



February 6, 2026

EXECUTIVE COMMITTEE MEETING



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

Friday, February 6, 2026 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 February 6, 2026, 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. Report from League Budget Subcommittee and possible action to approve FY 2027 Dues Schedule.

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



EXECUTIVE COMMITTEE MEETING

Friday, February 6, 2026

Agenda Item #1 Review and Adoption of Minutes

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

Responsible Person: Mayor Kevin Hartke, President

Attachments: November 7, 2025 Executive Committee Meeting Minutes
November 14, 2025 Special Executive Committee Meeting Minutes
December 8, 2025 Special Executive Committee Meeting Minutes
January 9, 2026 Special Executive Committee Meeting Minutes

Action Requested: Approval

MINUTES
LEAGUE OF ARIZONA CITIES AND TOWNS
EXECUTIVE COMMITTEE MEETING

Friday, November 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 9:01 a.m. He then led the Executive Committee in a moment of silence and the Pledge of Allegiance.

1. REVIEW AND ADOPTION OF MINUTES

President Kevin Hartke requested a motion on the adoption of the minutes. Mayor Robyn Prud'homme-Bauer of Clarkdale moved to approve minutes of the August 1, 2025 Executive Committee Meeting; Mayor Mila Besich of Superior seconded the motion and the motion carried unanimously.

2. RECAP OF 2025 ANNUAL CONFERENCE

Tom Belshe introduced this agenda item by acknowledging that Matt Lore had done an excellent job with the conference. He stated that if it wasn't their most successful conference to date, it was close to it, with record amounts of sponsorship and attendance, and very good reviews.

Matt reported that just over 1,700 people attended the conference, marking their largest attendance to date. The conference exceeded budget expectations, and sponsorship money reached a record high. Matt explained that the conference is the League's second-largest source of revenue, and while they work to keep it affordable for cities and towns, this is becoming increasingly difficult at resort venues in the current economy.

Matt noted that detailed financial reports, attendance information, and survey results were included in the meeting packet. He explained that they review the feedback carefully to improve future conferences and invited committee members to submit ideas for sessions, speakers, or new projects for upcoming events.

Matt announced that next year's conference would be held at the Biltmore in Phoenix from August 18-21, 2025. He mentioned that finding venues large enough to accommodate their growing attendance has become challenging, which explains why they haven't held the conference in Tucson for several years.

3. 2024-2025 AUDIT REPORT

Tom Belshe reported that the audit was included in the meeting packet. He stated there were no issues that needed to be brought to the Committee's attention and everything went well with the audit. He noted this was their first year with a new auditor. Tom praised Sandy Morari and her staff for being well-prepared for the auditors, which made the process efficient.

Mayor Tom Schoaf commented that while the audit was clean, the financial statements indicated that the League cannot afford to spend at the same level as the previous year if they want to maintain reserves. He noted that reserves currently stand at about \$1 million, and another loss of \$800,000-900,000 would leave the organization with no equity. Mayor Schoaf pointed out that the League has historically had significant reserves, but they are now becoming accustomed to adopting deficit budgets, which is concerning.

Mayor Schoaf explained that operations exceeded the planned deficit by \$200,000, primarily due to consulting fees, though these may have been justified. He cautioned that continuing this pattern might necessitate dues increases for member cities.

Tom Belshe acknowledged Mayor Schoaf's concerns, noting that a large portion of the expenditures related to ongoing construction. Tom agreed on the need to rebuild reserves to 20% and monitor spending.

Mayor Jerry Weiers recalled that 12-13 years ago, during the economic downturn, many cities struggled to pay their dues. He emphasized the importance of careful spending to avoid the need for dues increases, especially in a challenging economy.

Following discussion, the Chair noted that the Committee needed to formally approve the audit report. Motion to approve the 2024-2025 Audit Report was made by Mayor Schoaf, seconded by Mayor Tom Murphy, and passed unanimously.

4. LEGISLATIVE POLICY OVERVIEW AND UPDATE

Tom Belshe introduced Tom Savage to provide an update on legislative matters. Tom Savage reported that they were 66 days away from the start of the legislative session, scheduled for January 12. He mentioned they were preparing bill folders for the seven resolutions adopted at the conference.

Tom Savage highlighted several key legislative priorities:

- **Short-term rentals:** The League is modifying last year's proposal to address common nuisance issues and restore zoning authority lost in 2016. He noted that Airbnb has established a new PAC called the Responsible Tourism Coalition with a mid-six-figure budget to advance their interests in the upcoming elections and has acquired a new contract lobbyist.
- **Data centers:** There is growing interest from economic development stakeholders in advancing data center legislation. Some cities across the state have updated their ordinances to address the growth of AI data centers. The federal administration has signaled support for AI development and reduced federal permitting requirements, which may influence state-level decisions on local zoning or permitting requirements.
- **State fiscal health:** The Finance Advisory Committee discussed tax conformity, which is anticipated to result in a general fund revenue loss of approximately \$1.1 billion over the next three fiscal years due to provisions in HR 1, including no tax on tips, SALT deductions, and increased senior standard deductions. There is a one-time reimbursement of \$750 million for border security, but this won't offset the revenue loss.

Tom Savage mentioned that the upcoming Intergov retreat would focus on planning and strategizing for these and other issues, including the reintroduction of housing bills.

Mayor Kate Gallego expressed significant concerns about data centers, noting that Phoenix has at least ten facilities seeking to locate adjacent to residential neighborhoods. She described issues with noise, diesel generators, and impacts on neighboring properties. Mayor Gallego pointed out that many of these facilities are owned by wealthy international investors but resist implementing basic mitigation measures like noise abatement and landscaping.

Mayor Gallego highlighted that data center power requests in Phoenix are twice what the entire city uses, raising concerns about economic dependency on a sector with relatively few long-term jobs. She noted that power costs are increasing nationwide due to data center growth and suggested they should pay their fair share of taxes to support municipal services.

Mayor Osborne acknowledged that this issue affects different communities differently, noting potential implications for CAP water that needs to be resolved by 2026.

Mayor Gallego suggested forming a stakeholder group to find solutions that work for different communities like Phoenix and Buckeye, which have different needs.

Tom Savage mentioned that at the upcoming Intergov retreat, they were planning to form a "data center coalition" of cities to better coordinate messaging to legislators about the impacts of these facilities. The Chair agreed that this was a significant issue affecting communities differently but that power grid integrity was a common concern. He encouraged mayors to be involved in the conversation at different levels.

Mayor Eric Orsborn explained that his city (Buckeye) has 640 square miles that are only 15% built out, providing space to locate data centers away from residential areas. He mentioned that APS is working on a subscription model where data center developers pay for power construction, addressing some concerns. He suggested finding solutions that account for different areas' needs, noting that data centers could provide significant property tax revenue for his community.

Mayor Tom Schoaf emphasized the need to consider both the benefits and costs of economic development. He pointed out that traditional business incentives typically focus on job creation, but data centers create relatively few jobs while requiring significant resources. He suggested a more careful approach to incentivizing data centers, particularly when they may harm current residents. Mayor Freeman from Mesa shared that his city has 15 data centers and has implemented tax amendments to isolate where future facilities can be located. He noted they've had to grandfather in existing facilities but have established rules for buffering and other mitigation measures.

