

Permanent Base Adjustment

History and Summary of Need

Back in the 1979-80 fiscal years, the State set a new requirement on Cities and Towns to limit their annual spending possibilities. The state used the budgets of each municipality for that year to set their individual Base Expenditure Limitation, meaning the city from that point on, could never spend more than that amount regardless of what their revenues were. The State allowed two factors to be applied to this base amount; inflation and population. Our base was set when we incorporated back in the 1986-87 fiscal year at \$2,072,112. For our current upcoming budget after the inflation and population factors are applied, the Annual Expenditure Limit is \$12,847,345.

This issue is this: When the Base Expenditure Limitation was set for Camp Verde, we had neither the wastewater plant nor a water utility. When we took on the wastewater operations, and as we plan for taking on water utility operations, our Annual Expenditure Limitation was not and will not be correspondingly increased for the significant change in annual expenses. So the Town has been in effect penalized for not having those operations when incorporating. As we have been planning for the potential incorporation of taking on a water utility, we have been routinely bumping up against our Annual Expenditure Limitation.

That State has allowed for two processes to deal with this inequality: 1) A Home Rule Adjustment (which we are not covering tonight and is not recommended) and 2) A Permanent Base Adjustment. Through the Permanent Base Adjustment process, we are able to adjust our Base Expenditure Limitation, thereby changing our current Annual Expenditure Limitation. In this process, we will be petitioning the State, with the voters approval, to increase our Base Expenditure Limitation by \$565,000 (as recommended by the Finance Director and Town Manager). Once the \$565,000 is added to our current Base Expenditure Limitation of \$2,072,112 and the corresponding factors are applied, our Annual Expenditure Limit for FY22 would increase from an expected \$13,116,221 to instead, \$16,692,603. The increase of \$3,576,382 would comfortably cover operations in both the wastewater and water utilities as well as potential capital expenses.

It is extremely important to understand, this is not an authorization by Council nor the Town's general population to actually spend another \$3.5M without purpose or the corresponding increase in revenues. Nor is it any authorization to increase revenues by raising rates or taxes. That is an entirely different process. It simply gives our Town the ability to grow if and when local revenues grow and to take on a water utility without fear of running over our State imposed limitation and losing State shared revenue resources (the State reserves the right to take away the majority of our State shared revenues if we spend over our Annual Expenditure Limitation).

As seen in the attached documents, 78 or Arizona's 91 Towns and Cities have already incorporated the Home Rule of Permanent Base Adjustment. 33 cities have utilized the Permanent Base Adjustment Process to date, many very currently as this process is becoming the preferred method of adjustment as Home Rule requires municipalities to go back to the general public every 4 years for approval.

2020 FALL GUIDE FOR PERMANENT BASE ADJUSTMENT

This report is designed to assist those communities that wish to adopt a permanent base adjustment and who have regular elections in the Fall (August/November). The following information is included in this Guide:

- ! Chronology of events for permanent base adjustment.
- ! Brief reports on requirements for:
 1. Permanent base adjustment
 2. Auditor General's Office review
- ! Sample Forms and Instructions for Completion

Please review the enclosed information. If you have any questions or comments, please call us at the League office at (602) 258-5786.

**2020 SUGGESTED PERMANENT BASE
ADJUSTMENT ELECTION CALENDAR**

(Fall Primary Election)

| | | | |
|---|---|--|---|
| <p><u>March 27**</u></p> <ul style="list-style-type: none"> • Council votes on the proposed permanent base adjustment | <p><u>April 6**</u></p> <ul style="list-style-type: none"> • Submit to Auditor General's Office required information; including summary and detailed analyses (<i>time starts when Auditor General receives the information</i>) | <p><u>April 24*</u></p> <ul style="list-style-type: none"> • Receive <u>reviewed</u> detailed and summary analyses from Auditor General's Office | <p><u>May 6*</u></p> <ul style="list-style-type: none"> • Receive arguments <u>for or against</u> permanent base adjustment for publicity pamphlet |
| <p><u>May 15**</u></p> <ul style="list-style-type: none"> • Complete preparation of publicity pamphlet; send draft to Auditor General's Office in sufficient time for review and comment prior to printing | <p><u>June 5**</u></p> <ul style="list-style-type: none"> • Send Publicity Pamphlet to the printer | <p><u>July 2*</u></p> <ul style="list-style-type: none"> • Make early ballots ready*** • Mail publicity pamphlets or let early voters know when and where they are available | <p><u>July 8*</u></p> <ul style="list-style-type: none"> • Distribute early ballots*** |
| <p><u>July 24*</u></p> <ul style="list-style-type: none"> • Distribute publicity pamphlets (<i>If for some reason they were not distributed earlier, this is the deadline.</i>) | <p><u>August 4</u></p> <ul style="list-style-type: none"> • PRIMARY ELECTION DAY | <p><u>August 24*</u></p> <ul style="list-style-type: none"> • Canvass Vote • Inform Auditor General's Office and Economic Estimates Commission of the outcome of election | |

* These calendar dates are the latest possible dates (unless otherwise indicated) to comply with election deadlines based on a Primary Election date of August 4, 2020.

