

MINUTES
LEAGUE OF ARIZONA CITIES AND TOWNS
EXECUTIVE COMMITTEE MEETING

Thursday, November 9, 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 +
Ginny Dickey, Mayor, Fountain Hills *
Brigette Peterson, Mayor, Gilbert
Jerry Weiers, Mayor, Glendale+
Al Gameros, Mayor, Globe +
Joe Pizzillo, Mayor, Goodyear
Cal Sheehey, Mayor, Lake Havasu City +
Tom Schoaf, Mayor, Litchfield Park

Ed Honea, Mayor, Marana
Nancy Smith, Mayor, Maricopa +
John Giles, Mayor, Mesa
Jerry Bien-Willner, Mayor, Paradise Valley
Jason Beck, Mayor, Peoria *
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 10:00 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 Mila Besich of Superior moved to approve the minutes of the August 4, 2023, Executive Committee Meeting; Mayor Tom Murphy of Sahuarita seconded the motion and the motion carried unanimously.

2. RECAP OF THE 2023 ANNUAL CONFERENCE

Executive Director Tom Belshe introduced Deputy Director Matt Lore to provide the 2023 League Annual Conference Recap.

Deputy Director Matt Lore explained that this conference achieved the highest attendance figures, revenue, and sponsorship of any League conference. This was the first conference contract signed post COVID-19, thus the costs were on the higher end, nonetheless, budget numbers were a success.. Planning for the 2024 conference has already been set in motion. The 2024 Conference will be held at the Arizona Biltmore Resort from August 27-30. Also, plans for the 2025 Conference are underway, allowing it to be held in the Valley, as the JW Marriott Starr Pass in Tucson would not be able to accommodate the high attendance rates. President Douglas Nicholls inquired if this is the highest number of attendees the conference has historically ever had, Director Lore answered yes, since usually attendance numbers are down when Conferences are held in Tucson, but higher in the Valley.

Executive Director Tom Belshe applauded Director Lore's efforts in training two new employees and successfully navigating this conference.

3. 2022-2023 AUDIT REPORT

President Douglas Nicholls asked Executive Director Tom Belshe to provide the 2022-2023 Audit Report.

Executive Director Tom Belshe started off by thanking Sandy Morari, who has been with the League for 39 years, as her dedication ensured a smooth audit process. No questions arose on the Audit Report. Mayor Tom Murphy of Sahuarita motioned to approve the Audit Report, Mayor Bridgette Peterson of Gilbert seconded the motion and it passed unanimously.

4. LEGISLATIVE POLICY OVERVIEW AND UPDATE

Executive Director Tom Belshe introduced Legislative Director Tom Savage to provide the Legislative Policy Overview and Update. Legislative Director Tom Savage noted that we are sixty days away from the 2024 Legislative Session. League staff are working on getting sponsors for League resolutions adopted at the Annual Conference.

The main items that League staff are working on consisted of Legislation for the online petition signatures, body scanning machines, restrictions on short-term rentals, and another bill to remove petition requirements for Municipal improvement districts.

Housing

League staff is working on speaking at the Democratic Bicameral caucus meetings on property tax reclassification for infill redevelopment and housing issues. The League's General Counsel worked with an attorney working group to develop four model ordinances that are on the League's website related to the new authorities granted under SB 1103 regarding administrative approvals. A survey will be conducted in the next couple of weeks to better understand what activities each city is working on regarding housing. The League has been holding work group meetings to come up with legislative

solutions to deal with issues impacting cities and will engage with the legislature to find sponsors for reform ideas when it comes to the Sober Living Homes issue. In reference to the last Executive Session, Governor Hobbs addressed her commitment to work with the cities to find revenue replacements to address budget shortfalls due to the Residential Rental Tax being eliminated in 2025. JLBC has released estimates on the state fiscal situation in this fiscal year. we are looking at a \$400 million deficit, and in the next fiscal year an additional \$450 million deficit. Executive Director Tom Belshe commented on a meeting with Home AZ which concluded with an agreement to form subcommittees to handle various housing issues.