The Chair encouraged the League to gather a variety of voices on this issue, emphasizing that it affects the viability of communities in terms of both economic growth and essential resources like water and power.

5. EXECUTIVE SESSION TO DISCUSS THE SELECTION OF THE EXECUTIVE DIRECTOR PURSUANT TO A.R.S. SEC. 38-431.03(A)(1)

The Chair explained the process for selecting a new Executive Director. He noted that at the August 1 meeting, Tom had announced his intention to step down, and the Committee agreed that Chandler's HR department would conduct the search since there were internal candidates.

A candidate profile was developed and disseminated from August through mid-September. Fourteen people applied from across the state. Nine mayors from diverse geographic areas served on the search committee. The committee narrowed the candidates to four through a forced ranking process, then conducted 15-minute "spark interviews" with the top candidates before selecting three finalists. Motion to enter into executive session was made by Mayor Myers, seconded by Mayor Schultz, and approved unanimously.

The Committee entered executive session with attorneys Justin Pierce and Nancy Davidson to interview the three finalists for the Executive Director position.

6. SELECTION OF EXECUTIVE DIRECTOR

Following the executive session, the Chair reconvened the regular meeting. He thanked all candidates who applied, noting that they were all extraordinary individuals.

A motion to enter negotiations with Nick Ponder to serve as the next Executive Director of the League of Arizona Cities and Towns was made by Mayor Kate Gallego, seconded by Mayor Mila Besich, and passed unanimously.

President Hartke called for any other business for the good of the order. No other business was brought forth. President Hartke adjourned the Executive Committee at 12:05 pm.

MINUTES
LEAGUE OF ARIZONA CITIES AND TOWNS
EXECUTIVE COMMITTEE MEETING

Friday, November 14, 2025 at 1:00 p.m.
Via Zoom Video/Audio Conferencing

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 Gamos, 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

President Kevin Hartke called the meeting to order at 1:04 p.m. He then invited Nick Ponder to share his thoughts before the group moved into an executive session. Nick announced his withdrawal from consideration for the League Executive Director position. Mayor Hartke thanked Nick for his contributions to the League and confirmed that the organization would move forward with the selection process.

1. EXECUTIVE SESSION TO DISCUSS THE EXECUTIVE DIRECTOR CONTRACT AND OBTAIN LEGAL ADVICE PURSUANT TO A.R.S. SEC. 38-431.03(A)(3) AND (A)(4).

A motion to enter into executive session was made by Mayor Alexis Hermosillo of El Mirage, seconded by Mayor Tom Murphy of Sahuarita, and approved unanimously.

The Committee entered executive session with attorneys Justin Pierce and Nancy Davidson to discuss the selection of an Executive Director.

2. NEXT STEPS IN EXECUTIVE DIRECTOR SELECTION PROCESS

Following the executive session, the Chair reconvened the regular meeting.

A motion to authorize the League's attorney and the President to enter contract negotiations with Rene Guillen to serve as the next Executive Director of the League of Arizona Cities and Towns was made by Mayor Mila Besich of Superior, seconded by Mayor Ken Budge of Bisbee, and passed unanimously.

President Hartke adjourned the Executive Committee at 2:01 pm.

**MINUTES
LEAGUE OF ARIZONA CITIES AND TOWNS
EXECUTIVE COMMITTEE MEETING**

Monday, December 8, 2025 at 2:00 p.m.
Via Zoom Video/Audio Conferencing

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

President Kevin Hartke called the meeting to order at 2:00 p.m.

1. EXECUTIVE SESSION FOR LEGAL ADVICE AND TO DISCUSS AND CONSIDER THE PUBLIC BODY'S POSITION REGARDING THE PROPOSED EMPLOYMENT CONTRACT FOR THE EXECUTIVE DIRECTOR POSITION PURSUANT TO A.R.S. SEC. 38-431.03(A)(3) AND (A)(4).

The Chair opened the meeting and noted that although an executive session had been listed on the agenda as a precautionary measure, there did not appear to be a need to enter into executive session. The Chair asked if any committee members felt it necessary to go into executive session to discuss the contract, but no members indicated such a desire. Attorney Justin Pierce was present at the meeting and available to answer questions if needed.

2. DISCUSSION AND POSSIBLE ACTION REGARDING THE EMPLOYMENT CONTRACT FOR THE EXECUTIVE DIRECTOR POSITION.

The Chair called for any questions regarding the proposed contract for the new Executive Director. Attorney Justin Pierce provided brief remarks, explaining that the contract was very similar to the previous Executive Director's contract and consistent with the committee's direction. He noted that he had worked with Rene Guillen to finalize the contract terms.

The Chair mentioned having spent time with Rene at the National League of Cities gathering in Salt Lake City to discuss the contract and other matters. When no committee members raised questions about the contract, the Chair called for a motion. Mayor Alexis Hermosillo of El Mirage moved to affirm the contract that Mr. Pierce had worked out with Mr. Guillen. Mayor Tom Murphy of Sahuarita Murphy seconded the motion. The motion passed unanimously.

Nancy Davidson from the League staff confirmed there was nothing else to discuss. The Chair thanked the committee members for taking time out of their busy holiday schedules to attend the meeting and wishing everyone happy holidays.

President Hartke adjourned the Executive Committee meeting at 2:04 pm.

MINUTES
LEAGUE OF ARIZONA CITIES AND TOWNS
EXECUTIVE COMMITTEE MEETING

Monday, January 9, 2026 at 10:00 a.m.
Via Zoom Video/Audio Conferencing

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 Gamos, 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

President Kevin Hartke called the meeting to order at 10:00 a.m.

Discussion and Possible Action Regarding the League's Position on Potential Data Center Legislation

League Executive Director Rene Guillen opened the discussion by explaining that data centers have ignited conversations at local, state, and national levels. Due to the importance of the issue, he felt it was necessary to bring the issue to the Executive Committee for direction. He then introduced Tom Savage for further detail.

Tom Savage, Legislative Director, provided detailed background on the issue. He noted that significant activity was expected related to data centers in the coming session, including potential legislation that may preempt or modify the role that cities and towns have in land use and planning for data centers. While no concrete proposal has been introduced yet, conversations amongst lawmakers suggest that measures would be forthcoming that could significantly modify municipal authority over land use and planning of data centers.

Mr. Savage reported that House Bill 2119, sponsored by Representative Neal Carter, had already been pre-filed, proposing to sunset the data center tax incentive at the end of 2026. He indicated that the Governor would likely highlight data centers as a matter of statewide concern in her State of the State address on Monday and would propose eliminating the data center tax incentive in her executive budget.

League staff had coordinated with many cities to form a data center work group to prepare for potential legislation. Through these conversations, staff found that all cities were aligned on opposing preemption of local authority over zoning, planning, or permitting data center construction. However, cities had a broad range of opinions regarding the data center tax incentive itself. Some cities questioned whether the incentive should exist, believing the industry could thrive without it, while other cities viewed the incentive as a tool to attract data centers that might not otherwise locate in their communities.

