RESOLUTION NUMBER 2014-03

A RESOLUTION OF THE TOWN OF TUSAYAN PROPOSING AN EXTENSION OF THE ALTERNATIVE EXPENDITURE LIMITATION

WHEREAS, The Arizona State Constitution Permits the submission to the Voters of a city or town of an Alternative Expenditure Limitation; and

WHEREAS, the voters of the Town of Tusayan in 2010 adopted an alternative expenditure limitation; and

WHEREAS, the Town Council of Tusayan, after two public hearings has determined that an extension of the Alternative Expenditure Limitation is necessary for the Town of Tusayan.

NOW, THEREFORE, BE IT RESOLVED by the Town Council of Tusayan that the following Alternative Expenditure Limitation be submitted to the voters of the Town of Tusayan.

SHALL the following be adopted by the Town of Tusayan as an Alternative Expenditure Limitation:

"The Mayor and Common Council of the Town of Tusayan shall annually, as part of the annual budget adoption process, adopt an Alternative Expenditure Limitation equal to the total amount of budgeted expenditures/expenses as it appears on the annual budget as adopted by the Council to apply to the Town of Tusayan for each of the four fiscal years immediately following adoption of the Alternative Expenditure Limitation. The Alternative Expenditure Limitation shall be adopted each year after a public hearing at which the citizens of the Town of Tusayan may comment on the proposed Alternative Expenditure Limitation. No expenditures may be made in violation of such Alternative Expenditure Limitation, nor may any proposed expenditures be in excess of estimated available revenues, except that the Mayor and the Common Council may, by three-fourths vote, declare an emergency and suspend the Alternative Expenditure Limitation. The suspension of the Alternative Expenditure Limitation shall be in effect for only one fiscal year at a time."

PASSED AND ADOPTED BY the Town Council of the Town of Tusayan, this 16th day of April, 2014.

Greg Bryan, Mayor

ATTEST:

Melissa M. Drake, Town Clerk

APPROVED AS TO FORM:

Bill Sims, Town Attorney

2015-2016 EXPENDITURE LIMITATION CALCULATION

One of the most important steps in determining whether or not you will need to seek an alternative to the state-imposed limitation is the calculation of your 2015-2016 expenditure limitation. This calculation will be accomplished for you by the Economic Estimates Commission (EEC). The EEC must provide you with a preliminary limit by February 1 and a final figure by April 1.

Because these dates may not be in time for you to determine whether you must seek an alternative to the state-imposed limitation, we have provided the formula for estimation of your state-imposed limitation for 2015-2016.

Before you proceed to the actual calculation, let us caution you on a couple of points. Population figures used in your calculations must be from the Department of Administration. We do not have current published projections. To obtain the projections needed, contact Jim Chang, Department of Administration (see address and phone number on page 20). In projecting your expenditure limitation for fiscal year 2015-2016, you will need population projections beginning with the July 1, 2014 figure.

We have also provided a listing of DES 1978 populations as well as the Economic Estimates Commission (EEC) 1979-80 Base Limitations necessary for the calculation of your expenditure limitation on the following page.

In addition, the percent change in the GDP implicit price deflator provided in the calculation format below may change between when this Guide is prepared and the time you are actually doing the calculations for your submission to the Auditor General's Office. Accordingly, the deflator figure no estimate your 2015-2016 expenditure limitation by inserting the appropriate information and multiplying or dividing as directed:

2015-2016 EXPENDITURE LIMITATION

560	)	606	=	.9241	x	$470,573
Population (2014)		Population (1978)		Population Factor		Base Limitation (1979-80)

= $434,856.50	x	2.8754	=	$1,250,386		
		% Change in GDP Price Deflator		2015-2016 Expenditure Limitation		

This 2015-2016 expenditure limitation figure is only an estimate due to the possible adjustments in your population figures and the percent of change in the GDP deflators. It should, however, assist you in determining whether your community wants or needs to seek an alternative to the state-imposed limit.

ALTERNATIVE EXPENDITURE LIMITATION
(Home Rule Option)
DETAILED ANALYSIS

Pursuant to the Arizona State Constitution, the Town of **Tusayan** as authorized by Resolution **# 2014-03** passed on **April 16, 2014** will seek voter approval to adopt an alternative expenditure limitation (Home Rule Option) to apply to the City/Town for the next four years beginning in 2015-2016.