Online Retail

Executive Director Tom Belshe brought up another issue that has not been on the legislative agenda until now: online retail. The Department of Revenue reviews the state statute when problems occur to offer a ruling on how certain actions must be conducted. This issue arose from an audit that was performed on a particular company, and the audit findings highlighted that funding was being allocated to one city. Thus, the Department of Revenue created a TPR to aid in the money distribution process. The TPR that was developed and presented to the Sales Tax Auditors from the cities uses physical nexus instead of economic nexus. League staff are meeting with the Director of the Department of Revenue as well as one of the attorneys from the Department of Revenue to make changes to the TPR. The breakdown process of the TPR is currently through zip codes, location of cities, and use of a city and town locator. No other questions or comments were made relating to the report.

5. RESOLUTION SUPPORTING CONTINUATION OF THE AFORDABLE CONNECTIVITY PROGRAM

President Douglas Nicholls introduced Deputy Director Rene Guillen who explained to those in the committee who are unfamiliar with the program that it subsidizes internet services to those who are SNAP eligible, to receive a reduced price on internet services from participating providers.

The program was given \$14 billion in initial funding, yet the program is estimated to run out of money by next year. This is a great tool for the cities and towns therefore, the intent is to inform the committee about the program's benefits, and the decision to support its continuation is up to their discretion. Deputy Director Rene Guillen then opened the floor for questions and comments.

The Executive Committee expressed their support for this program and shared their own cities and towns experiences bridging the digital divide.

Deputy Director Rene Guillen also discussed his involvement with the Governor's Interagency Council on Broadband to support the Broadband, Equity, Access, and Deployment program which aims to connect those who are unserved or underserved. Executive Director Tom Belshe expressed his enthusiasm in working with the Arizona Congress Authority on this matter. Deputy Director Rene Guillen highlighted the 2020 Census which relied heavily on online counting methods, and how that will affect the 2030 census raising the issue of connectivity when it comes to population counting. President Douglas Nicholls called for a motion to adopt the proposed resolution. Vice President Kevin Hartke motioned to adopt the resolution, Mayor John Giles of Mesa seconded the motion, the resolution passed unanimously.

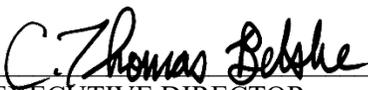
Report By League General Counsel, Nancy Davidson

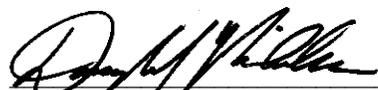
President Douglas Nicholls introduced General Counsel Nancy Davidson to give a brief report. Nancy Davidson discussed various model ordinances that she has worked on with the Attorney Working Group and welcomed ideas for other resources that could be developed by the Working Group in the future. She asked the committee and stakeholders to provide feedback about the ordinances and measures that have been successful in their jurisdictions regarding the development of housing. Nancy explained she is working on a checklist that may assist some cities and towns in improving development processes and codes. She highlighted that, since the last Executive Committee meeting, The League has participated in three amicus briefs in support of cities. The first is the amici brief with the City of Phoenix and other parties in the U.S. Supreme Court case called Johnson v. City of Grants Pass regarding homelessness. The second is an amici brief with the City of Phoenix, the League of California Cities, the California State Association of Counties. It was filed in a Ninth Circuit case involving the City of Sacramento regarding its homeless encampments. The third amicus was filed by the League in a Superior Court case that addresses the Legislature's attempt to dilute local initiative power or otherwise make it more difficult to pass a local initiative. The League does not typically file amicus briefs at the Superior Court level, but the Amicus Committee voted in favor of the brief because of the importance of the issues and the potential statewide impacts. Nancy will be hosting a webinar next week to provide a brief update to cities about the PFAAs litigation and important deadlines regarding the proposed settlement agreements. Most of the League's publications have been updated to reflect the new laws and are available on the League website.

Mayor David Ortega of Scottsdale commented on the model and planning issues highlighting local control as a strategy that might be useful to the League.

President Douglas Nicholls called for any other business for the good of the order. No other business was brought forth.

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


EXECUTIVE DIRECTOR


PRESIDENT