

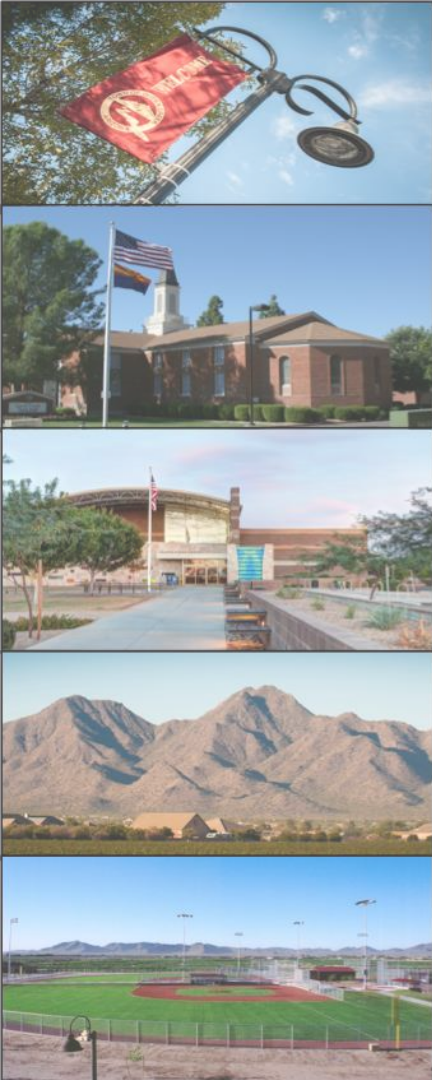


TOWN OF QUEEN CREEK

Arizona Expenditure Limitation -
Home Rule Option Renewal

Town Council Meeting

December 20, 2017



BACKGROUND

- Enacted in 1979/80 by State Legislature to Limit Local Government Spending
 - Property Taxes were Increasing at a Greater Rate than Personal Incomes
- Local Options Exist to Override Limit
 1. Home Rule
 2. Permanent Base Adjustment

HOME RULE

- Voter Approval Required
 - Current Authorization Expires in FY 2018-19
- Effective for Four Years
 - FY 2019-20 to FY 2022-23
- Expenditure Limit is the Adopted Budget
- Town's Approach Since Incorporation
 - Last Election (2014): 73% Voter Approval



HOME RULE – BY THE NUMBERS

(IN MILLIONS)

The Town Could Not Provide Existing Services Without Home Rule
\$150M Reduction Required

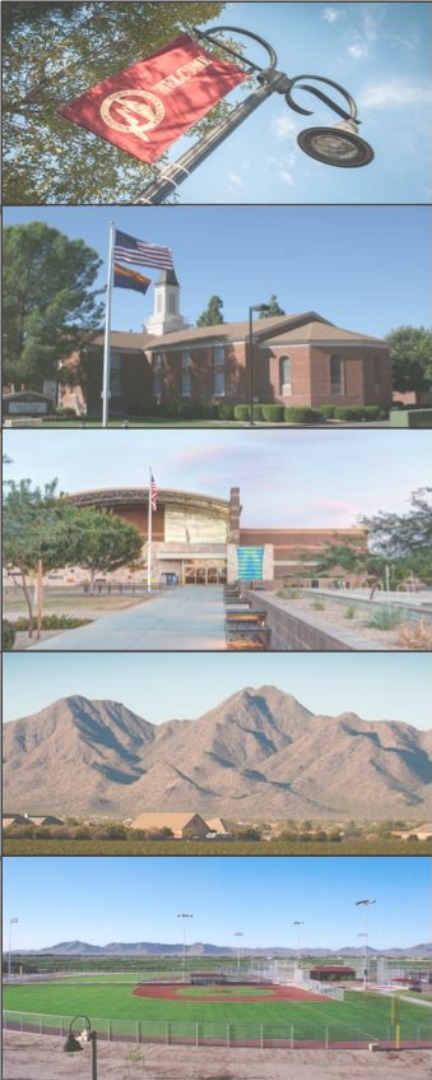
Fiscal Year	Home Rule Expenditure Limit (Budget)	Actual Expenditures	Expenditure Limit Without Home Rule**	Reduction Amount
2015/16	\$154.5	\$95.5	\$29.6	(\$65.9)
2016/17	\$184.1	\$182.5*	\$32.1	(\$150.4)*