Under a Home Rule Option if approved by the voters, the town estimates it will be allowed to expend approximately **$3,948,000** in 2015-2016, **$3,900,000** in 2016-2017, **$3,905,000** in 2017-2018 and **$4,110,000** in 2018-2019.

With approval of the Home Rule Option, the city/town will utilize the expenditure authority for all local budgetary purposes including **General Government, Public Safety, Streets & Highways, Enterprise Fund, and Capital Improvements**. We estimate that the expenditures for the next four years under the Home Rule Option will be as follows:

ESTIMATED AMOUNTS TO BE EXPENDED IN SPECIFIC AREAS

Purpose	2015-2016	2016-2017	2017-2018	2018-2019
General Government	$1,422,000	$1,280,750	$1,287,750	$1,525,000
Public Safety	$ 393,500	$ 399,000	$ 404,500	$ 405,000
Streets & Highways	$ 75,000	$ 78,900	$ 79,000	$ 79,000
Enterprise Fund	$1,200,000	$1,200,000	$1,200,000	$1,200,000
Capital Improvements	$ 857,500	$ 941,350	$ 933,750	$ 901,000
Total Expenditures	$3,948,000	$3,900,000	$3,905,000	$4,110,000

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

Source	2015-2016	2016-2017	2017-2018	2018-2019
Federal	$ 50,000	$ 0	$ 0	$ 200,000
State	$ 318,000	$ 320,000	$ 325,000	$ 330,000
Local	$2,380,000	$2,380,000	$2,380,000	$2,380,000
Enterprise Fund	$1,200,000	$1,200,000	$1,200,000	$1,200,000
Total Revenues	$3,948,000	$3,900,000	$3,905,000	$4,110,000

(The city/town 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/town will continue to be available in 2015-2016 as they have for the past **4** years. Their continued availability is also assumed for the next three consecutive years following 2015-2016.

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
(Home Rule Option)
SUMMARY ANALYSIS

The voters of the Town of Tusayan in 2010 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 Town of Tusayan seeks voter approval to adopt a Home Rule Option to apply to the town for the next four years beginning in 2015-2016. Under a Home Rule Option if approved by the voters, the town estimates it will be allowed to expend approximately **$3,948,000** in 2015-2016, **$3,900,000** in 2016-2017, **$3,905,000** in 2017-2018 and **$4,110,000** in 2018-2019.

With approval of the Home Rule Option, the town will utilize the expenditure authority for all local budgetary purposes including **General Government, Public Safety, Streets & Highways, Enterprise Fund, and Capital Improvements**.

Under the state-imposed limitation the town estimates it will be allowed to expend approximately **$1,250,386** in 2015-2016, **$1,271,781** in 2016-2017, **$1,294,046** in 2017-2018 and **$1,315,484** in 2018-2019 for the operation of your local government. These expenditure estimates include expenditures of constitutionally excludable revenues.

The amount of revenue estimated to be available to fund the operation of your town government is **$3,948,000** in 2015-2016, **$3,900,000** in 2016-2017, **$3,905,000** in 2017-2018 and **$4,110,000** in 2018-2019. These revenue estimates are the same under the Home Rule Option or the state-imposed expenditure limitation.

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 town.

ALTERNATIVE EXPENDITURE LIMITATION

(Home Rule Option)

SUMMARY ANALYSIS WORKSHEET

POPULATION FACTOR COMPUTATION

Fiscal Year	Prior Fiscal Year Population	)	1978 Population	=	Population Factor
2015-2016	560	)	606	=	.9241
2016-2017	560	)	606	=	.9241
2017-2018	560	)	606	=	.9241
2018-2019	560	)	606	=	.9241

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
2015-2016	$ 470,573	x	.9241	x	2.8754	=	$1,250,386	+	0	=	$1,250,386
2016-2017	$ 470,573	x	.9241	x	2.9246	=	$1,271,781	+	0	=	$1,271,781
2017-2018	$ 470,573	x	.9241	x	2.9758	=	$1,294,046	+	0	=	$1,294,046
2018-2019	$ 470,573	x	.9241	x	3.0251	=	$1,315,484	+	0	=	$1,315,484