** These dates are suggested dates to allow you to send the publicity pamphlet out in time for early voting. **If you contract with your county for elections services, we recommend that you check with them for their ballot preparation deadlines.**

*** Early ballots must be available no later than 33 days before the election. **However, it is prohibited to distribute an early ballot until 27 days before the election.**

**2020 SUGGESTED PERMANENT BASE
ADJUSTMENT ELECTION CALENDAR**

(Fall General Election)

| | | | |
|--|---|---|--|
| <p><u>June 26**</u></p> <ul style="list-style-type: none"> • Council votes on the proposed permanent base adjustment | <p><u>July 6*</u></p> <ul style="list-style-type: none"> • Submit to Auditor General's Office required information; including summary and detailed analyses (<i>time starts when Auditor General receives the information</i>) | <p><u>July 27**</u></p> <ul style="list-style-type: none"> • Receive <u>reviewed</u> detailed and summary analyses from Auditor General's Office | <p><u>August 5*</u></p> <ul style="list-style-type: none"> • Receive arguments <u>for or against</u> permanent base adjustment for publicity pamphlet |
| <p><u>August 14**</u></p> <ul style="list-style-type: none"> • Complete preparation of publicity pamphlet; send draft to Auditor General's Office in sufficient time for review and comment prior to printing | <p><u>September 4**</u></p> <ul style="list-style-type: none"> • Send publicity pamphlets to the printer | <p><u>October 1*</u></p> <ul style="list-style-type: none"> • Make early ballots ready*** • Mail publicity pamphlets or let early voters know when and where they are available | <p><u>October 7*</u></p> <ul style="list-style-type: none"> • Distribute early ballots*** |
| <p><u>October 23*</u></p> <ul style="list-style-type: none"> • Distribute publicity pamphlets (<i>If for some reason they were not distributed earlier, this is the deadline.</i>) | <p><u>November 3</u></p> <ul style="list-style-type: none"> • GENERAL ELECTION DAY | <p><u>November 23*</u></p> <ul style="list-style-type: none"> • Canvass Vote • Inform Auditor General's Office and Economic Estimates Commission of the outcome of election | |

* These calendar dates are the latest possible dates (unless otherwise indicated) to comply with election deadlines based on a Primary Election date of November 3, 2020.

** These dates are suggested dates to allow you to send the publicity pamphlet out in time for early voting. **If you contract with your county for elections services, we recommend that you check with them for their ballot preparation deadlines.**

*** Early ballots must be available no later than 33 days before the election. **However, it is prohibited to distribute an early ballot until 27 days before the election.**

**CITY/TOWN CHRONOLOGY OF EVENTS FOR A
PERMANENT BASE ADJUSTMENT ELECTION**

This is a chronology of events to be used as a guide depending on your city or town's circumstances and election date.

| <u>Action Steps</u> | <u>Deadline Set By Law</u> | <u>Earliest Date</u> |
|--|---|-----------------------------|
| City/town council receives <u>estimated</u> state-imposed expenditure limitation for coming fiscal year | February 1 | None |
| City/town council receives <u>actual</u> state-imposed expenditure limitation | April 1 | None |
| Call primary and general election, including permanent base adjustment as one of the purposes of the election ¹ | None - suggest 100 days prior to election | None |
| Call of election published in newspaper once a week for two consecutive weeks if in a weekly paper or four times if publishing in a daily paper ¹ | None | None |
| City/town council adopts resolution on permanent base adjustment | None | None |
| Submit detailed and summary analyses to Auditor General's Office | At least 60 days prior to election and before printing of publicity pamphlet | None |
| City/town clerk receives arguments <u>supporting</u> or <u>opposing</u> permanent base adjustment | Not less than 90 days prior to election | None |
| City/town council receives copy of the reviewed detailed and summary analyses from the Auditor General's Office | 15 working days after Auditor General's Office receives copies of the analyses | None |
| Submit draft of publicity pamphlet to Auditor General's Office for review | In sufficient time to allow for review and comment prior to printing | None |
| Have early ballots ready | 33 days prior to the election (cannot be distributed more than 27 days before the election) | None |

¹ A call and notice of election are no longer required by state law. We include a call in this chronology as an option.

| <u>Action Steps</u> | <u>Deadline Set By Law</u> | <u>Earliest Date</u> |
|--|---|---|
| Distribute publicity pamphlets | Not less than 10 days prior to election | Mail on the day early ballots are available |
| Hold election | Election date | Election date |
| Notify Auditor General's Office and Economic Estimates Commission of outcome of election | Immediately after canvass of vote | None |

Note: A permanent base adjustment election may be held at regular elections only. This includes, for permanent base adjustment elections, the city/town primary or general elections as well as the state general election. **All the information related to these elections must comply with the Voting Rights Act; therefore, Spanish translations of election materials must be provided.**

PERMANENT BASE ADJUSTMENT

Any city or town can adopt a permanent base adjustment to the state-imposed limitation if a majority of the qualified electors voting on the issue at a city/town regular election vote in favor of the permanent base adjustment. (The issue can also be placed on the state general election ballot.) There are no limitations on the amount of the permanent base adjustment sought. A permanent base adjustment may be referred to the city/town voters by an affirmative vote of two-thirds of the members of the city/town council or qualified electors of the city/town may offer a permanent base adjustment through the initiative process (Article IX, Section 20, subsection 6, Arizona State Constitution).

