



Alternative Expenditure Limitation

Home Rule Option

March 21st and April 4th, 2016



What is the State-Imposed Expenditure Limitation?

- Arizona Constitution and Arizona Revised Statutes impose an expenditure limitation on every City and Town in the State.
 - Baseline expenditures from FY 1979-1980
- State Economic Estimates Commission adjusts each year
 - Standard inflation rate
 - Population growth
- Specified expenditures are excluded
 - Bond proceeds
 - Interest income
 - Grants
 - Intergovernmental revenues



Why Doesn't the State-Imposed Limitation Work in Avondale?

- Assumes the 1980 budget provided sufficient service levels
 - Parks and recreation
 - Social service programs
- Does not account for new revenue sources
 - ½ cent sales tax for infrastructure and transportation
 - ½ cent sales tax for public safety
 - Impact fees for development
- Does not account for commercial activity
 - Growth factor covers population and average inflation
 - Auto mall
 - Gateway Pavilions



How Much Would We Have to Cut Our Budget?

FY 2016 City Budget	176,731,990
Exemptions (Estimated)	(45,000,000)
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Estimated City Budget Subject to the Expenditure Limitation	131,731,990
FY 2016 State-Imposed Expenditure Limitation	49,716,471
Amount Required to be Cut from the Budget	82,015,519



Extension of Home Rule Option

- Allows City Council to authorize the budget appropriation
- Voter-approved every four years
 - 1981, 1985, 1989, 1993, 1997, 2001, 2005, 2009, and most recently 2012
 - 2012 was approved by a large margin of 83.09%
- Two public hearings are required
 - March 21st
 - April 4th



How are We Educating the Public?

- 4 Legal advertisements in West Valley View
 - March 9, 16, 23, and 30
- Press release on 3/16/16
- www.Avondale.org
- FAQ Factsheet on website and front counters
- Email blast
 - Schools
 - HOAs
 - Boards and Committees
 - All Subscribers
- Board and committee meetings
- RAVE magazine (May)
- Open door policies-call us anytime
- Social media



Recommendation

Place the “Home Rule” alternative expenditure limitation on the August 30th ballot



Questions?