

**TOWN OF PRESCOTT VALLEY
REQUEST FOR COUNCIL ACTION
Date: April 28, 2016**

SUBJECT: Extension of the Alternative Local Expenditure Limitation

SUBMITTING DEPARTMENT: 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

ATTACHMENTS: Resolution No. 1957

SUMMARY/BACKGROUND: As discussed for the public hearings, the Arizona State Constitution permits the submission of an alternative expenditure limitation (also called a home rule option) to the voters of a city or town. This expenditure limitation, if approved, is in effect for four years. The Mayor and Council approved an Alternative Local Expenditure Limitation in 1981 and have referred to the voters every four years thereafter, the option of extending this Alternative Local Expenditure Limitation for the Town of Prescott Valley. The Town has adopted an extension to the Alternative Local Expenditure Limitation in the years 1985, 1989, 1993, 1997, 2001, 2005, 2009 and 2013. Due to the passage of State House Bill 2527 in 2013, cities and towns were given the ability to shorten or lengthen terms of office to coincide with the state election schedule. To abide by this law and adhere to the state's consolidated election calendar, the Town cannot hold an election in 2017, but must select either 2016 or 2018 for their next election. As 2018 would be too late for this four-year obligation, the Town is therefore required to hold their election in 2016.

Having conducted two public hearings, Council is now being asked to approve an extension of the Alternative Local Expenditure Limitation and submit that approval to the voters at the August 30, 2016 primary election.

OPTIONS ANALYSIS: The Council may either adopt Resolution No. 1957 approving an extension of the Alternative Local Expenditure Limitation and submit that approval to the voters at the August 30, 2016 primary election, or permit the Alternative Local Expenditure Limitation to lapse and revert to operation under the standard Arizona-imposed expenditure limitation formula.

ACTION OPTION: Motion to authorize the Mayor to sign Resolution No. 1957 approving an extension of the Alternative Local Expenditure Limitation and to submit that approval to the voters at the August 30, 2016 primary election, **OR** Motion not to approve Resolution No. 1957. **VOTE.**

RECOMMENDATION: Staff recommends authorizing signature of Resolution No. 1957 and submitting that approval to the voters at the August 30, 2016 primary election.

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 limitation 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 _____

COUNCIL ACTION:

Approved Denied Tabled/Deferred Assigned to _____