

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 Gameron, 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.


EXECUTIVE DIRECTOR


PRESIDENT