

Town of Prescott Valley

Home Rule (Alternative Expenditure Limitation) Option



Home Rule (Alternative Expenditure Limitation)

- Arizona Constitution allows cities and towns to adopt the “Home Rule” option
- 57 towns/cities currently utilize the Home Rule option
- Must have majority of qualified voters (either primary or general election)
- Effective for four years if approved by the voters
- Town has adopted the “Home Rule” option since 1981

Detailed Analysis - Purpose

ESTIMATED AMOUNTS TO BE EXPENDED IN SPECIFIC AREAS

Purpose	2017-2018	2018-2019	2019-2020	2020-2021
General Operations	\$ 50,861,161	\$ 53,038,321	\$ 55,321,813	\$ 57,896,466
Capital Improvements	11,085,968	10,453,437	10,682,367	8,023,382
Debt Service	7,822,451	5,932,604	5,939,004	5,946,492
Road Construction	6,852,115	8,396,552	4,322,702	5,970,964
Total Expenditures	\$ 76,621,695	\$ 77,820,914	\$ 76,265,886	\$ 77,837,304

Detailed Analysis - Source

ESTIMATED AMOUNTS OF REVENUE FROM EACH AND ANY SOURCE

Source	2017-2018	2018-2019	2019-2020	2020-2021
Federal	\$ 3,782,638	\$ 2,292,063	\$ 2,492,013	\$ 2,546,933
State	14,301,248	14,778,447	15,272,118	15,782,847
Local	58,537,809	60,750,404	58,501,755	59,507,524
Total Revenues	\$ 76,621,695	\$ 77,820,914	\$ 76,265,886	\$ 77,837,304

Summary Analysis – Population Factor

Fiscal Year	Prior Fiscal Year Population	Divided by	1978 Population	=	Population Factor
2017-2018	40,690	/	1,520	=	26.7697
2018-2019	40,924	/	1,520	=	26.9237
2019-2020	41,230	/	1,520	=	27.1250
2020-2021	41,690	/	1,520	=	27.4276

Summary Analysis

State-Imposed Limitation

Fiscal Year	1979-80 Base Limit	x	Population Factor	x	Inflation Factor	=	Projected State Imposed Expenditure Limitation	+	Estimated Exclusions	=	Total Expenditures Under State Imposed Limit
2017-2018	380,054	x	26.7697	x	2.9594	=	\$30,108,733	+	\$13,323,911	=	\$43,432,644
2018-2019	380,054	x	26.9237	x	3.0179	=	\$30,880,541	+	\$11,939,631	=	\$42,820,172
2019-2020	380,054	x	27.1250	x	3.0813	=	\$31,765,013	+	\$12,279,797	=	\$44,044,810
2020-2021	380,054	x	27.4276	x	3.1467	=	\$32,801,104	+	\$12,474,433	=	\$45,275,537

Comparison between State-Imposed Limitation and Home Rule

<u>Fiscal Year</u>	<u>Projected Expenditure - State-Imposed</u>	<u>Projected Expenditure - Home Rule</u>	<u>Difference</u>
2017-2018	\$43,432,644	\$76,621,695	(\$33,189,051)
2018-2019	\$42,820,172	\$77,820,914	(\$35,000,742)
2019-2020	\$44,044,810	\$76,265,886	(\$32,221,076)
2020-2021	\$45,275,537	\$77,837,304	(\$32,561,767)

- Questions??

- Comments??