



Town of Queen Creek

Update on Arizona Expenditure Limitation – Analysis of the Permanent Base Adjustment Option

Town Council Meeting

December 1, 2021

Purpose of Presentation

- Review Recommendation for Ballot Question and Publicity Pamphlet
- Review Calendar
- Motion for Staff to Proceed





Calculations for Voter Information and Ballot



Permanent Base Adjustment Calculations - Approach

- **Forms and Calculations** **Use FY23- 24 as Target Year**
- **Town is still in high - growth mode**
 - Need capacity for near - term infrastructure needs
- **Official population figures not yet available**
 - Expected December 15th

Budget Estimates Current vs. FY 23-24



	FY 21-22 Adopted Budget	FY 23-24 Budget Estimate
Operations	\$135M	\$161M
Capital	\$323M	\$397M
Debt Service	<u>\$29M</u>	<u>\$41M</u>
Total Budget	\$487M	\$599M
Less Exclusions	<u>(\$39M)</u>	<u>(\$52M)</u>
Net Budget Subject to Exp. Limit	<u>\$448M</u>	<u>\$547M</u>

Permanent Base Adjustment Recommendation

- Expenditure Limit Target = \$550 million
- Adjustment to the Base = \$5.4 million



SAMPLE BALLOT LANGUAGE



TEXT OF BALLOT PROPOSITION

OFFICIAL TITLE:

A resolution proposing a permanent adjustment to the state-imposed expenditure base for the Town of Queen Creek.

DESCRIPTIVE TITLE:

Pursuant to the Arizona Constitution, the Town of Queen Creek seeks voter approval to permanently adjust the base limit of the Town as determined by the Economic Estimates Commission. The Town seeks an adjustment of \$ 5,400,000

Shall the expenditure base of the Town of Queen Creek be permanently adjusted by \$ 5,400,000 ?

A "Yes" vote shall have the effect of allowing the Town of Queen Creek to permanently adjust its 1979-80 base limit. It is not a tax increase or decrease.

A "No" vote shall have the effect of not allowing the Town of Queen Creek to permanently adjust its 1979-80 base limit. It is not a tax increase or decrease.

PROPOSED PUBLICITY PAMPHLET

PERMANENT BASE ADJUSTMENT SUMMARY ANALYSIS

Pursuant to the Arizona State Constitution, the Town of Queen Creek seeks voter approval to permanently adjust the expenditure base of the Town as determined by the Economic Estimates Commission. If approved by voters, the Town's 1979-80 base expenditure limitation will be increased by \$5,400,000 adjusted each future year for population and inflation growth since 1979-80.

With voter approval, in fiscal year 2023-24 the Town's state-imposed expenditure limitation will increase by \$481,006,089, from \$72,888,189 to \$553,894,278. The Town's adopted budget for fiscal year 2021-22 was \$487,183,614. The Town will utilize the additional expenditure authority for any local budgetary purposes including general government, public safety, streets, capital projects, water, sewer, stormwater, sanitation systems, parks and recreation, and economic development. The dollar figures in this statement are estimates only.

If approved, the additional authorized expenditures will be funded from revenues obtained from federal, state, and local sources. This is not a tax increase or decrease.

(Followed by Arguments For and Against the Proposition)





Calendar

Key Dates for PBA Election

Date	Description	Party
December 1, 2021	Final Decision on Permanent Base Adjustment vs. Home Rule	Town Council
Feb 1, 2022	Estimated State-Imposed Expenditure Limitation provided by Arizona Department of Revenue (ADOR)	ADOR
March 16, 2022 *	Council Meeting – Call of Election including Resolution on Proposed Permanent Base Adjustment	Finance & Clerk
April 1, 2022	Final Expenditure Limitation provided by ADOR	ADOR
April 5, 2022	Submit all required documentation to the State Auditor General	Finance Department
Apr 20, 2022	Receive back from the State Auditor General all reviewed financial information	Finance Department
May 4, 2022	Receive “Arguments For and Against” to be included in the publicity pamphlet	Town Clerk

* Pending Town Clerk verification

Key Dates for PBA Election (concluded)



Date	Description	Party
May 12, 2022	Send draft publicity pamphlet to the State Auditor General for review	Town Clerk
June 1, 2022	Send publicity pamphlets to the printer	Town Clerk
June 30, 2022 *	Make early ballots available AND send out publicity pamphlets	Town Clerk
July 6, 2022 *	Mail out early ballots	Town Clerk
August 2, 2022	Primary Election	Town Clerk
August 22, 2022 *	Canvass Vote – notify Auditor General and EEC of election outcome	Town Clerk

* Pending Town Clerk verification

Recommended Motion

- **Motion to direct staff to initiate the steps necessary to place a question before voters at the August 2022 election regarding a permanent adjustment to the Town's state - imposed base expenditure limit.**





Discussion and Questions