



TOWN OF QUEEN CREEK

Arizona Expenditure Limitation - Home Rule Renewal

Town Council Meeting

July 18, 2018

PURPOSE FOR TONIGHT

- Home Rule Overview
- Outreach Update



WHAT IS HOME RULE?

- Allows Voters to Set the Annual Budget as the Annual Expenditure Limit
- Effective for Four Years
 - FY 2019/20 to FY 2022/23
- Town's Approach Since Incorporation
 - Last Election: 67% Voter Approval



WHY IS RENEWAL CRITICAL?

- Preserves Ability to Provide Current Services to Existing and Future Residents and Businesses
 - \$140.2M Expenditure Reduction Required
- Ensures Critical Infrastructure Will Be Built (i.e. Roads)
- It's Not About Taxes – They Remain Unchanged



HOME RULE – BY THE NUMBERS

The Town Could Not Provide Existing Services Without Home Rule
\$140.2M Reduction Required

Fiscal Year	Estimated Actual Expenditures	Expenditure Limit Without Home Rule*	Reduction Amount
2017/18	\$174.8M	\$34.6M	(\$140.2M)

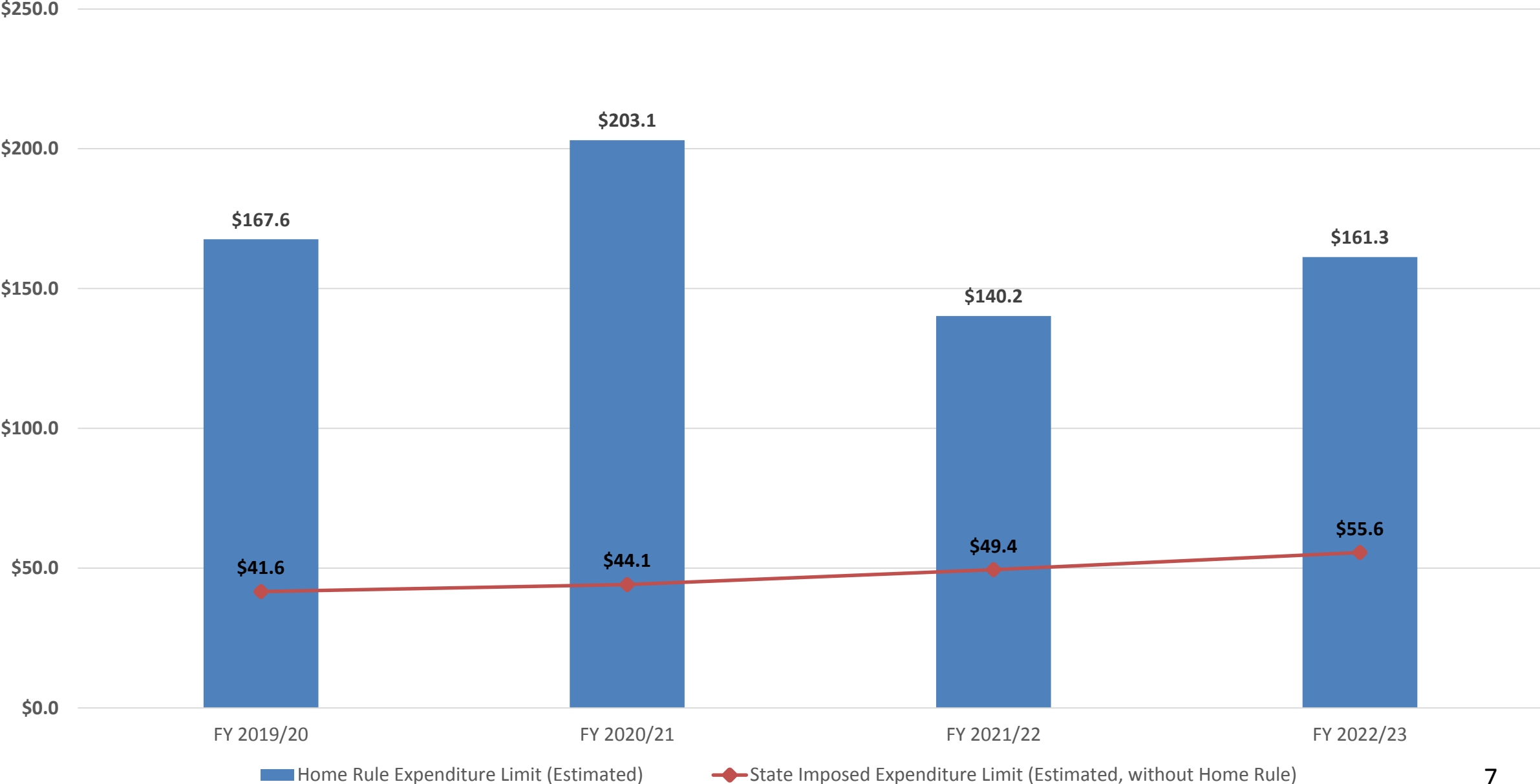
* 1978 Base Year Increased for population and inflation factors less allowable deductions (i.e. Debt Service)