State law no longer requires the adoption or publication of a call or notice of election. However, we recommend that a call be published (see recommended time on calendar), including the permanent base adjustment as one of the purposes of the election. A simple statement on the proposed base adjustment will satisfy this requirement.

A Spanish language translation is required on all election related notices.

If you decide to publish a call of election, it should be published in accordance with A.R.S. § 39-204 which requires publication twice if in a weekly paper or four times if in a daily paper.

Formerly, a city/town council contemplating the adoption of a permanent base adjustment was required to hold two public hearings on the proposed action, and to publish a record of the vote on the proposed permanent base adjustment. The Auditor General's office has issued an interpretation stating that A.R.S. § 41-563.01 does not apply to permanent base adjustment elections and thus the requirements for hearings and publications in that section are not applicable. However, the city/town council is still required to pass a resolution on the proposed permanent base adjustment in an open meeting, but no record of that vote needs to be published.

AUDITOR GENERAL'S OFFICE REVIEW

At least 60 days prior to the city/town election, and prior to printing the publicity pamphlet, the council or a person or group using the initiative process proposing the permanent base adjustment must submit a permanent base adjustment proposal that includes a detailed analysis and a summary analysis to the Auditor General's Office for review. The resolution adopted by the Council specifying the terms of the permanent base adjustment must also be submitted.

The Auditor General's Office has 15 working days in which to complete a review of the proposal. During this time period, the Auditor General's Office may request the city/town to submit additional information or to submit revised information to correct any errors or deficiencies noted during the review. The Auditor General's review generally consists of the following:

1. A review of the financial information in the proposal to determine whether it complies with the requirements of the governing statute.
2. A determination of whether assumptions, factors or derived amounts, and descriptions are internally consistent.
3. A mathematical accuracy check of calculations and totals.
4. A determination of whether historical or independently determined data agrees with the authoritative source.

Take great care in completing the detailed and summary analyses. The most common mistakes on the reports submitted to the Auditor General's Office are due mathematical errors and inconsistencies between the summary analysis and detailed analysis.. We suggest you have someone other than the preparer review your detailed and summary analyses, and that you double check your math prior to submitting the analyses to the Auditor General's Office.

The detailed analysis and summary analysis may be **emailed**, delivered, mailed or faxed to the Auditor General's Office using the information below. The analyses must be received at least sixty days prior to the election at which the local voters will be asked to approve a permanent base adjustment.

Office of the Auditor General
Accounting Services Division
2910 North 44th Street, Suite 410
Phoenix, Arizona 85018
Email: asd@azauditor.gov
Phone: (602) 553-0333

At the end of the 15-day review period, the Auditor General's Office will notify the city/town whether the information presented in the permanent base adjustment proposal complies with the requirements of state law. The Auditor General's Office will also provide the city/town with a copy of the approved analyses. No revisions to the analyses may be made after the Auditor General's review is complete, except for minor edits if approved by the Auditor General's Office (see A.R.S. § 41-563.03 (B) and (D) and the attached sample detailed analysis and summary analysis).

A publicity pamphlet must be prepared for the election. The contents of the pamphlet are specified in state law (A.R.S. § 41-563.03 (B)) and include the summary analysis, as approved by the Auditor General's Office, and the form in which the permanent base adjustment will appear on the ballot. (See sample publicity pamphlet in attached forms.) Arguments supporting or opposing the permanent base adjustment, if any, must be filed with the city/town clerk not less than 90 days before the election (A.R.S. § 19-141 (C)). If no arguments are submitted, a statement to that effect should be included in the pamphlet. The pamphlet must be distributed to each household containing a registered voter before early ballots are available. If for some reason the pamphlet is not ready before early ballots are available, then a notice must be mailed with any early ballots telling voters when to expect the pamphlet to be mailed and the pamphlet must be delivered to the voters not less than 10 days prior to the election (A.R.S. § 19-141(B)).

Prior to the printing and distribution of the publicity pamphlet, the city/town must transmit a draft of the pamphlet to the Auditor General's Office in sufficient time for review and comment.

In addition to the publicity pamphlet, the detailed analysis of the permanent base adjustment must be made available to registered voters upon voter request.

Throughout this process the city/town is prohibited by law to expend any funds to influence the outcome of this election (A.R.S § 9-500.14). This prohibition includes sponsoring an argument in the publicity pamphlet.