Mr. Savage presented three options for the Executive Committee's consideration. Option 1 was for the League to take no position, leaving individual cities and towns to take positions as they saw fit. Option 2 was to advocate for the phase-out or elimination of the tax credit. Option 3, referred to as the "local control option," would condition approval of the tax credit on local government consent, giving cities the decision whether the incentive could be used for a particular data center project in their community.

Mr. Savage also sought the Executive Committee's input on whether the League should coordinate a meeting with utility CEOs to discuss issues related to scaling energy needs to support data center growth, seek their input on bills affecting cities' roles in data center zoning and local decision-making, and explore areas of potential alignment with utilities on issues like behind-the-meter energy generation and storage.

Mayor Kate Gallego provided extensive context on Phoenix's experience with 39 data centers. She explained the historical rationale for the tax incentive, which originated after the 2008 downturn when utilities had excess capacity. She noted that data centers now represented significant demand, with utility pipelines requesting 17 gigawatts compared to 9 gigawatts of peak summer demand. She supported Representative Neal Carter's bill to eliminate the TPT exemption, noting these were among the world's wealthiest companies. She detailed numerous challenges including firefighter safety concerns, property value impacts, transmission line issues, noise complaints, and difficulties enforcing landscape requirements. She emphasized the McMicken battery fire incident in Surprise that resulted in severe injuries to firefighters, highlighting the importance of updated fire codes and hazmat preparedness.

Mayor Joe Pizzillo reported that Goodyear required all new data centers to be air-cooled to avoid water usage and provided no local incentives, believing data centers could succeed without subsidies.

Mayor Jerry Weiers expressed support for Option 3, noting that while Glendale had one large data center under construction, the city didn't want more and preferred local control to allow cities flexibility based on their individual circumstances.

Mayor Tom Murphy inquired whether Option 3 would allow cities to negotiate partial incentives with individual data centers. Tom Savage indicated this would need further examination but suggested it might require modifying the existing incentive criteria.

Mayor Thomas Schoaf emphasized that while supporting local control, data centers created impacts beyond individual jurisdictions, particularly regarding power generation costs that enter utility rate bases affecting all ratepayers statewide. He noted residents don't benefit from data center location since internet services work regardless of physical placement, and suggested the League should support statewide standards alongside local control.

Multiple mayors expressed support for Option 3 through comments and chat, including mayors from Mesa, Tempe, Casa Grande, Bisbee, Winslow, Pinetop-Lakeside, Maricopa, Clarkdale, Chandler, and others.

Mayor Mark Freeman noted Mesa's ordinance requiring data centers to pay for growth through capacity fees and emphasized the importance of municipalities choosing their own direction. He cautioned about trading future growth neighborhoods and commercial developments that generate general fund dollars for data centers that currently do not, noting Mesa has 15 grandfathered data centers but now has robust guidelines including fees.

Mayor Julia Wheatley noted the TPT incentive grew 370% in 2023 and 256% in 2024, doubling to \$38 million, creating budget unpredictability. She supported Carter's bill while acknowledging Arizona would continue attracting data centers due to its business environment, other incentives, and low natural disaster risk. She suggested better uses for those funds, such as Title 42 programs that generate more jobs and sales tax.

Mayor Douglas Nicholls expressed preference for Option 2 (eliminating the incentive) given the lack of significant long-term job creation, but supported Option 3 from a local control perspective. He reported a year of conversations with utility CEOs, warning that utilities were struggling to manage the problem and lacked a cohesive solution. He highlighted difficulties getting power allocations in rural areas, noting everything was "very Phoenix centric."

Mayor Roberta Cano emphasized rural Arizona's need for economic development opportunities and requested that cities with existing data center ordinances share what has and hasn't worked to help rural communities prepare.

Mayor Eric Orsborn strongly supported Option 3 and local control, opposing anything weakening the tax incentive. He described a potential \$130 billion data center development in Buckeye that would build infrastructure in areas currently lacking it and provide substantial property tax revenue—tens of millions annually when built out—plus significant construction sales tax for capital improvements. He emphasized the nuanced nature of impacts across different communities and requested comprehensive data on both costs and projected revenues. He suggested consulting with reputable data center operators to understand the full impact of repealing incentives.

Mayor Gallego additionally requested local control or input on transmission lines for data centers, noting Phoenix had lost 80 residential units to a transmission line for a data center and experienced property impacts including a church playground removal and residential property value concerns. Multiple mayors also expressed support for meeting with utility CEOs to discuss energy scaling, behind-the-meter generation and storage, and transmission policy impacts on existing neighborhoods.

The Executive Committee reached consensus supporting Option 3—conditioning approval of the data center tax credit on local government consent—while also supporting coordination of meetings with utility CEOs to discuss data center-related energy and transmission issues.

The League staff was directed to gather additional information including model ordinances, lessons learned from cities with existing data centers, comprehensive revenue and cost data, and information about transmission line local control options.

President Hartke adjourned the Executive Committee meeting at 2:04 p.m. thanking all participants for their input and wishing everyone a happy New Year.



EXECUTIVE COMMITTEE MEETING

Friday, February 6, 2026

Agenda Item #2 Legislative Policy Overview and Session Update

Summary: The First Regular Session of the Fifty-Seventh Legislature is now underway. League staff will review how positions are taken on legislation as well as report on the session as it relates to issues of interest to cities and towns. Major topics for discussion include:

- Governor's Budget
- Tax Conformity
- Food Tax
- Zoning Legislation
- League Resolutions
- Sourcing of Remote Sales
- Data Centers

Responsible Persons: Rene Guillen, Executive Director
League Legislative Staff

Links: [Your Voice at the Capitol](#)
[Legislative Bulletins](#)
[Municipal Policy Statement](#)

Action Requested: Discussion



EXECUTIVE COMMITTEE MEETING

Friday, February 6, 2026

Agenda Item #3 Report from Budget Subcommittee

Summary: Presentation from League Budget Subcommittee of preliminary
FY 2026-2027 League Budget and Adoption of FY27 Dues

Responsible Persons: Mayor Jerry Weiers, Budget Subcommittee Chairman
Rene Guillen, Executive Director

Attachments: Preliminary Draft FY 2027 League Budget
Recommended FY 2027 League Dues
Preliminary Draft FY 2027 Property Corporation Budget

Action Requested: Information / discussion of budgets
Approval of FY 2027 Dues Schedule

