

ALTERNATIVE EXPENDITURE LIMITATION SUMMARY ANALYSIS

The voters of the City of Holbrook in 2015 adopted an alternative expenditure limitation (Home Rule Option). The purpose of this election is for the continued use of the Home Rule Option.

Pursuant to the Arizona State Constitution, the City of Holbrook seeks voter approval to adopt a Home Rule Option to apply to the city for the next four years beginning in 2019-2020. Under a Home Rule Option if approved by the voters, the city estimates it will be allowed to expend approximately \$18,009,875 in 2019-2020, \$18,826,630 in 2020-2021, \$19,751,939 in 2021-2022, and \$20,662,857 in 2022-2023.

With approval of the Home Rule Option, the city will utilize the expenditure authority for all local budgetary purposes including General Government, Public Safety, Street Construction, Parks and Recreation, Library, Utility, and Airport.

Under the state-imposed limitation, after considering the constitutionally allowed exclusions, the city estimates it will be allowed to expend approximately \$15,935,441 in 2019-2020, \$16,353,341 in 2020-2021, \$16,821,392 in 2021-2022, and \$17,283,467 in 2022-2023 for the operation of your local government.

The amount of revenue estimated to be available to fund the operation of your city government is \$18,009,875 in 2019-2020, \$18,826,630 in 2020-2021, \$19,751,939 in 2021-2022, and \$20,662,857 in 2022-2023. These revenue estimates are the same under the Home Rule Option or the state-imposed expenditure limitation. (The city property tax shall be limited to the amount prescribed in the Arizona State Constitution.)

Any and all dollar figures presented in this summary are estimates only and are based upon information available at the time of preparation of this analysis. The budget and actual expenditures in any of the four years may be more or less than the expenditures noted above depending on available revenue.

If no alternative expenditure limitation is approved, the state-imposed expenditure limitation will apply to the city.

ALTERNATIVE EXPENDITURE LIMITATION DETAILED ANALYSIS

Pursuant to the Arizona State Constitution, the City of Holbrook as authorized by Resolution # _____ passed on the ____ of _____, 20__ will seek voter approval to adopt an alternative expenditure limitation (Home Rule Option) to apply to the City for the next four years beginning in 2019-2020.

Under a Home Rule Option if approved by the voters, the City estimates it will be allowed to expend approximately \$18,009,875 in 2019-2020, \$18,826,630 in 2020-2021, \$19,751,939 in 2021-2022, and \$20,662,857 in 2022-2023.

With approval of the Home Rule Option, the city will utilize the expenditure authority for all local budgetary purposes including General Government, Public Safety, Street Construction, Parks and Recreation, Library, Utility, and Airport.

ESTIMATED AMOUNTS TO BE EXPENDED IN SPECIFIC AREAS

Purpose	2019-2020	2020-2021	2021-2022	2022-2023
General Government	6,739,621	7,045,264	7,391,531	7,732,413
Public Safety	3,836,920	4,010,926	4,208,059	4,402,126
Street Construction	1,329,111	1,389,387	1,457,674	1,524,899
Parks and Recreation	1,136,568	1,188,112	1,246,507	1,303,993
Library	414,973	433,792	455,112	476,101
Utility	4,350,534	4,547,833	4,771,354	4,991,399
Airport	202,148	211,316	221,702	231,926
Total Expenditures	18,009,875	18,826,630	19,751,939	20,662,857

If approved, the expenditures authorized will be funded from revenues obtained from federal, state and local sources. It is estimated that the amount of revenue from each source for the next four years will be as follows:

ESTIMATED AMOUNTS OF REVENUE FROM EACH AND ANY SOURCE

Purpose	2019-2020	2020-2021	2021-2022	2022-2023
Federal	2,701,481	2,823,994	2,962,791	3,099,429
State	4,502,469	4,706,658	4,937,985	5,165,714
Local	10,805,925	11,295,978	11,851,163	12,397,714
Total Revenues	18,009,875	18,826,630	19,751,939	20,662,857

(The City property tax shall be limited to the amount prescribed in the Arizona State Constitution).

In determining the revenue sources to fund the authorized additional expenditures under the alternative expenditure limitation, it is assumed that the federal, state and local revenues received by the city will continue to be available in 2019-2020 as they have in the past. Their continued availability is also assumed for the next three consecutive years following 2019-2020.

Any and all dollar figures shown in this analysis are estimated figures only and are based upon information available at the time of preparation of this report. The budgets and actual expenditures in any given year may be more or less than the figures noted above depending on available revenues. The actual expenditure limitation for each fiscal year shall be adopted as an integral part of the budget for that fiscal year.

**ALTERNATIVE EXPENDITURE LIMITATION
SUMMARY ANALYSIS WORKSHEET**

POPULATION FACTOR COMPUTATION

Fiscal Year	Prior Fiscal Year Population	÷	1978 Population	=	Population Factor
2019-2020	5200	÷	5450	=	.9541
2020-2021	5230	÷	5450	=	.9596
2021-2022	5270	÷	5450	=	.9670
2022-2023	5300	÷	5450	=	.9725

STATE-IMPOSED EXPENDITURE 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
2019-2020	2,585,121	x	.9541	x	3.0844	=	7,607,561	+	8,327,880	=	15,935,441
2020-2021	2,585,121	x	.9596	x	3.1566	=	7,830,521	+	8,522,820	=	16,353,341
2021-2022	2,585,121	x	.9670	x	3.2350	=	8,086,892	+	8,734,500	=	16,821,392
2022-2023	2,585,121	x	.9725	x	3.3148	=	8,333,507	+	8,949,960	=	17,283,467