If only one permanent base adjustment is offered to the voters, the ballot should be in the form used for initiatives and referendums (see A.R.S. § 19-125 and attached sample forms). If there is more than one alternative, the ballot must be in a form that allows electors the opportunity to vote on each proposed permanent base adjustment (A.R.S. § 41-563.03 (G)). If more than one adjustment is approved, the permanent base adjustment receiving the highest number of votes will apply to the city or town.

After the vote has been canvassed, the official canvass of the election or the resolution adopting the official canvass of the election must be provided to the Auditor General's Office (see email address on page 7) and to the Economic Estimates Commission (A.R.S. § 41-563.03 (F)). The address of the Economic Estimates Commission is: Attention: Elizabeth St. Clair, Office of Economic Research and Analysis, Arizona Department of Revenue, 1600 West Monroe, Phoenix, Arizona 85007.

**SAMPLE LANGUAGE
for
Permanent Base Adjustment**

To assist you, we have developed some model language of a permanent base adjustment and included it in resolution form. Such a resolution effecting a permanent base adjustment to the base limitation must be adopted by the council, be sent to the Auditor General's Office and published in the publicity pamphlet as the "text of proposal". A Spanish translation of the resolution must also be published in the publicity pamphlet. A Spanish translation of the model language has been included in resolution form. We recommend that this translation be reviewed for local or regional differences by a Spanish speaking person who resides within your city or town.

RESOLUTION # _____

A RESOLUTION PROPOSING A PERMANENT ADJUSTMENT TO THE 1979-80 BASE EXPENDITURE LIMITATION OF THE CITY/TOWN OF _____.

WHEREAS, THE ARIZONA STATE CONSTITUTION PERMITS THE SUBMISSION TO THE VOTERS OF A CITY OR TOWN OF A PERMANENT ADJUSTMENT TO THE BASE EXPENDITURE LIMITATION; AND

WHEREAS, THE CITY/TOWN COUNCIL OF _____ HAS DETERMINED THAT A PERMANENT BASE ADJUSTMENT IS NECESSARY FOR THE CITY/TOWN OF _____.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY/TOWN COUNCIL OF _____ THAT THE FOLLOWING PERMANENT BASE ADJUSTMENT BE SUBMITTED TO THE VOTERS OF THE CITY/TOWN OF _____.

SHALL THE EXPENDITURE BASE OF THE CITY/TOWN OF _____ BE PERMANENTLY ADJUSTED BY \$ _____?

PASSED AND ADOPTED BY THE CITY/TOWN COUNCIL OF _____,
THIS _____ DAY OF _____, 20__.

Mayor

ATTEST:

City/Town Clerk

APPROVED AS TO FORM:

City/Town Attorney

RESOLUCION £ _____

UNA RESOLUCION PROPONIENDO UN ARREGLO PERMANENTE AL BASE DEL LIMITE DE GASTO DE LA/EL CIUDAD/PUEBLO DE _____.

CONSIDERANDO QUE, LA CONSTITUCION ESTATAL DE ARIZONA PERMITE LA SUMISION A LOS VOTANTES DE UNA CIUDAD O PUEBLO UN ARREGLO PERMANENTE AL BASE DEL LIMITE DE GASTO; Y

CONSIDERANDO QUE, EL CONSEJO DE LA/EL CIUDAD/PUEBLO DE _____ HA DETERMINADO QUE UN ARREGLO PERMANENTE AL BASE DEL LIMITE DE GASTO ES NECESARIA PARA LA/EL CIUDAD/PUEBLO DE _____.

AHORA, POR LO TANTO, SEA RESUELTO POR EL CONSEJO DE LA/EL CIUDAD/PUEBLO DE _____ QUE LA SIGUIENTE ARREGLO PERMANENTE AL BASE DEL LIMITE DE GASTO SEA SOMETIDA A LOS VOTANTES DE LA/EL CIUDAD/PUEBLO DE _____.

DEBERA SER ARREGLADO PERMANENTAMENTE EL BASE DE GASTO DE LA/EL CIUDAD/PUEBLO DE _____ POR \$ _____?

PASADO Y ADOPTADO POR EL CONSEJO DE LA/EL CIUDAD/PUEBLO DE _____, ESTE _____ DIA DE _____, 20_____.

Alcalde

ATESTIGUA:

Secretary de la/el Ciudad/Pueblo

APROBADO EN FORMA:

Procurador de la/el Ciudad/Pueblo

SAMPLE FORMS

THE FORMS ON THE FOLLOWING PAGES MAY BE USED TO SUBMIT REQUIRED INFORMATION TO THE AUDITOR GENERAL'S OFFICE AND FOR ELECTION PURPOSES. WHERE APPROPRIATE, YOUR CITY OR TOWN ATTORNEY SHOULD BE CONSULTED. INSTRUCTIONS FOR COMPLETION OF THE FORMS APPEAR ON THE FACING PAGE.

INSTRUCTIONS FOR COMPLETING DETAILED ANALYSIS

Information required on the detailed analysis is specified in A.R.S. § 41-563.03 (D).