2026-2027 League Budget

PRELIMINARY DRAFT

REVENUES	Budget FY 2026	Expected FY 2026	Over / (Under)	PROPOSED FY 2027	% Change	% of Total Budget	Notes
Affiliate Group Contracts	227,000	231,416	4,416	234,000	3.1%	5.5%	ACMA, AMCA, GFOAz, AzWLG
Annual Conference	800,000	1,017,151	217,151	900,000	12.5%	21.3%	Estimate \$270K income
Dues	2,525,201	2,525,201	0	2,682,194	6.2%	63.3%	Option 3 (avg ~6% increase)
Interest	115,000	92,711	(22,289)	92,000	-20.0%	2.2%	
Miscellaneous	16,000	14,046	(1,954)	16,000	0.0%	0.4%	Includes publication sales & job postings.
Partnership Programs	42,000	41,031	(969)	42,000	0.0%	1.0%	American Legal (~\$5,000), APS Internship (\$12,000), Valley Schools (\$25,000)
Risk Pool	200,000	202,354	2,354	208,500	4.3%	4.9%	
Seminars and Meetings	40,000	38,875	(1,125)	60,000	50.0%	1.4%	NEO in Dec 2026 (FY27)
TOTAL REVENUES	\$3,965,201	\$4,162,785	\$197,584	\$4,234,694	6.8%		
EXPENDITURES							
Annual Conference	530,000	648,926	118,926	630,000	18.9%	14.9%	
Benefits	607,000	579,000	(28,000)	637,000	4.9%	15.0%	Estimate 10% increase to UHC premiums (eff. 10/2025). Estimate 3% increase to dental premiums (eff. 5/2025). Decrease of .027% in the ASRS contribution rate. Rec'd \$4K UHC rebate in FY25.
Capital Outlay	20,000	15,500	(4,500)	15,000	-25.0%	62.5%	O365 = ~\$5000 annually; computer equipment upgrades, etc
Equipment Rental & Maintenance	9,000	7,996	(1,004)	8,000	-11.1%	0.2%	
Executive Committee	7,000	10,080	3,080	7,000	0.0%	0.2%	
Insurance	7,000	7,050	50	7,000	0.0%	0.2%	
Postage & Shipping	6,000	5,609	(391)	6,000	0.0%	0.1%	
PR & Communications	130,000	126,533	(3,467)	130,000	0.0%	3.1%	Includes HighGround (\$60K); S+C (\$67); misc (\$3K)
Printing	17,000	15,400	(1,600)	16,000	-5.9%	0.4%	Includes directory, MPS, calendar, posters, business cards
Professional Services	658,000	670,663	12,663	570,000	-13.4%	13.5%	
Accounting	53,000	54,551	1,551	55,000	3.8%	1.3%	Includes audit, accountants & payroll processing service
Contract Lobbying & Consulting Svcs	575,000	595,590	20,590	490,000	-14.8%	11.6%	Includes HighGround (\$120K); Rounds (\$48K); H. Arellano (\$90K); Arth Analytics (\$48K); Horizon Strategies (\$25K); K Jackson (\$19K); Misc projects (\$49K); Robert Half Marketing (\$15k); ASU Fellows Intern (\$36K); T. Beishe (\$40K)
Legal	30,000	20,522	(9,478)	25,000	-16.7%	0.6%	
Prop Corp - Building Improvement Fund	10,000	10,000	0	10,000	0.0%	0.2%	Savings for building repairs / improvements.
Rent	105,000	105,000	0	105,000	0.0%	2.5%	
Salaries	1,710,000	1,649,470	(60,530)	1,825,000	6.7%	43.1%	COLA increases; plus Lee back to employee status from contract
Seminars and Meetings	70,000	68,754	(1,246)	70,000	0.0%	1.7%	
Subscriptions and Dues	72,000	75,318	3,318	75,000	4.2%	1.8%	
Supplies / Office Expenses	67,000	70,994	3,994	71,000	6.0%	1.7%	
Telecommunications	27,000	27,672	672	27,000	0.0%	0.6%	
Travel	24,000	24,898	898	24,000	0.0%	0.6%	
TOTAL EXPENDITURES	\$4,076,000	\$4,118,863	\$42,863	\$4,233,000	3.9%		
Reserve Fund	\$110,799						FY26 use of reserve funds to cover revenue deficiency.
Revenues Over (Under) Expenditures	\$0	\$43,922		\$1,694			
Beginning Fund Balance	\$1,152,970	\$1,152,970					
Ending Fund Balance	\$1,152,970	\$1,196,892					

AUDITED YEAR END FIGURES	Ending Balance	FY	Rev over Exp	* McKINSTRY BUILDING IMPROVEMENT PROJECT	
Total fund balance as of July 1, 2025	\$1,152,970	24-25	(\$966,398)	Proposed Improvements Cost	\$1,291,160.00
Total fund balance as of July 1, 2024	\$2,119,368	23-24	(\$128,983)	Payments made in FY25	-\$659,402.86
Total fund balance as of July 1, 2023	\$2,248,351	22-23	\$61,701	Payments made in FY26 as of 1/2026	-\$111,199.16
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)	Remaining Balance Still Due	\$520,557.98
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			

**Executive Committee approved proposed building improvement project using reserve funds. June 2025*

2026-2027 League Budget Narrative

PRELIMINARY DRAFT

REVENUES	Budget FY 2026	Expected FY 2026	Over / (Under)	PROPOSED FY 2027	% Change	% of Total Budget
Affiliate Group Contracts	227,000	231,416	4,416	234,000	3.1%	5.5%
The Arizona City/County Management Association (\$92,160), the Government Finance Officers Association of Arizona (\$80,896), the Arizona Municipal Clerks Association (\$15,360), and the Arizona Women Leading Government Association (\$43,000) contract with the League for staff services. The four associations currently pay \$231,416 for services including graphic design, website management, conference planning and membership management. Contracts increase annually based on current CPI.						
Annual Conference	800,000	1,017,151	217,151	900,000	12.5%	21.3%
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	2,525,201	2,525,201	0	2,682,194	6.2%	63.3%
The current dues formula is a \$4,700 base fee plus a varying per capita rate ranging from \$.565 to \$.595 depending on population. Cities over 185,000 population pay on a capped dues formula.						
Interest	115,000	92,711	(22,289)	92,000	-20.0%	2.2%
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	16,000	14,046	(1,954)	16,000	0.0%	0.4%
This item includes publication sales and job postings.						
Partnership Programs	42,000	41,031	(969)	42,000	0.0%	1.0%
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	200,000	202,354	2,354	208,500	4.3%	4.9%
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	38,875	(1,125)	60,000	50.0%	1.4%
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	\$3,965,201	\$4,162,785	\$197,584	\$4,234,694	6.8%	

Prior Years Actuals

FY24-25 Actual	FY23-24 Actual	FY22-23 Actual	FY21-22 Actual	FY20-21 Actual
\$200,916.63	\$173,416.63	\$168,596.38	\$159,450.00	\$137,950.00
\$898,700.00	\$832,042.50	\$722,493.00	\$606,420.67	\$0.00
\$2,387,512.00	\$2,361,473.00	\$2,234,308.00	\$2,226,243.00	\$1,875,056.00
\$114,886.45	\$148,919.85	\$100,387.00	\$6,618.32	\$3,029.85
\$12,009.18	\$8,032.10	\$16,803.00	\$20,484.33	\$10,258.40
\$37,647.21	\$48,265.55	\$46,054.00	\$41,425.87	\$101,972.16
\$197,574.76	\$191,205.20	\$179,899.00	\$166,970.68	\$164,623.04
\$69,370.00	\$36,390.00	\$52,460.00	\$35,845.00	\$37,140.00

