

TOWN OF QUEEN CREEK

Arizona Expenditure Limitation - Home Rule Option Renewal

Town Council Meeting

April 04, 2018

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
 - Expires 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: 67% Voter Approval



HOME RULE – BY THE NUMBERS

(IN MILLIONS)

The Town Could Not Provide Existing Services Without Home Rule
\$140.2M 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	\$122.7	\$32.1	(\$90.6)
2017/18	\$213.1	\$174.8*	\$34.6	(\$140.2)*

*FY 2017/18 Revised Budget less Contingency

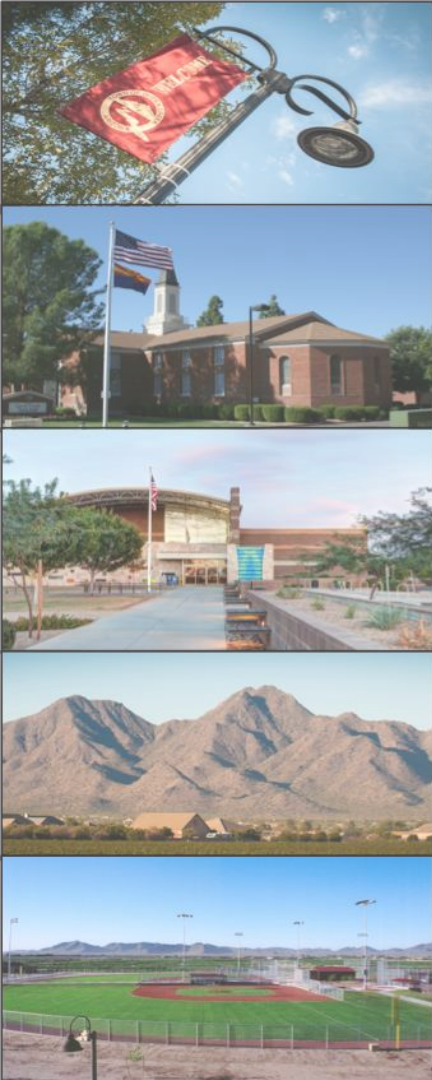
** 1978 Base Year Increased for population and inflation factors less allowable deductions (i.e. Debt Service)

HOME RULE – ESTIMATES

(IN MILLIONS)

Fiscal Year	Estimated Home Rule Expenditure Limit (Budget)	Estimated Expenditure Limit Without Home Rule*	Reduction Amount
2019/20	\$167.6	\$42.9	(\$124.7)
2020/21	\$203.1	\$48.0	(\$155.1)
2021/22	\$140.2	\$53.9	(\$86.3)
2022/23	\$161.3	\$58.8	(\$102.5)

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

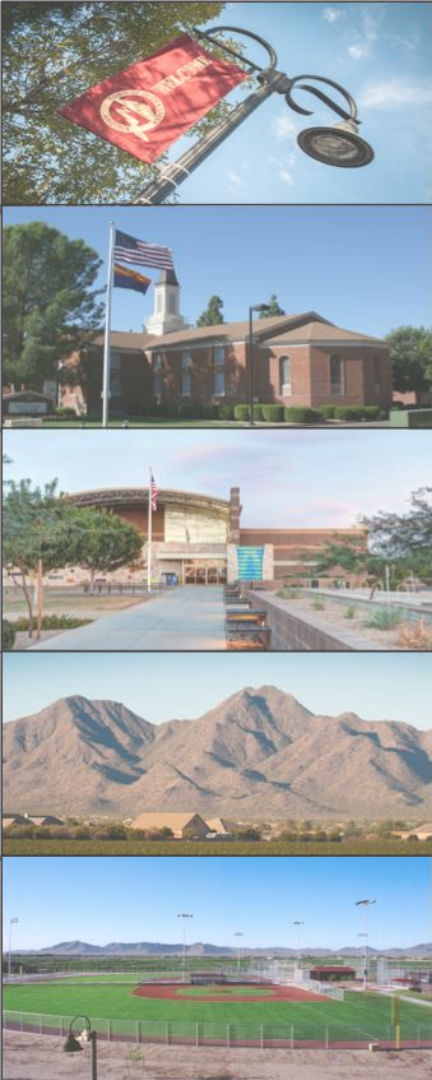


QUEEN CREEK'S LARGEST EXPENSES

- Costs to run the Town's largest programs; Hard to cut \$140.2M?
 - \$15.2M Public Safety (Police & Fire – all operating)
 - \$51.9M Utilities (all operating)
 - \$15.6M Public Works (all operating)
 - \$44.3M Capital Improvement Plan (all capital)

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
 - \$140.2M Expenditure Reduction Required
- Infrastructure Spending Would be Inadequate
- Not About Revenues – They Remain Unchanged



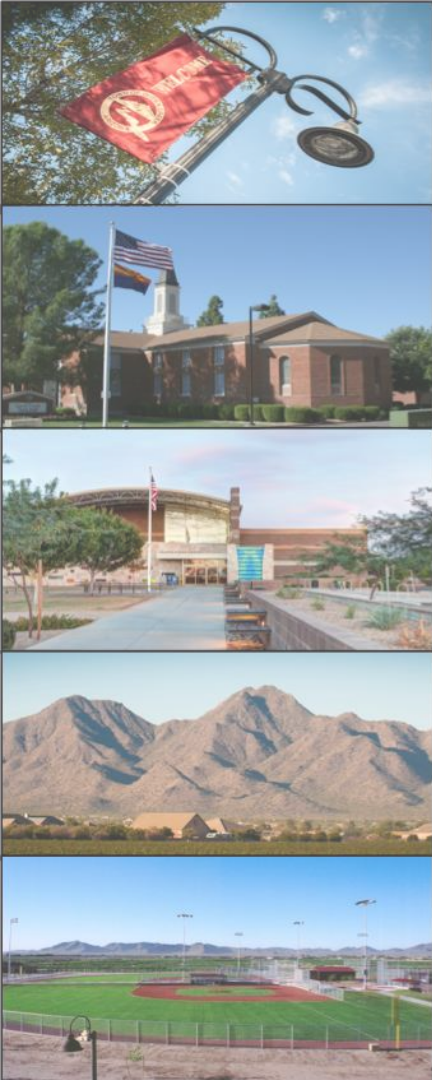
CALENDAR

Date	Description
April 4, 2018	First Public Hearing - Tonight
April 18, 2018	Second Public Hearing Town Council Approval of Resolution 1213-18 Proposing Renewal of Home Rule Be Sent to Voters during Primary Election (Special Meeting)
April 30, 2018	Send Detail and Summary Analysis to Auditor General for review
May 21, 2018	Receive response from Auditor General (15 business days)
August 1, 2018	Early Ballots Mailed Voter Pamphlet Mailed
August 28, 2018	Primary Election
September 17, 2018	Canvass Vote



INITIAL OUTREACH (APRIL)

- Update All Information and 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 EDUCATION PUSH (AUGUST)

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



TONIGHT'S ACTION

- Conduct a Public Hearing
 - No Vote Required Tonight
- April 18th: Town Council Vote



DISCUSSION AND QUESTIONS