1. In the first paragraph, insert the number of the resolution authorizing the city/town to proceed with going to the voters for approval of a permanent base adjustment.
2. In the second paragraph, enter the amount that will be added to the base expenditure limitation if the permanent base adjustment is approved and indicate the purposes for which the additional expenditures will be used. You should be as specific as possible (e.g. general government, public safety, street construction, parks and recreation, library, public works, etc.). Reference to such expenditures by fund only is not sufficient. It should be noted that these descriptions will not limit your additional expenditures to these purposes. **NOTE: The purposes listed here should be consistent with the purposes listed in the summary analysis.**
3. In the third paragraph, enter the estimated amount of increase in the expenditure limitation for the next fiscal year if the permanent base adjustment passes, along with the amount of the current expenditure limitation without the increase, and then the amount of the expenditure limitation would increase to if the permanent base adjustment passes. The amount of increase in the expenditure limitation is the amount of your proposed base adjustment multiplied by the appropriate population and inflation factors. Next, enter the amounts from each of the major revenue sources - federal, state and local - from which the revenues to fund the additional expenditure authority will be derived. You can use the proportionate amounts of revenue received from the three sources to complete this paragraph. **Be sure to remove the sentence relating to the property tax if you do not have a tax.**
4. In the final paragraph, indicate the relative growth in revenue from the three major revenue sources for one or more years. If revenue streams have decreased locally, there is an optional final sentence that can be used. If the city/town did not experience a decrease in revenues, this sentence should be deleted.

**PERMANENT BASE ADJUSTMENT
DETAILED ANALYSIS**

Pursuant to the Arizona State Constitution, the City/Town of _____ as authorized by resolution # _____ passed on _____ will seek voter approval to permanently adjust the expenditure base of the City/Town as determined by the Economic Estimates Commission.

With voter approval, the City/Town will permanently increase the 1979-80 expenditure base of the City/Town by _____ beginning in fiscal year 2021-2022 and utilize the additional expenditure authority for all local budgetary purposes including _____.

If approved, the additional expenditures authorized will be funded from revenue obtained from federal, state and local sources. In 2021-2022, the City/Town's expenditure limitation will increase by \$ _____, from \$ _____ to \$ _____. In Fiscal Year 2021-2022, \$ _____ of the revenue required to fund the additional authorized expenditures will be obtained from federal sources while \$ _____ will be acquired through state sources and the remaining \$ _____ will be funded through local revenue sources. (The City/Town property tax shall be limited to the amount prescribed in the Arizona State Constitution.) All dollar figures in this analysis are estimates only.

In determining the revenue sources to fund the authorized additional expenditures, it is assumed that the federal, state and local revenues received by the City/Town will continue to be available and increase as they have for the past _____ years. In the past _____ years, federal revenue has increased by approximately _____% each year while state revenue has increased by approximately _____% and local revenue has increased by approximately _____% each year. (Although federal and state funding has decreased over the past _____ year(s), there is still sufficient revenue from federal, state and local sources to fund this permanent base adjustment.)

INSTRUCTIONS FOR COMPLETING SUMMARY ANALYSIS

1. Information required to be documented in the summary analysis is specified in A.R.S. § 41-563.03 (B).
2. In the first paragraph, enter the amount which will be added to your base expenditure limitation if the permanent base adjustment is approved. This amount should agree to the amount entered in the second paragraph of the Detailed Analysis.
3. In the second paragraph, enter the estimated amount of increase in the expenditure limitation for the next fiscal year if the permanent base adjustment passes, along with the amount of the current expenditure limitation without the increase, and then the amount of the expenditure limitation would increase to if the permanent base adjustment passes.. The amount of increase in the expenditure limitation is the amount of your proposed base adjustment multiplied by the appropriate population and inflation factors. **NOTE: The purposes and amounts listed here should be agree with the purposes and amounts listed in the detailed analysis.**

PERMANENT BASE ADJUSTMENT

SUMMARY ANALYSIS

Pursuant to the Arizona State Constitution, the City/Town of _____ seeks voter approval to permanently adjust the expenditure base of the City/Town as determined by the Economic Estimates Commission. If approved by the voters, the City/Town's 1979-80 base expenditure limitation will be increased by \$_____ adjusted each future year for population and inflation growth since 1979-80.

With voter approval, in 2021-2022 the City/Town's expenditure limitation will increase by \$_____, from \$_____ to \$_____. The City/Town will utilize the additional expenditure authority for any local budgetary purposes including _____. (The dollar figures in this statement are estimates only.)

If approved, the additional authorized expenditures will be funded from revenues obtained from federal, state and local sources.

GENERAL INSTRUCTIONS FOR PREPARING PUBLICITY PAMPHLET

A publicity pamphlet must be prepared for each permanent base adjustment election. The contents of the pamphlet are specified by state law as follows: (A.R.S. § 41-563.03 and § 19-123).