EXPENDITURES	Budget FY 2026	Expected FY 2026	Over / (Under)	PROPOSED FY 2027	% Change	% of Total Budget	FY24-25 Actual	FY23-24 Actual	FY22-23 Actual	FY21-22 Actual	FY20-21 Actual
Annual Conference	530,000	648,926	118,926	630,000	18.9%	14.9%	\$594,772.01	\$558,171.46	\$465,758.00	\$410,723.50	\$1,657.39
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	607,000	579,000	(28,000)	637,000	4.9%	15.0%	\$577,072.30	\$597,558.76	\$526,582.00	\$513,598.26	\$481,589.74
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 - \$205,000; Group Health - \$228,000; Group Dental - \$13,000; Life Insurance - \$4,000; FICA - \$130,000; Worker's Compensation - \$4,000; Other Miscellaneous - \$43,000; Education/Professional Development - \$10,000.											
Capital Outlay	20,000	15,500	(4,500)	15,000	-25.0%	0.4%	\$709,806.73	\$136,734.01	\$9,744.00	\$17,453.10	\$13,576.20
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	7,996	(1,004)	8,000	-11.1%	0.2%	\$8,014.45	\$5,240.64	\$13,401.00	\$4,520.38	\$10,890.81
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	7,000	10,080	3,080	7,000	0.0%	0.2%	\$6,354.94	\$12,455.90	\$5,228.00	\$2,475.49	\$97.78
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	7,000	7,050	50	7,000	0.0%	0.2%	\$6,337.80	\$7,735.28	\$6,363.00	\$9,261.30	\$8,775.44
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	5,609	(391)	6,000	0.0%	0.1%	\$3,646.43	\$4,029.35	\$4,642.00	\$3,415.56	\$5,027.92
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	130,000	126,533	(3,467)	130,000	0.0%	3.1%	\$148,919.05	\$90,150.57	\$59,948.00	\$55,271.22	\$49,500.00
The League retains the services of a communications management firm to coordinate our social media messaging in response to legislative issues.											
Printing	17,000	15,400	(1,600)	16,000	-5.9%	0.4%	\$16,944.22	\$13,971.39	\$13,545.00	\$10,170.83	\$10,772.48
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	658,000	670,663	12,663	570,000	-13.4%	13.5%	\$710,738.28	\$409,646.45	\$416,157.00	\$274,895.59	\$329,020.06
<i>Accounting</i>	<i>53,000</i>	<i>54,551</i>	<i>1,551</i>	<i>55,000</i>	<i>3.8%</i>	<i>1.3%</i>	\$51,605.68	\$49,831.47	\$49,548.00	\$47,721.58	\$47,705.56
<i>Contract Lobbying & Consulting Svcs</i>	<i>575,000</i>	<i>595,590</i>	<i>20,590</i>	<i>490,000</i>	<i>-14.8%</i>	<i>11.6%</i>	\$634,232.60	\$334,503.48	\$344,114.00	\$200,820.00	\$248,530.00
<i>Legal</i>	<i>30,000</i>	<i>20,522</i>	<i>(9,478)</i>	<i>25,000</i>	<i>-16.7%</i>	<i>0.6%</i>	\$24,900.00	\$25,311.50	\$52,495.00	\$26,001.36	\$32,784.50
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.											

RECOMMENDED FY 26-27 DUES

Adjusted populations to the 2024 Census figures.
 Added 1.5 cent to PC rates; \$300 to the base; 6% to CAPS.
 Provides **\$156,993** increase to the revenue budget.