QC'S LARGEST EXPENSES

- \$15.2M Public Safety
- \$51.9M Utilities
- \$15.6M Public Works (Streets, Parks)
- \$44.3M Capital Improvement Plan (Streets, Parks)



Home Rule Estimates (in millions)



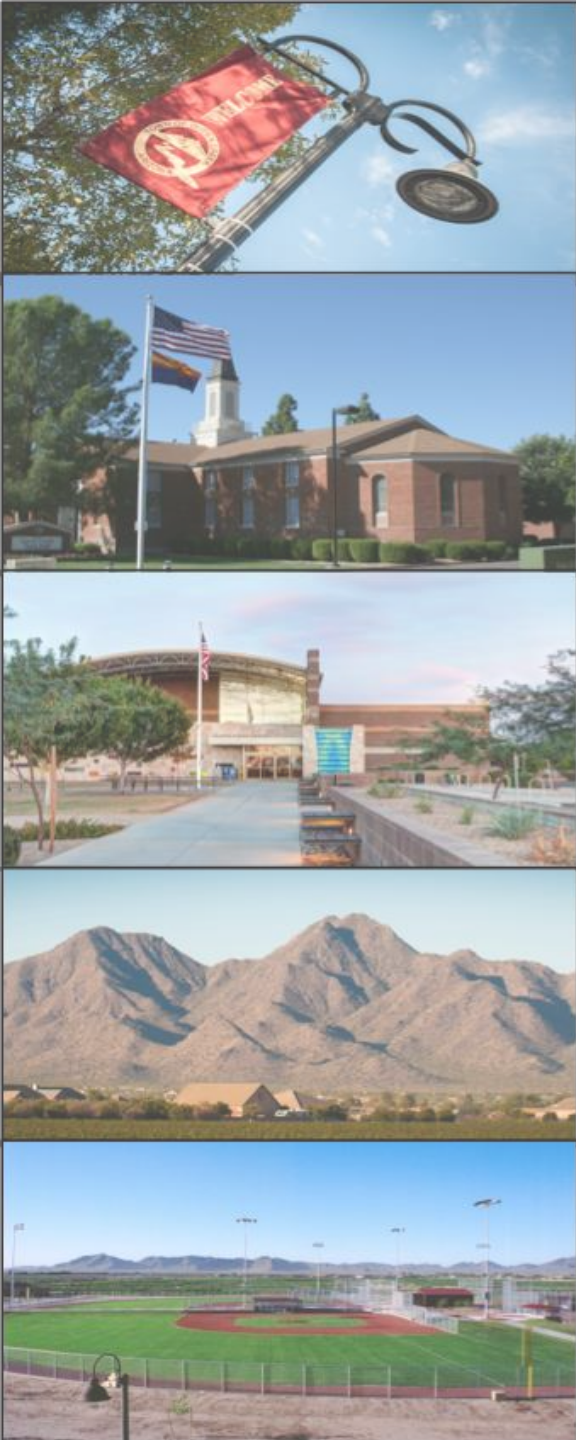
CALENDAR

Date	Description
April 4, 2018	First Public Hearing Conducted
April 18, 2018	Second Public Hearing Conducted Town Council Approved Resolution Proposing Renewal of Home Rule Be Sent to Voters during Primary Election (Special Meeting)
April/May 2018	Auditor General Reviewed/Accepted Documentation
June 2018	Publicity Pamphlet Submitted to Auditor General
August 1, 2018	Early Ballots to be Mailed Voter Pamphlet to be Mailed
August 28, 2018	Primary Election
September 17, 2018	Canvass Vote

Home Rule Education

- Initial education ✓
 - Landing page QueenCreek.org/HomeRule
 - Fact sheet
 - Educational handout
- Increased education (current phase)
- Final education push (August)





Home Rule

Alternative Expenditure Limitation

WHAT IS HOME RULE?