1. The date of the election.
2. The names and locations of polling places and the times they are open.
3. A true and complete copy of the title and text of the proposed permanent adjustment of the base limit. (See page 21 of this packet.)
4. The form in which the proposed permanent base adjustment will appear on the ballot, the official title, a descriptive title prepared by the city or town clerk and the number by which the proposed adjustment will be designated. (See pages 24 & 25 of this packet.)
5. A summary of the purpose or purposes for which the additional spending capacity will be used as reviewed by the Auditor General's Office.
6. A summary of the amount of the proposed adjustment to the base limit, as reviewed by the Auditor General's Office.
7. A summary of the effect of the adjustment on the expenditure limitation, as reviewed by the Auditor General's Office.
8. A summary of the source or sources of estimated revenue to be used for financing the upward adjustment of the base limit or the source or sources of the estimated revenues to be reduced as a result of a downward adjustment of the base limit, as reviewed by the Auditor General's Office.
9. Arguments for and against the proposed adjustment, or an indication that no arguments for/against were received.

(Items # 5 through # 8 of the listing above are contained in the summary analysis.)

A draft of the publicity pamphlet must be **emailed** to the Auditor General's Office in sufficient time for their review and comment **prior to printing**. See page 7 for the **email address** of the Auditor General's Office.

The publicity pamphlet must contain Spanish language translations of all information.

The publicity pamphlet must be distributed to every household containing a registered voter at least ten days before the election (A.R.S. § 19-141 (A)).

You are prohibited from expending public funds for promoting the adoption of the permanent base adjustment. This means that, in providing publicity pamphlets, the city or town may not include a city/town sponsored argument for the permanent base adjustment.

On the following pages, we have produced a sample publicity pamphlet. Where the necessary insertions are obvious, such as inserting the name of the city or town, no instructions are included.

PUBLICITY PAMPHLET COVER

CITY/TOWN OF _____

PUBLICITY PAMPHLET

Proposal to be submitted to the qualified electors
of the City/Town of _____
at the

PRIMARY/GENERAL ELECTION

(Insert Date of Election)

Compiled and Issued by

City/Town of _____

(_____), City/Town Clerk

INSTRUCTIONS FOR COMPLETING PAGES 2 AND 3 OF PUBLICITY PAMPHLET

1. On Page 2, list the name and location of all polling places and insert the date of election in the space provided.
2. Page 3 is optional. If the city/town chooses to include this page in the publicity pamphlet, insert the city/town name and the date of the election. Otherwise, omit this page.

PAGE 2

LIST OF POLLING PLACES

ALL POLLING PLACES WILL BE OPEN FROM 6:00 A.M. to 7:00 P.M. on _____.

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PAGE 3

To the voters of the City/Town of _____.

The purpose of this publicity pamphlet is to provide you with information on a measure which will appear on the _____ Primary/General Election ballot. Preparation of this pamphlet is required by State law.

In compliance with the Federal Voting Rights Act, this publicity pamphlet has been prepared in both English and Spanish.

(You may want to insert additional information.)

INSTRUCTIONS FOR COMPLETING PAGE 4 OF PUBLICITY PAMPHLET

Insert the text of the resolution, in both English and Spanish, adopted by the city/town council setting forth the permanent base adjustment. Be sure to fill in the amount by which the expenditure base will be increased.

PROPOSITION ____

RESOLUTION # _____

A RESOLUTION PROPOSING A PERMANENT ADJUSTMENT TO THE 1979-80 BASE EXPENDITURE LIMITATION OF THE CITY/TOWN OF _____.

WHEREAS, THE ARIZONA STATE CONSTITUTION PERMITS THE SUBMISSION TO THE VOTERS OF A CITY OR TOWN OF A PERMANENT ADJUSTMENT TO THE BASE EXPENDITURE LIMITATION; AND

WHEREAS, THE CITY/TOWN COUNCIL OF _____ HAS DETERMINED THAT A PERMANENT BASE ADJUSTMENT IS NECESSARY FOR THE CITY/TOWN OF _____.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY/TOWN COUNCIL OF _____ THAT THE FOLLOWING PERMANENT BASE ADJUSTMENT BE SUBMITTED TO THE VOTERS OF THE CITY/TOWN OF _____.

SHALL THE EXPENDITURE BASE OF THE CITY/TOWN OF _____ BE PERMANENTLY ADJUSTED BY \$ _____?

PASSED AND ADOPTED BY THE CITY/TOWN COUNCIL OF _____, THIS ____ DAY OF _____, 20__.

Mayor

ATTEST:

City/Town Clerk

INSTRUCTIONS FOR COMPLETING PAGES 5 - 7 OF PUBLICITY PAMPHLET

1. On Page 5, insert the summary analysis as reviewed by the Auditor General's Office. No revisions to the summary analysis may be made after the Auditor General's review is complete, except for minor edits if approved by the Auditor General's Office. If the city/town elects to publish the detailed analysis, the city/town must publish it as reviewed by the Auditor General's Office. You are only required to include the summary analysis.
2. On Page 6, insert any arguments submitted supporting the permanent base proposition or print "no arguments received" and insert any arguments submitted opposing the proposition or print "no arguments received".
3. On Page 7, insert the ballot format as it appears on the last page of this packet.