*Unaudited

** 1978-79 Base Year Increased for population and inflation factors less allowable deductions (i.e. Debt Service)

RENEWAL IS CRITICAL

- Requires a 2/3 Town Council Vote to be Placed on the Ballot
- Unable to Provide Current Services to Existing Residents and Businesses and Future Residents and Businesses
 - \$150M Expenditure Reduction Required
- Infrastructure Spending Would be Inadequate
- Not About Revenues – They Remain Unchanged



CALENDAR

Date	Description
April 4, 2018	First Public Hearing
April 18, 2018	<ul style="list-style-type: none"><li data-bbox="533 431 1033 475">▪ Second Public Hearing<li data-bbox="533 485 1864 595">▪ Town Council Approval of Resolution Proposing Renewal of Home Rule Be Sent to Voters (Special Meeting)
August 1, 2018	<ul style="list-style-type: none"><li data-bbox="533 627 975 671">▪ Early Ballots Mailed<li data-bbox="533 682 1052 726">▪ Voter Pamphlet Mailed
August 28, 2018	Primary Election
September 17, 2018	Canvass Vote

INITIAL OUTREACH

(APRIL)

- Update All Information & Provide Educational Pieces to Share
 - Landing Page on Website
 - Speaking Points
 - Fact Sheet



INCREASE OUTREACH (JUNE)

- Proactively Share Educational Materials
 - News Release
 - Water Bill Insert
 - Social Media Sites
 - eNewsletter



FINAL PUSH (AUGUST)

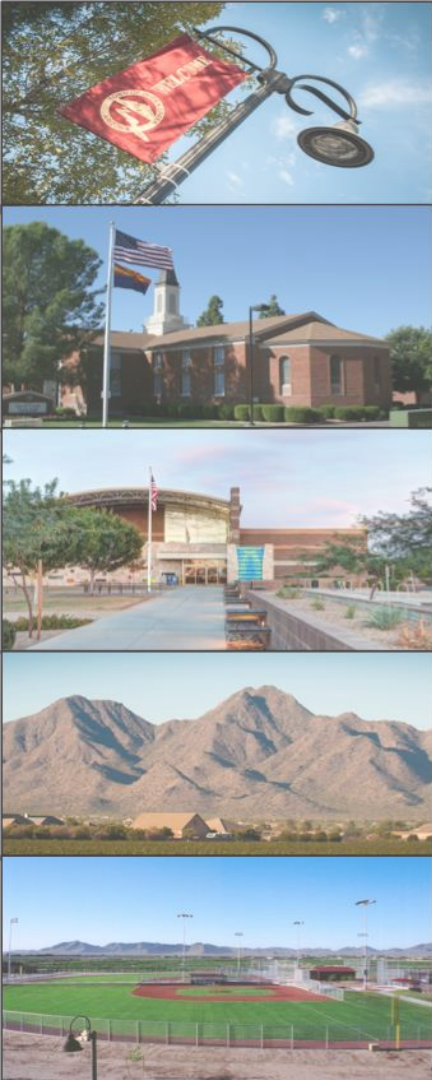
- Continue to Share Educational Materials Through the Town's Communication Channels and Partner Entities
 - QCUSD Newsletter
 - Chamber Newsletter



PERMANENT BASE ADJUSTMENT



- Voter Approval Required
- Sets Actual Amount
- Amount Readjusted Annually for Inflation and Population
- Example Cities
 - Gilbert
 - Scottsdale
 - Tempe



RECOMMENDATIONS

1. Seek Home Rule Election in August 2018
2. During the 4-Year Renewal Period,
Consider Permanent Base Adjustment
 - 2020 Primary Election
 - FY 2023/24 Effective Date
 - Long-Term Solution



DISCUSSION AND QUESTIONS