

MINUTES
LEAGUE OF ARIZONA CITIES AND TOWNS
EXECUTIVE COMMITTEE MEETING

Friday, February 7, 2025 at 10:00 a.m.
League of Arizona Cities and Towns
1820 W. Washington St.
Phoenix, Arizona

MEMBERS

President

Kevin Hartke, Mayor, Chandler

Vice President

Mila Besich, Mayor, Superior

Treasurer

Jerry Weiers, Mayor, Glendale

Ken Budge, Mayor, Bisbee +
Eric Orsborn, Mayor, Buckeye
Lisa Fitzgibbons, Mayor, Casa Grande
Robyn Prud'homme-Bauer, Mayor, Clarkdale *
Alexis Hermosillo, Mayor, El Mirage +
Becky Daggett, Mayor, Flagstaff *
Al Gameros, Mayor, Globe +
Joe Pizzillo, Mayor, Goodyear
Cal Sheehey, Mayor, Lake Havasu City +
Tom Schoaf, Mayor, Litchfield Park +
Nancy Smith, Mayor, Maricopa +

Mark Freeman, Mayor, Mesa
Mark Stanton, Mayor, Paradise Valley
Jason Beck, Mayor, Peoria *
Kate Gallego, Mayor, Phoenix
Stephanie Irwin, Mayor, Pinetop-Lakeside +
Julia Wheatley, Mayor, Queen Creek
Tom Murphy, Mayor, Sahuarita +
Corey Woods, Mayor, Tempe +
Regina Romero, Mayor, Tucson +
Roberta Cano, Mayor, Winslow
Douglas Nicholls, Mayor, Yuma

*Not in attendance

+ Attended via Zoom

President Kevin Hartke called the meeting to order at 10:05 a.m. He then led the Executive Committee in a moment of silence and the Pledge of Allegiance.

Mayor Hartke recognized the newest Executive Committee members elected in January: Mayor Eric Orsborn, Mayor Lisa Fitzgibbons from Casa Grande, Mayor Becky Daggett from Flagstaff, Mayor Mark Freeman from Mesa, Mayor Mark Stanton from Paradise Valley, Mayor Julia Wheatley from Queen Creek, and Mayor Roberta Cano from Winslow.

1. REVIEW AND ADOPTION OF MINUTES

President Kevin Hartke requested a motion on the adoption of the minutes. Mayor Mark Freeman of Mesa moved to approve minutes of the November 8, 2024 and January 24, 2025 Executive Committee

Meetings; Mayor Alexis Hermosillo of El Mirage seconded the motion and the motion carried unanimously.

2. LEGISLATIVE POLICY OVERVIEW AND SESSION UPDATE

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

Governor's Budget

Tom Savage provided an update on the Governor's executive budget. He reported that it proposed \$17,700,000,000 in expenditures with no proposed changes to state shared revenue or other state-level municipal revenue. Some highlights included:

- \$15,000,000 appropriation to housing trust fund
- \$13,000,000 for smart transportation grants
- Extension of the low-income housing tax credit
- \$7,000,000 one-time deposit for the attorney general for sober living home travel response fund
- \$2,500,000 to the State Parks Heritage Fund
- \$30,000,000 for wildfire suppression
- \$2,000,000 for the state land department for additional positions or contracts to bring parcels of state land to auction

Food Tax

Tom Savage discussed two bills related to the municipal food tax:

- HCR 2021 proposes to repeal the food tax entirely, which would have an over \$200,000,000 impact on cities and towns. The Joint Legislative Budget Committee estimated the impact at about \$237,000,000.
- HB 2766 proposes to apply the tax only to sugary drinks and junk food, exempting produce, meats, and dairy.

Savage noted that HCR 2021 is on the agenda for the Ways and Means Committee next week. He mentioned ongoing conversations about mitigating the impact, including potentially exempting rural communities or putting a population cap.

Several mayors expressed concerns about the potential impact of repealing the food tax. Mayor Nichols suggested focusing on tying the food tax to public safety funding, as it would be more politically viable. Mayor Wheatley pointed out that for Queen Creek, the food tax helps recoup costs from non-residents using city infrastructure and services. Mayor Cano offered to work with other mayors to organize regional representation at the committee meeting.

Zoning Legislation

Mr. Savage discussed several zoning-related bills, including SB 1229 and HB 2371, which are similar to last year's vetoed starter home legislation. These bills contain preemptions on zoning and land use authority, reduce lot sizes, and impose limitations on design and aesthetic guidelines.

He also mentioned SB 1698, a counter-proposal that the League has been working on, which provides a starter home alternative that is more tailored and emphasizes affordability.

Mr. Savage highlighted HB 2191, the "Yes in God's Backyard" bill, which proposes by-right zoning for properties owned by faith-based organizations for single-family and multi-family construction.

League Resolutions

Mr. Savage provided updates on several League resolutions, including:

- HB 2308 - This bill aims to restore some zoning and land use authority related to short-term rentals that cities and towns lost in 2016.
- HB 2595 - This bill would remove the preemption on inclusionary zoning and allow cities to require apartment complexes above 20 units to set aside 20% for affordability.
- SB 1361 - This bill, related to sober living homes, passed out of the Senate Health Committee with only one no vote. It aims to provide the Department of Health Services more authority for inspections and license revocation, and ensure more collaboration with cities and towns.

Municipal Tax and Fee Increase Limitations

Mr. Savage discussed SB 1013 and SCR 1008, which would require a three-quarter vote of the council to raise or establish new fees or taxes for local governments. This would apply to enterprise funds such as water, sewer, and trash rates.

3. REPORT FROM LEAGUE BUDGET SUBCOMMITTEE

President Kevin Hartke introduced Executive Director, Tom Belshe to review the proposed changes to the budget.

Tom Belshe presented the proposed budget for the League. He highlighted the following points:

- The League has a large fund balance of over \$2,000,000.
- They are making improvements to the building, including upgrading the electrical system and adding covered parking with solar panels.
- They did not raise dues last year and are proposing an average 5% increase this year.
- New additions to the budget include contracts with Scutari and Cieslak media relations, and with Anubhav Bagley's new company.
- There were some increases in insurance and other benefits due to inflation.

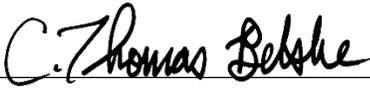
Mayor Jerry Weiers, as chair of the budget subcommittee, made a motion to accept the proposed FY '26 League dues structure. Mayor Douglas Nicholls of Yuma seconded the motion and it carried unanimously.

4. PROPOSED AUDIT FIRM CONTRACT

Executive Director Tom Belshe explained that after three years with their previous auditor, Clifton Larson Allen, it was time to go out for a new audit contract. They received a proposal from Heinfeld Meech, a firm that audits many cities and towns. Belshe proposed extending the contract to Heinfeld Meech.

President Kevin Harke called for a motion to approve the audit contract with the firm of Heinfeld Meech for the next three years. Mayor Mila Besich of Superior approved the motion; Mayor Roberta Cano of Winslow seconded the motion and it carried unanimously.

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


EXECUTIVE DIRECTOR


PRESIDENT