Summary Analysis

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Arguments Favoring Proposition #

Arguments Opposing Proposition #

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Ballot Format

INSTRUCTIONS FOR COMPLETING BALLOT FORMAT

The ballot format is outlined in A.R.S. § 19-125, pursuant to A.R.S. § 41-563.03 (G).

1. Insert the permanent base adjustment proposition on the ballot after candidate names.
2. Indicate the official title, the descriptive title and the proposition number by which the permanent base adjustment will be designated.
3. The number of the proposition must be printed in at least 12 point reverse type each time it appears on the ballot. If the measure appears on a statewide ballot, it must be numbered beginning with 400.

BALLOT FORMAT

Permanent Base Adjustment

Proposition #

Proposal submitted by City/Town Council of _____

Official Title

A resolution proposing a permanent adjustment to the state-imposed base expenditure limitation for the City/Town of _____.

Descriptive Title

Pursuant to the Arizona State Constitution, the City/Town of _____ seeks voter approval to permanently adjust the expenditure base of the City/Town as determined by the Economic Estimates Commission. The City/Town seeks an adjustment of \$_____.

| | |
|---|-------------------------------------|
| A "YES" vote shall have the effect of allowing the City/Town to adjust its base expenditure limit. | Proposition # |
| | Yes <input type="checkbox"/> |
| A "NO" vote shall have the effect of not allowing the City/Town to adjust its base expenditure limit. | Proposition # |
| | No <input type="checkbox"/> |

**CITIES/TOWNS WITH APPROVED ALTERNATIVES/ADJUSTMENTS TO
THE STATE EXPENDITURE LIMITATION**

| City/Town | Type of Alternative | Year Effective | Next Home Rule Election |
|------------------|----------------------------|-----------------------|--------------------------------|
| Apache Junction | Permanent Base Adjustment | 2021-2022 | |
| Avondale | Home Rule | 2017-2018 | Fall 2020 |
| Benson | Home Rule | 2017-2018 | Fall 2020 |
| Bisbee | Home Rule | 2019-2020 | Fall 2022 |
| Buckeye | Permanent Base Adjustment | 2015-2016 | |
| Carefree | Permanent Base Adjustment | 1999-2000 | |
| Casa Grande | Permanent Base Adjustment | 2007-2008 | |
| Cave Creek | Home Rule | 2017-2018 | Fall 2020 |
| Chandler | Home Rule | 2019-2020 | Fall 2022 |
| Chino Valley | Home Rule | 2017-2018 | Fall 2020 |
| Clarkdale | Permanent Base Adjustment | 2017-2018 | |
| Clifton | Home Rule | 2019-2020 | Fall 2022 |
| Colorado City | Permanent Base Adjustment | 2002-2003 | |
| Coolidge | Home Rule | 2019-2020 | Fall 2022 |
| Cottonwood | Permanent Base Adjustment | 2013-2014 | |
| Douglas | Permanent Base Adjustment | 2008-2009 | |
| Duncan | Home Rule | 2017-2018 | Fall 2020 |
| Eagar | Home Rule | 2019-2020 | Fall 2022 |
| El Mirage | Permanent Base Adjustment | 2015-2016 | |
| Eloy | Home Rule | 2019-2020 | Fall 2022 |
| Flagstaff | Permanent Base Adjustment | 2006-2007 | |
| Florence | Home Rule | 2017-2018 | Fall 2020 |
| Fredonia | Home Rule | 2019-2020 | Fall 2022 |
| Gila Bend | Home Rule | 2019-2020 | Fall 2022 |
| Gilbert | Permanent Base Adjustment | 1997-1998 | |
| Glendale | Permanent Base Adjustment | 2000-2001 | |
| Globe | Home Rule | 2017-2018 | Fall 2020 |
| Goodyear | Permanent Base Adjustment | 2003-2004 | |
| Guadalupe | Home Rule | 2017-2018 | Fall 2020 |
| Hayden | Home Rule | 2017-2018 | Fall 2020 |
| Holbrook | Home Rule | 2019-2020 | Spring 2023 |
| Huachuca City | Home Rule | 2017-2018 | Fall 2020 |
| Jerome | Home Rule Option | 2017-2018 | Fall 2020 |
| Kearny | Home Rule Option | 2019-2020 | Fall 2022 |
| Kingman | Home Rule | 2019-2020 | Fall 2022 |
| Lake Havasu City | Permanent Base Adjustment | 2019-2020 | |
| Litchfield Park | Permanent Base Adjustment | 2005-2006 | |
| Mammoth | Permanent Base Adjustment | 2021-2022 | Fall 2020 |
| Marana | Home Rule | 2017-2018 | Fall 2020 |

