

**TOWN OF PRESCOTT VALLEY  
REQUEST FOR COUNCIL ACTION  
Date: April 14, 2016**

**SUBJECT:** First Public Hearing for Extension of the Alternative Local Expenditure Limitation

**SUBMITTING DEPARTMENT:** Executive Management, Legal and Management Services

**PREPARED BY:** Larry Tarkowski, Town Manager  
Ivan Legler, Town Attorney  
William E. Kauppi, Management Services Director  
Diane Russell, Town Clerk

**AGENDA LOCATION:** Comments/Communications , Consent , Work/Study ,  
New Business , Public Hearing , Second Reading

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**ATTACHMENTS:** a) Resolution No. 1957 and, b) Alternative Expenditure Limitation Detailed and Summary Analyses

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**SUMMARY/BACKGROUND:** The Arizona Constitution permits submission of an Alternative Expenditure Limitation (also called Home Rule Option) to the voters of a city or town. Such a limitation, if approved, is in effect for four years. The Prescott Valley Mayor and Council first submitted an Alternative Expenditure Limitation to the voters in 1981 and it was approved. Such a limitation has been referred and approved every four years thereafter (1985, 1989, 1993, 1997, 2001, 2005, 2009 and 2013). In 2013, House Bill 2527 changed election law to require a new schedule for local elections by general law municipalities (requiring elections in even years in August and November rather than odd years in March and May). To adhere to this new election calendar, the Town has had to move the election up to fall of 2016.

In proposing to extend the Alternative Expenditure Limitation, two public hearings must be conducted. This is the first. The second will be held on April 28, 2016. At the point the Council may adopt a resolution proposing the extension and submitting the question to the voters at the August 30, 2016 primary election.

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**OPTIONS ANALYSIS:** Public Hearing; no options proposed.

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**ACTION OPTION:** Public Hearing; no action required.

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**RECOMMENDATION:** Public Hearing; no action recommended.

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**FISCAL ANALYSIS:** The standard Arizona-imposed expenditure limitation does not generally provide rapidly growing communities like Prescott Valley with the financial and budget flexibility to meet its needs. That is why the Town has sought an alternative expenditure limitation throughout its history. That limitation is set each year as part of the budget process. Because budgets must be balanced each year, expenditures are limited by revenues available. Reliance on the standard Arizona-imposed expenditure limit could actually have the undesirable result of limiting expenditures even though the revenues are available.

**REVIEWED BY:**

Management Svcs Director \_\_\_\_\_

Town Clerk \_\_\_\_\_

Town Attorney \_\_\_\_\_

Town Manager \_\_\_\_\_

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**COUNCIL ACTION:**

Approved  Denied  Tabled/Deferred  Assigned to \_\_\_\_\_