CITY/TOWN	2024 Census Population Estimates	PC Rate	PER CAPITA	\$5,000 BASE	PROPOSED TOTAL DUES FY 26-27	TOTAL DUES PAID IN FY 25-26	Difference	% increase
APACHE JUNCTION	44,309	0.600	\$26,585	\$5,000	\$31,585	\$28,775	\$2,811	9.77%
AVONDALE	96,609	0.590	\$56,999	\$5,000	\$61,999	\$58,488	\$3,511	6.00%
BENSON	5,499	0.610	\$3,354	\$5,000	\$8,354	\$7,876	\$479	6.08%
BISBEE	4,957	0.610	\$3,024	\$5,000	\$8,024	\$7,671	\$352	4.59%
BUCKEYE	114,334	0.580	\$66,314	\$5,000	\$71,314	\$66,234	\$5,080	7.67%
BULLHEAD CITY	43,266	0.600	\$25,960	\$5,000	\$30,960	\$30,032	\$928	3.09%
CAMP VERDE	12,608	0.610	\$7,691	\$5,000	\$12,691	\$12,131	\$560	4.62%
CAREFREE	3,657	0.610	\$2,231	\$5,000	\$7,231	\$6,867	\$364	5.30%
CASA GRANDE	68,927	0.590	\$40,667	\$5,000	\$45,667	\$41,352	\$4,315	10.43%
CAVE CREEK	5,177	0.610	\$3,158	\$5,000	\$8,158	\$7,765	\$393	5.05%
CHANDLER	281,231				\$118,312	\$111,615	\$6,697	6.00%
CHINO VALLEY	13,911	0.610	\$8,486	\$5,000	\$13,486	\$12,920	\$566	4.38%
CLARKDALE	4,951	0.610	\$3,020	\$5,000	\$8,020	\$7,618	\$402	5.28%
CLIFTON	3,815	0.610	\$2,327	\$5,000	\$7,327	\$6,949	\$378	5.44%
COLORADO CITY	3,317	0.610	\$2,023	\$5,000	\$7,023	\$6,327	\$697	11.01%
COOLIDGE	19,674	0.610	\$12,001	\$5,000	\$17,001	\$15,584	\$1,417	9.09%
COTTONWOOD	12,939	0.610	\$7,893	\$5,000	\$12,893	\$12,509	\$384	3.07%
DEWEY-HUMBOLDT	4,589	0.610	\$2,799	\$5,000	\$7,799	\$7,401	\$398	5.38%
DOUGLAS	15,819	0.610	\$9,650	\$5,000	\$14,650	\$14,005	\$645	4.61%
DUNCAN	671	0.610	\$409	\$5,000	\$5,409	\$5,099	\$311	6.09%
EAGAR	4,438	0.610	\$2,707	\$5,000	\$7,707	\$7,340	\$367	5.00%
EL MIRAGE	36,468	0.600	\$21,881	\$5,000	\$26,881	\$25,672	\$1,209	4.71%
ELOY	19,199	0.610	\$11,711	\$5,000	\$16,711	\$15,724	\$987	6.28%
FLAGSTAFF	77,539	0.590	\$45,748	\$5,000	\$50,748	\$48,737	\$2,011	4.13%
FLORENCE	24,891	0.610	\$15,184	\$5,000	\$20,184	\$19,153	\$1,030	5.38%
FOUNTAIN HILLS	23,696	0.610	\$14,455	\$5,000	\$19,455	\$18,749	\$706	3.77%
FREDONIA	1,290	0.610	\$787	\$5,000	\$5,787	\$5,475	\$312	5.70%
GILA BEND	1,847	0.610	\$1,127	\$5,000	\$6,127	\$5,803	\$324	5.58%
GILBERT	288,790				\$118,312	\$111,615	\$6,697	6.00%
GLENDALE	258,143				\$118,312	\$111,615	\$6,697	6.00%
GLOBE	7,176	0.610	\$4,377	\$5,000	\$9,377	\$8,972	\$406	4.52%
GOODYEAR	118,186	0.580	\$68,548	\$5,000	\$73,548	\$67,870	\$5,678	8.37%
GUADALUPE	5,197	0.610	\$3,170	\$5,000	\$8,170	\$7,804	\$366	4.69%
HAYDEN	513	0.610	\$313	\$5,000	\$5,313	\$5,007	\$306	6.11%
HOLBROOK	4,837	0.610	\$2,951	\$5,000	\$7,951	\$7,576	\$375	4.95%
HUACHUCA CITY	1,604	0.610	\$978	\$5,000	\$5,978	\$5,652	\$326	5.78%
JEROME	457	0.610	\$279	\$5,000	\$5,279	\$4,974	\$305	6.13%
KEARNY	1,898	0.610	\$1,158	\$5,000	\$6,158	\$5,781	\$377	6.52%
KINGMAN	35,383	0.600	\$21,230	\$5,000	\$26,230	\$25,370	\$859	3.39%
LAKE HAVASU CITY	59,037	0.590	\$34,832	\$5,000	\$39,832	\$38,773	\$1,059	2.73%
LITCHFIELD PARK	6,863	0.610	\$4,186	\$5,000	\$9,186	\$8,796	\$390	4.44%
MAMMOTH	1,181	0.610	\$720	\$5,000	\$5,720	\$5,374	\$346	6.44%
MARANA	62,380	0.590	\$36,804	\$5,000	\$41,804	\$38,297	\$3,507	9.16%
MARICOPA	76,654	0.590	\$45,226	\$5,000	\$50,226	\$45,538	\$4,688	10.30%
MESA	517,151				\$137,122	\$129,360	\$7,762	6.00%
MIAMI	1,531	0.610	\$934	\$5,000	\$5,934	\$5,612	\$322	5.74%
NOGALES	19,965	0.610	\$12,179	\$5,000	\$17,179	\$16,423	\$756	4.60%
ORO VALLEY	48,855	0.600	\$29,313	\$5,000	\$34,313	\$32,962	\$1,351	4.10%
PAGE	7,230	0.610	\$4,410	\$5,000	\$9,410	\$9,055	\$355	3.92%
PARADISE VALLEY	12,523	0.610	\$7,639	\$5,000	\$12,639	\$12,139	\$500	4.12%
PARKER	3,456	0.610	\$2,108	\$5,000	\$7,108	\$6,723	\$385	5.73%
PATAGONIA	796	0.610	\$486	\$5,000	\$5,486	\$5,169	\$316	6.11%
PAYSON	16,762	0.610	\$10,225	\$5,000	\$15,225	\$14,655	\$570	3.89%
PEORIA	199,924				\$118,312	\$111,615	\$6,697	6.00%
PHOENIX	1,673,164				\$177,078	\$167,055	\$10,023	6.00%
PIMA	3,148	0.610	\$1,920	\$5,000	\$6,920	\$6,506	\$414	6.36%
PINETOP-LAKESIDE	4,148	0.610	\$2,530	\$5,000	\$7,530	\$7,194	\$337	4.68%
PRESCOTT	48,224	0.600	\$28,934	\$5,000	\$33,934	\$32,638	\$1,297	3.97%
PRESCOTT VALLEY	51,440	0.590	\$30,350	\$5,000	\$35,350	\$33,476	\$1,874	5.60%
QUARTZSITE	2,425	0.610	\$1,479	\$5,000	\$6,479	\$6,121	\$358	5.84%
QUEEN CREEK	83,781	0.590	\$49,431	\$5,000	\$54,431	\$48,728	\$5,703	11.70%
SAFFORD	10,257	0.610	\$6,257	\$5,000	\$11,257	\$10,811	\$446	4.13%
SAHUARITA	37,448	0.600	\$22,469	\$5,000	\$27,469	\$25,968	\$1,501	5.78%
SAN LUIS	40,064	0.600	\$24,038	\$5,000	\$29,038	\$25,968	\$3,070	11.82%

CITY/TOWN	2024 Census Population Estimates	PC Rate	PER CAPITA	\$5,000 BASE	PROPOSED TOTAL DUES FY 26-27	TOTAL DUES PAID IN FY 25-26	Difference	% increase
SCOTTSDALE	246,170				\$118,312	\$111,615	\$6,697	6.00%
SEDONA	9,778	0.610	\$5,965	\$5,000	\$10,965	\$10,542	\$422	4.01%
SHOW LOW	12,366	0.610	\$7,543	\$5,000	\$12,543	\$11,954	\$589	4.93%
SIERRA VISTA	44,710	0.600	\$26,826	\$5,000	\$31,826	\$30,692	\$1,134	3.69%
SNOWFLAKE	6,736	0.610	\$4,109	\$5,000	\$9,109	\$8,669	\$440	5.08%
SOMERTON	14,902	0.610	\$9,090	\$5,000	\$14,090	\$13,383	\$707	5.28%
SOUTH TUCSON	4,535	0.610	\$2,766	\$5,000	\$7,766	\$7,390	\$376	5.09%
SPRINGERVILLE	1,723	0.610	\$1,051	\$5,000	\$6,051	\$5,728	\$323	5.65%
ST. JOHNS	3,352	0.610	\$2,045	\$5,000	\$7,045	\$6,700	\$344	5.14%
STAR VALLEY	2,547	0.610	\$1,554	\$5,000	\$6,554	\$6,214	\$339	5.46%
SUPERIOR	2,682	0.610	\$1,636	\$5,000	\$6,636	\$6,230	\$406	6.52%
SURPRISE	167,564	0.580	\$97,187	\$5,000	\$102,187	\$94,131	\$8,056	8.56%
TAYLOR	4,386	0.610	\$2,675	\$5,000	\$7,675	\$7,242	\$434	5.99%
TEMPE	190,114				\$118,312	\$111,615	\$6,697	6.00%
THATCHER	5,627	0.610	\$3,432	\$5,000	\$8,432	\$7,964	\$468	5.88%
TOLLESON	9,353	0.610	\$5,705	\$5,000	\$10,705	\$8,968	\$1,737	19.37%
TOMBSTONE	1,382	0.610	\$843	\$5,000	\$5,843	\$5,481	\$362	6.61%
TUCSON	554,013				\$137,122	\$129,360	\$7,762	6.00%
TUSAYAN	587	0.610	\$358	\$5,000	\$5,358	\$5,047	\$311	6.17%
WELLTON	2,648	0.610	\$1,615	\$5,000	\$6,615	\$6,230	\$385	6.18%
WICKENBURG	8,301	0.610	\$5,064	\$5,000	\$10,064	\$9,533	\$530	5.56%
WILLCOX	3,217	0.610	\$1,962	\$5,000	\$6,962	\$6,605	\$357	5.41%
WILLIAMS	3,482	0.610	\$2,124	\$5,000	\$7,124	\$6,760	\$364	5.38%
WINKELMAN	295	0.610	\$180	\$5,000	\$5,180	\$4,875	\$305	6.26%
WINSLOW	8,577	0.610	\$5,232	\$5,000	\$10,232	\$9,768	\$464	4.75%
YOUNGTOWN	7,062	0.610	\$4,308	\$5,000	\$9,308	\$8,817	\$491	5.57%
YUMA	103,559	0.580	\$60,064	\$5,000	\$65,064	\$61,685	\$3,379	5.48%
	6,079,887		1,111,000		2,682,194	2,524,259	\$157,935	6.26%