NOTE: Many of the years listed are the effective dates of a reauthorization of an alternative expenditure limitation.
Prepared by the League of Arizona Cities and Towns (October 2019)

| City/Town | Type of Alternative | Year Effective | Next Home Rule Election |
|------------------|----------------------------|-----------------------|--------------------------------|
| Maricopa | Permanent Base Adjustment | 2005-2006 | |
| Mesa | Home Rule | 2019-2020 | Fall 2022 |
| Miami | Home Rule | 2017-2018 | Fall 2020 |
| Nogales | Home Rule | 2019-2020 | Fall 2020 |
| Oro Valley | Home Rule | 2019-2020 | Fall 2022 |
| Page | Permanent Base Adjustment | 2005-2006 | |
| Paradise Valley | Permanent Base Adjustment | 2017-2018 | |
| Parker | Home Rule | 2017-2018 | Fall 2020 |
| Patagonia | Home Rule | 2019-2020 | Fall 2022 |
| Payson | Home Rule | 2019-2020 | Fall 2022 |
| Peoria | Permanent Base Adjustment | 2003-2004 | |
| Phoenix | Home Rule | 2016-2017 | Fall 2021 |
| Pima | Permanent Base Adjustment | 2017-2018 | |
| Prescott | Home Rule | 2018-2019 | Fall 2021 |
| Prescott Valley | Home Rule | 2017-2018 | Fall 2020 |
| Queen Creek | Home Rule | 2019-2020 | Fall 2022 |
| Safford | Permanent Base Adjustment | 2008-2009 | |
| Scottsdale | Permanent Base Adjustment | 2006-2007 | |
| Sedona | Home Rule | 2019-2020 | Fall 2022 |
| Show Low | Permanent Base Adjustment | 2017-2018 | |
| Sierra Vista | Permanent Base Adjustment | 2001-2002 | |
| Snowflake | Home Rule | 2017-2018 | Fall 2020 |
| Somerton | Home Rule | 2017-2018 | Fall 2020 |
| South Tucson | Home Rule | 2017-2018 | Fall 2020 |
| Springerville | Permanent Base Adjustment | 2019-2020 | |
| St. Johns | Home Rule | 2017-2018 | Fall 2020 |
| Star Valley | Home Rule | 2019-2020 | Fall 2022 |
| Superior | Home Rule | 2017-2018 | Fall 2020 |
| Surprise | Permanent Base Adjustment | 2007-2008 | |
| Taylor | Home Rule | 2017-2018 | Fall 2020 |
| Tempe | Permanent Base Adjustment | 2018-2019 | |
| Thatcher | Permanent Base Adjustment | 2017-2018 | |
| Tolleson | Home Rule | 2017-2018 | Fall 2020 |
| Tombstone | Home Rule | 2017-2018 | Fall 2020 |
| Tucson | Permanent Base Adjustment | 2014-2015 | |
| Wickenburg | Permanent Base Adjustment | 2006-2007 | |
| Williams | Home Rule | 2019-2020 | Fall 2022 |
| Winkelman | Permanent Base Adjustment | 2021-2022 | |
| Youngtown | Permanent Base Adjustment | 2013-2014 | |

NOTE: Many of the years listed are the effective dates of a reauthorization of an alternative expenditure limitation.
Prepared by the League of Arizona Cities and Towns (October 2019)

PERMANENT BASE ADJUSTMENT DETAILED ANALYSIS

Pursuant to the Arizona State Constitution, the Town of Camp Verde, Arizona as authorized by Resolution #2020-1046 passed on June 17, 2020 will seek voter approval to permanently adjust the expenditure base of the Town as determined by the Economic Estimates Commission.

With voter approval, the Town will permanently increase the 1979-80 expenditure base of the Town by \$565,000 beginning in fiscal year 2021-2022 and utilize the additional expenditure authority for all local budgetary purposes including expenses for the Town's wastewater and water systems.

If approved, the additional expenditures authorized will be funded from revenue obtained from federal, state and local sources. In 2021-2022, the Town's expenditure limitation will increase by \$3,576,382, from \$13,116,221 to \$16,692,603 in Fiscal Year 2021-2022, \$0 of the revenue required to fund the additional authorized expenditures will be obtained from federal sources while \$0 will be acquired through state sources and the remaining \$3,576,382 will be funded through local revenue sources. All dollar figures in this analysis are estimates only.

In determining the revenue sources to fund the authorized additional expenditures, it is assumed that the federal, state and local revenues received by the Town will continue to be available and increase as they have for the past 5 years. In the past 5 years, federal revenue has increased by approximately 0% each year while state revenue has increased by approximately 0% and local revenue has increased by approximately 5.4% each year.

PERMANENT BASE ADJUSTMENT

SUMMARY ANALYSIS

Pursuant to the Arizona State Constitution, the Town of Camp Verde seeks voter approval to permanently adjust the expenditure base of the Town as determined by the Economic Estimates Commission. If approved by the voters, the Town's 1979-80 base expenditure limitation will be increased by \$565,000 adjusted each future year for population and inflation growth since 1979-80.

With voter approval, in 2021-2022 the Town's expenditure limitation will increase by \$3,576,382, from \$13,116,221 to \$16,692,603. The Town will utilize the additional expenditure authority for any local budgetary purposes including expenses for the Town's wastewater and water systems. (The dollar figures in this statement are estimates only.)

If approved, the additional authorized expenditures will be funded from revenues obtained from federal, state and local sources.