Queen Creek residents will have the option to vote on Home Rule on Aug. 28. Home Rule is part of the State of Arizona Constitution that restricts the Town's expenditures based on a state-imposed limitation. The formula takes the Town's 1979-80 expenditure level (estimated by the State for Queen Creek since it was not officially incorporated until 1989) and multiplies it by a population and inflation factor. Home Rule is valid for four years, with the previous measure approved in 2014 (effective through June 30, 2019).

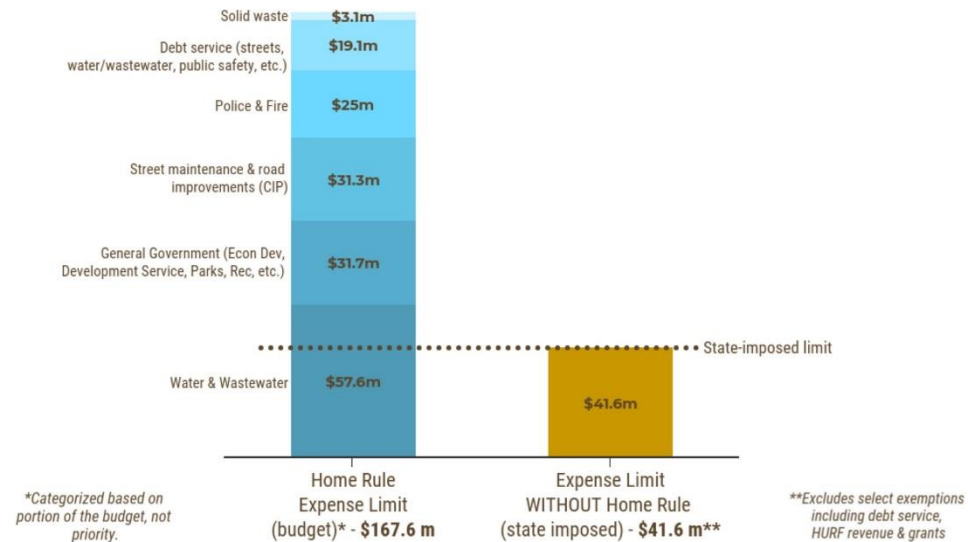
WHAT DOES A YES VOTE MEAN?

A "yes" vote means you are voting for the Home Rule renewal, setting the Town's budget at the local level adopted by the Town Council, which allows for flexibility and local control to address Town priorities and needs. It means the Town can spend revenues collected for projects and services as prioritized in the balanced budget. If approved, Home Rule would be valid July 2019 – June 2022.

WHAT DOES A NO VOTE MEAN?

A "no" vote means you are voting against the Home Rule renewal, and the Town will be required to operate under the state-imposed budget limitations, which are significantly lower. The state-imposed formula is approximately 25% of the Town's projected FY 19/20 budget, meaning the Town would have to substantially reduce and eliminate programs and services, despite having the available revenues.

HOW DO THE FY 19/20 NUMBERS COMPARE?





Increased Education (June/July)

- Proactively share educational materials ✓
 - June eNewsletter
 - July water Bill Insert
 - News release
 - Social media sites
- Present educational materials ✓
 - Queen Creek Chamber of Commerce
 - Parks & Recreation Advisory Committee
 - Economic Development Committee
 - Planning & Zoning

Increased Education (June/July)

- Proactively share educational materials
 - Handouts at the Splash Pad, Rec Annex & MSB
 - Booth at Ice Cream Social
 - QCUSD newsletter
 - eBlasts (schools, HOA, shop QC, sports partners)
 - Video on the impact of Home Rule
 - Reminder on social media sites



Final Education Push (August)

- Proactively share educational materials
 - August eNewsletter
 - August water Bill Insert
 - Why Wednesday
 - QCUSD Newsletter
 - Chamber Newsletter
 - Reminders on social media sites
- Present educational materials
 - Senior Program
 - Transportation Advisory Committee





DISCUSSION AND QUESTIONS