PER CAPITA RATES	FY18, FY19	FY20, FY21, FY22, FY23	FY24, FY25	FY26	FY27
0 - 25,000	.52	.55	.57	0.595	0.610
25,001 - 50,000	.51	.54	.56	0.585	0.600
50,001 - 100,000	.50	.53	.55	0.575	0.590
100,001 - 185,000	.49	.52	.54	0.565	0.580

DUES CAP FORMULA	FY18, FY19	FY20, FY21, FY22, FY23	FY24	FY25	FY26	FY27
Populations over 1.5 million	\$145,300	151100.000	\$158,000	\$159,100	\$167,055	\$177,078
Populations over 1 million	\$131,100	136300.000	\$142,500	\$143,500	\$150,675	\$159,716
Populations 400,000 - 999,999	\$112,400	116900.000	\$122,300	\$123,200	\$129,360	\$137,122
Populations 185,000 - 399,999	\$97,000	100800.000	\$105,500	\$106,300	\$111,615	\$118,312

Historical Record

Key: No change Increase Reduction

- *For FY26, the Executive Committee approved a per capita increase of .025 with dues figures calculated using the 2023 estimate figures; also increased the base by \$200 and the caps by 5%.
- *For FY25, the Executive Committee approved to keep dues at the same rate as FY24 with dues figures calculated using the 2022 census figures. Increased the CAPS by ~.7%.
- *For FY24, the Executive Committee approved an increase to the formula with dues figures calculated using the 2021 census figures.
- *For FY23, the Executive Committee approved to keep dues at the same rate as FY22 with dues figures calculated using the 2020 census figures. Peoria included in CAP cities.
- *For FY22, the Executive Committee approved to keep dues at the same rate as FY21 with dues figures calculated using the 2019 census estimates.
- *For FY21, the Executive Committee approved to keep dues at the same rate as FY20 with dues figures calculated using the 2018 census estimates. Due to COVID-19, the Executive Committee adopted a 15% decrease to dues for FY20.
- *For FY20, the Executive Committee approved an increase to the base by \$140; an increase to per capita rates by .03 with dues figures calculated using the 2017 Census Estimates; and an increase to cap figures by 4%.
- *For FY19, the Executive Committee approved to keep dues at the same rate as FY18 with dues figures calculated using the 2016 census estimates.

2026-2027 Property Corporation Budget

PRELIMINARY

REVENUES	Budget FY 2026	Expected FY 2026	Over / (Under)	PROPOSED FY 2027
Rental Income	137,475	137,597	122	137,633
Building Improvement Fund*	10,000	10,000	---	10,000
Interest	20	12	(8)	20
Miscellaneous	3,000	3,200	200	3,000
TOTAL REVENUES	150,495	150,809	314	150,653

EXPENDITURES				
Accounting and Auditing	9,000	9,600	600	9,000
Capital Outlay	20,000	13,000	(7,000)	15,000
Insurance	6,500	8,000	1,500	8,000
Maintenance Services/Agreements	62,300	69,800	7,500	70,000
Operating Expenses	6,000	5,800	(200)	6,000
Repairs and Maintenance	15,000	10,000	(5,000)	12,000
Utilities	30,000	27,500	(2,500)	28,000
TOTAL EXPENDITURES	148,800	143,700	(5,100)	148,000

Revenues Over (Under) Expenditures	\$1,695	\$7,109	\$2,653
Beginning Fund Balance	\$105,168	\$105,168	
Ending Fund Balance	\$106,863	\$112,277	

	Ending Balance	FY	Rev over Exp
Total fund balance as of July 1, 2025	\$105,168	24-25	\$15,708
Total fund balance as of July 1, 2024	\$89,460	23-24	(\$7,473)
Total fund balance as of July 1, 2023	\$96,933	22-23	(\$114,595)
Total fund balance as of July 1, 2022	\$211,528	21-22	\$13,810
Total fund balance as of July 1, 2021	\$197,718	20-21	\$69,362
Total fund balance as of July 1, 2020	\$128,356	19-20	\$18,252
Total fund balance as of July 1, 2019	\$110,104	18-19	\$18,673
Total fund balance as of July 1, 2018	\$91,431	17-18	\$13,041
Total fund balance as of July 1, 2017	\$78,390	16-17	(\$11,916)
Total fund balance as of July 1, 2016	\$90,306	15-16	(\$13,735)
Total fund balance as of July 1, 2015	\$104,041	14-15	\$20,968
Total fund balance as of July 1, 2014	\$83,073	13-14	

2026-2027 Property Corporation Budget Narrative

PRELIMINARY

REVENUES	Budget FY 2026	Expected FY 2026	Over / (Under)	PROPOSED FY 2026
Rental Income	137,475	137,597	122	137,633
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) - \$3,000; The Arizona Republic (Room 106) - \$7,200; Arizona Mirror (Room 105) - \$10,800; Associated Press (2 desks @ \$110 ea/mo) - \$2,640; Arizona News Radio (2 desks @ \$110 ea/mo) - \$2,640; Capitol Media Services (1 desk @ \$110 ea/mo) - \$1,320; Arizona Agenda (1 desk @ \$110 ea/mo) - \$1,320; Axios (1 desk @ \$110 ea/mo) - \$1,320; KJZZ (1 desk @ \$110 ea/mo) - \$1,320; Plus estimated taxes \$915. [Rent increases took effect July 1, 2025. This was the first increase since 2009.]				
Building Improvement Fund	10,000	10,000	---	10,000
The League contributes \$10,000 into a fund to save for future building improvements. [The Building Improvement Fund has collected \$70,000 since it started in FY19.]				
Interest	20	12	(8)	20
The Property Corporation's funds are invested in a high balance savings account.				
Miscellaneous	3,000	3,200	200	3,000
This category includes fees from Associated General Contractors for our shared refuse container and other miscellaneous revenues.				
TOTAL REVENUES	150,495	150,809	314	150,653

EXPENDITURES	Budget FY 2026	Expected FY 2026	Over / (Under)	PROPOSED FY 2026
Accounting and Auditing	9,000	9,600	600	9,000
This line item includes the CPA audit of Property Corporation accounts and for monthly accounting services and preparation of audit work papers.				
Capital Outlay	20,000	13,000	(7,000)	15,000
This item is used to make necessary repairs and improvements to the building.				
Insurance	6,500	8,000	1,500	8,000
This item includes building, flood and liability insurance				
Maintenance Services/Agreements	62,300	69,800	7,500	70,000
This category includes maintenance agreements for the elevator, air conditioning, parking lot sweeping and pest control, plus janitorial services, lawn service and refuse collection plus				
Operating Expenses	6,000	5,800	(200)	6,000
Items in this account include light bulbs, paper goods, soap, and cleaning supplies. It also includes corporation fees, business license fees and other annual operating costs.				

