

Home Rule Option (Alternative Expenditure Limitation)

March 28, 2024

Home Rule Option

- A State-Imposed Expenditure Limitation was established in 1980
- Arizona Constitution allows cities and towns to adopt an Alternative Expenditure Limitation
- Town adopted the “Home Rule” option in 1981, and has adopted an extension every four years thereafter
- 1st Public Hearing was held March 14, 2024
- 2nd Public Hearing is being held today (March 28, 2024)
- Immediately following a Special Meeting will be held
- If approved, will appear on the Primary Election Ballot on July 30, 2024
- Effective for four years if approved by the voters

Detailed Analysis - Purpose

Purpose	2025-2026	2026-2027	2027-2028	2028-2029
General Operations	\$ 75,683,118	\$ 78,837,106	\$ 81,677,366	\$ 87,896,794
Capital Improvements	64,915,000	34,695,000	16,560,000	55,760,000
Debt Service	6,366,599	5,259,244	4,072,200	4,073,600
Road Construction	6,350,000	18,630,000	8,900,000	25,300,000
Total Expenditures	\$ 153,314,717	\$ 137,421,350	\$ 111,209,566	\$ 173,030,394

Detailed Analysis - Source

Source	2025-2026	2026-2027	2027-2028	2028-2029
Federal	\$ 2,850,000	\$ 2,850,000	\$ 2,850,000	\$ 2,850,000
State	26,866,000	26,620,080	26,152,466	25,803,096
Local	123,598,717	107,951,270	82,207,100	144,377,298
Total Revenues	\$ 153,314,717	\$ 137,421,350	\$ 111,209,566	\$ 173,030,394

Summary Analysis – Population Factor

Fiscal Year	Prior Fiscal Year Population	÷	1978 Population	=	Population Factor
2025-2026	50,122	÷	1,520	=	32.9750
2026-2027	51,481	÷	1,520	=	33.8691
2027-2028	52,629	÷	1,520	=	34.6243
2028-2029	53,687	÷	1,520	=	35.3204

Summary Analysis – State-Imposed Limitations

Fiscal Year	1979-80 Base Limit		Population Factor		Inflation Factor*		Projected State-Imposed Expenditure Limitation		Estimated Exclusions		Total Expenditures Under State-Imposed Limit
2025-2026	380,054	x	32.9750	x	3.7559	=	47,069,993	+	14,160,291	=	61,230,284
2026-2027	380,054	x	33.8691	x	3.8340	=	49,351,581	+	13,557,091	=	62,908,672
2027-2028	380,054	x	34.6243	x	3.9135	=	51,498,152	+	12,407,001	=	63,905,153
2028-2029	380,054	x	35.3204	x	3.9933	=	53,604,699	+	12,413,440	=	66,018,139

*As of the November 20, 2023 Expenditure Limit Inflation Factors provided by the Arizona Department of Revenue.

Comparison between State-Imposed Limitation and Home Rule

<u>Fiscal Year</u>	<u>Projected Expenditure - State-Imposed</u>	<u>Projected Expenditure - Home Rule</u>	<u>Difference</u>
2025-2026	\$ 61,230,284	\$ 153,314,717	\$ (92,084,433)
2026-2027	\$ 62,908,672	\$ 137,421,350	\$ (74,512,678)
2027-2028	\$ 63,905,153	\$ 111,209,566	\$ (47,304,412)
2028-2029	\$ 66,018,139	\$ 173,030,394	\$ (107,012,255)

Questions?

Comments?