's 1/2 share of dumpster cost

EXPENDITURES				
Accounting and Auditing	7,900	7,849	(51)	8,700
Capital Outlay	70,000	87,796	17,796	20,000
Insurance	6,500	3,348	(3,152)	6,500
Maintenance Services/Agreements	54,000	53,571	(429)	55,000
Operating Expenses	5,000	4,984	(16)	6,000
Repairs and Maintenance	24,000	34,362	10,362	15,000
Utilities	24,000	24,117	117	24,000
TOTAL EXPENDITURES	191,400	216,027	24,627	135,200

\$5340 accountants; \$3308 audit
install security cameras in FY24

Revenues Over (Under) Expenditures	(\$48,935)	(\$71,934)	(\$22,999)	\$8,500
Beginning Fund Balance	\$211,528	\$211,528		\$139,594
Ending Fund Balance	\$162,593	\$139,594	(\$22,999)	\$148,094

* Building Improvement Fund has collected \$50,000 since it started in FY19.

PROPERTY CORPORATION FISCAL YEAR 2023-2024

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
Axios (1 desk @ \$100 ea/mo)	1,200
Plus estimated taxes	780
Total	<u>\$132,180</u>

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 \$20 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 \$143,700

EXPENDITURES

ACCOUNTING AND AUDITING: A total of \$8,700 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 \$20,000 is budgeted for this year.

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 \$55,000.

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 \$6,000.

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 \$15,000 is budgeted.

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

TOTAL EXPENDITURES \$135,200



PROPERTY CORPORATION MEETING
Friday, May 12, 2023

Agenda Item #8 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 Douglas Nicholls

Action Requested: Approval



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

League Budget Report

Property Corporation Budget Report

League of Arizona Cities & Towns
FY 2022-2023 Budget vs. Actual
July 2022 through March 2023

	Jul '22 - Mar 23	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4000 · Affiliate Group Contribution	120,794.64	150,367.00	-29,572.36	80.3%
4005 · Annual Conference	722,493.45	400,000.00	322,493.45	180.6%
4010 · Dues	2,234,308.00	2,234,307.00	1.00	100.0%
4020 · Miscellaneous	12,228.07	14,000.00	-1,771.93	87.3%
4016 · Partnership Programs	32,298.71	48,500.00	-16,201.29	66.6%
4030 · Risk Pool	134,924.61	167,000.00	-32,075.39	80.8%
4035 · Seminars & Meetings	46,015.00	40,000.00	6,015.00	115.0%
4040 · Interest Income	70,163.11	5,000.00	65,163.11	1,403.3%
Total Income	3,373,225.59	3,059,174.00	314,051.59	110.3%
Expense				
5005 · Annual Conference (Expense)	465,081.68	230,000.00	235,081.68	202.2%
5010 · Benefits	405,849.71	544,000.00	-138,150.29	74.6%
5015 · Capital Outlay	4,883.60	15,000.00	-10,116.40	32.6%
5030 · Equipment Rental & Maintena...	7,183.16	9,000.00	-1,816.84	79.8%
5035 · Executive Committee	3,633.33	6,000.00	-2,366.67	60.6%
5050 · Insurance	6,362.75	9,000.00	-2,637.25	70.7%
5055 · Postage & Shipping	4,429.53	6,000.00	-1,570.47	73.8%
5057 · PR & Communications	49,947.94	62,000.00	-12,052.06	80.6%
5060 · Printing	12,987.49	10,000.00	2,987.49	129.9%
5065 · Professional Services				
5065-1 · Accounting Services	40,648.20	49,000.00	-8,351.80	83.0%
5065-3 · Legal Services	27,932.00	36,000.00	-8,068.00	77.6%
5065-2 · Contract Lobbying & Cons...	221,418.75	278,000.00	-56,581.25	79.6%
Total 5065 · Professional Services	289,998.95	363,000.00	-73,001.05	79.9%
5070 · Rent	78,750.00	105,000.00	-26,250.00	75.0%
5071 · Salaries	1,142,046.72	1,550,000.00	-407,953.28	73.7%
5075 · Seminars and Meetings	49,449.61	44,000.00	5,449.61	112.4%
5085 · Subscriptions & Dues	58,152.50	64,000.00	-5,847.50	90.9%
5090 · Supplies	75,131.53	55,000.00	20,131.53	136.6%
5095 · Telecommunications	19,534.63	24,000.00	-4,465.37	81.4%
5100 · Travel	17,010.60	20,000.00	-2,989.40	85.1%
5115 · Prop Corp-Bldg Improvement ...	10,000.00	10,000.00	0.00	100.0%
5120 · Reserve Fund Expenditure	0.00	50,000.00	-50,000.00	0.0%
Total Expense	2,700,433.73	3,176,000.00	-475,566.27	85.0%
Net Ordinary Income	672,791.86	-116,826.00	789,617.86	-575.9%
Net Income	672,791.86	-116,826.00	789,617.86	-575.9%

Property Corporation
FY 2022-2023 Budget vs. Actual
July 2022 through March 2023

	Jul '22 - Mar 23	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4003 · Building Improvement Fund	10,000.00	10,000.00	0.00	100.0%
4000 · Rental Income	102,417.50	130,930.00	-28,512.50	78.2%
4005 · Miscellaneous	0.01	1,500.00	-1,499.99	0.0%
4010 · Interest	12.52	35.00	-22.48	35.8%
Total Income	112,430.03	142,465.00	-30,034.97	78.9%
Expense				
5000 · Maintenance Services/Agreements	45,488.64	54,000.00	-8,511.36	84.2%
5015 · Utilities	17,312.20	24,000.00	-6,687.80	72.1%
5020 · Repairs and Maintenance	26,571.87	24,000.00	2,571.87	110.7%
5025 · Operating Expenses	14,951.27	5,000.00	9,951.27	299.0%
5030 · Accounting and Auditing	3,080.00	7,900.00	-4,820.00	39.0%
5035 · Insurance	3,743.22	6,500.00	-2,756.78	57.6%
5040 · Capital Outlay	90,625.84	70,000.00	20,625.84	129.5%
Total Expense	201,773.04	191,400.00	10,373.04	105.4%
Net Ordinary Income	-89,343.01	-48,935.00	-40,408.01	182.6%
Net Income	-89,343.01	-48,935.00	-40,408.01	182.6%