Prior Years Actuals

FY24-25 Actual	FY23-24 Actual	FY22-23 Actual	FY21-22 Actual	FY20-21 Actual
\$137,370.30	\$132,084.90	\$131,445.80	\$130,622.10	\$129,696.00

\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00
-------------	-------------	-------------	-------------	-------------

\$14.25	\$15.37	\$17.03	\$14.97	\$14.60
---------	---------	---------	---------	---------

\$2,992.47	\$2,708.40	\$1,947.01	\$5,085.49	\$4,186.56
------------	------------	------------	------------	------------

FY19-20 Actual	FY23-24 Actual	FY22-23 Actual	FY21-22 Actual	FY20-21 Actual
\$8,702.00	\$8,318.00	\$7,849.00	\$7,620.00	\$7,570.00

\$0.00	\$19,318.75	\$0.00	\$8,106.80	\$17,988.88
--------	-------------	--------	------------	-------------

\$5,553.00	\$5,144.00	\$3,743.22	\$6,703.35	\$6,451.00
------------	------------	------------	------------	------------

\$64,467.65	\$56,275.70	\$52,800.03	\$44,700.58	\$36,063.88
-------------	-------------	-------------	-------------	-------------

\$4,465.44	\$3,941.45	\$7,599.07	\$3,223.83	\$4,943.37
------------	------------	------------	------------	------------

EXPENDITURES	Budget FY 2026	Expected FY 2026	Over / (Under)	PROPOSED FY 2026
Repairs and Maintenance	15,000	10,000	(5,000)	12,000
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. <i>[FY26 - next sealcoat due ~ March 2026.]</i>				
Utilities	30,000	27,500	(2,500)	28,000
Current utilities include Arizona Public Service, City of Phoenix, Southwest Gas.				
TOTAL EXPENDITURES	148,800	143,700	(5,100)	148,000
Revenues Over (Under) Expenditures	\$1,695	\$7,109		\$2,653
Beginning Fund Balance	\$105,168	\$105,168		
Ending Fund Balance	\$106,863	\$112,277		

FY19-20 Actual	FY23-24 Actual	FY22-23 Actual	FY21-22 Actual	FY20-21 Actual
\$17,681.70	\$21,428.15	\$48,911.07	\$11,060.29	\$9,427.66
\$32,141.35	\$28,255.76	\$24,798.16	\$23,089.24	\$24,862.27



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

League Budget Report
Property Corporation Budget Report

League of Arizona Cities & Towns
FY 2025-2026 Budget vs. Actual
July through December 2025

	Jul - Dec 25	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4000 · Affiliate Group Contribution	89,256.65	227,000.00	-137,743.35	39.3%
4005 · Annual Conference	1,016,585.75	800,000.00	216,585.75	127.1%
4010 · Dues	2,390,368.00	2,525,201.00	-134,833.00	94.7%
4020 · Miscellaneous	4,126.46	16,000.00	-11,873.54	25.8%
4016 · Partnership Programs	7,830.55	42,000.00	-34,169.45	18.6%
4030 · Risk Pool	101,177.16	200,000.00	-98,822.84	50.6%
4035 · Seminars & Meetings	1,875.00	40,000.00	-38,125.00	4.7%
4040 · Interest Income	39,551.22	115,000.00	-75,448.78	34.4%
Total Income	3,650,770.79	3,965,201.00	-314,430.21	92.1%
Expense				
5005 · Annual Conference (Expense)	648,926.23	530,000.00	118,926.23	122.4%
5010 · Benefits	309,314.61	607,000.00	-297,685.39	51.0%
5015 · Capital Outlay	118,964.45	20,000.00	98,964.45	594.8%
5030 · Equipment Rental & Maintenance	2,876.67	9,000.00	-6,123.33	32.0%
5035 · Executive Committee	5,916.45	7,000.00	-1,083.55	84.5%
5050 · Insurance	5,574.00	7,000.00	-1,426.00	79.6%
5055 · Postage & Shipping	105.46	6,000.00	-5,894.54	1.8%
5057 · PR & Communications	51,433.04	130,000.00	-78,566.96	39.6%
5060 · Printing	0.00	17,000.00	-17,000.00	0.0%
5065 · Professional Services				
5065-1 · Accounting Services	31,156.08	53,000.00	-21,843.92	58.8%
5065-3 · Legal Services	10,613.61	30,000.00	-19,386.39	35.4%
5065-2 · Contract Lobbying & Consul...	279,792.76	575,000.00	-295,207.24	48.7%
Total 5065 · Professional Services	321,562.45	658,000.00	-336,437.55	48.9%
5070 · Rent	52,500.00	105,000.00	-52,500.00	50.0%
5071 · Salaries	861,243.36	1,710,000.00	-848,756.64	50.4%
5075 · Seminars and Meetings	22,972.07	70,000.00	-47,027.93	32.8%
5085 · Subscriptions & Dues	54,003.60	72,000.00	-17,996.40	75.0%
5090 · Supplies	35,124.90	67,000.00	-31,875.10	52.4%
5095 · Telecommunications	17,824.13	27,000.00	-9,175.87	66.0%
5100 · Travel	24,094.22	24,000.00	94.22	100.4%
5115 · Prop Corp-Bldg Improvement Fu...	0.00	10,000.00	-10,000.00	0.0%
Total Expense	2,532,435.64	4,076,000.00	-1,543,564.36	62.1%
Net Ordinary Income	1,118,335.15	-110,799.00	1,229,134.15	-1,009.3%
Net Income	1,118,335.15	-110,799.00	1,229,134.15	-1,009.3%

Property Corporation
FY 2025-2026 Budget vs. Actual
July through December 2025

	Jul - Dec 25	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	77,590.78	137,475.00	-59,884.22	56.4%
4005 · Miscellaneous	0.00	3,000.00	-3,000.00	0.0%
4010 · Interest	7.14	20.00	-12.86	35.7%
Total Income	77,597.92	150,495.00	-72,897.08	51.6%
Expense				
5000 · Maintenance Services/Agreements	33,996.21	62,300.00	-28,303.79	54.6%
5015 · Utilities	16,634.51	30,000.00	-13,365.49	55.4%
5020 · Repairs and Maintenance	2,080.78	15,000.00	-12,919.22	13.9%
5025 · Operating Expenses	2,016.30	6,000.00	-3,983.70	33.6%
5030 · Accounting and Auditing	6,617.00	9,000.00	-2,383.00	73.5%
5035 · Insurance	4,026.00	6,500.00	-2,474.00	61.9%
5040 · Capital Outlay	8,394.40	20,000.00	-11,605.60	42.0%
Total Expense	73,765.20	148,800.00	-75,034.80	49.6%
Net Ordinary Income	3,832.72	1,695.00	2,137.72	226.1%
Net Income	3,832.72	1,695.00	2,137.72	226.1%