

Mayor's Monthly Message: July 2018

I hope you are enjoying your summertime! Florence is always a great place to celebrate the Fourth of July at our Heritage Park each year. Our Parks and Recreation department has been busy planning some fun activities. To find upcoming events and activities, please visit our Town website: www.florenceaz.gov. As always, stay safe and enjoy. 😊

This August 2018, registered voters of Florence will have an opportunity to vote for three council members and Prop 422 – Permanent Base Adjustment, as both will appear on the ballot.

The final town council candidates (in alphabetical order) are as follows:

Vote for not more than 3

Anderson, John (incumbent)

Cordes, Michelle

Hughes, Judy

Pranzo, Gary J.

Woolridge, Vallarie (incumbent)

The question posed is 'SHALL THE EXPENDITURE BASE OF THE TOWN OF FLORENCE BE PERMANENTLY ADJUSTED BY \$451,500?'

FAST FACTS

- Proposition 422, the permanent base adjustment option, provides local control to meet local needs, instead of having to use a state-imposed formula based upon our 1979/1980 budget.
- Proposition 422 does NOT impose any new or additional taxes and does not raise existing taxes
- Proposition 422 will NOT permit the Town of Florence to expend more than it receives in revenue
- Prop 422 Permanent Base Adjustment FAQs

1. **What is the difference between an alternative expenditure limitation (home rule) and permanent base adjustment?** Home rule—Arizona Constitution, Article IX, §20(9), allows a City or town to adopt an alternative expenditure limitation (home rule) with voter approval at a regularly scheduled election for the nomination or election of its governing board members. Home rule prescribes the method the city or town will use to calculate its expenditure limitation each year. Voters must approve home rule before the first fiscal year to which it applies. Home rules apply for four succeeding fiscal years, after which the constitutional expenditure limitation becomes effective unless voters adopt a new home rule. Permanent base adjustment—Arizona Constitution, Article IX, §20(6), allows a city

or town to permanently adjust its base limit with voter approval at a regularly scheduled general election or a nonpartisan election held for the nomination or election of its governing board members. The Economic Estimates Commission will use the adjustment to calculate the constitutional expenditure limitation beginning with the fiscal year immediately following the fiscal year that voters approve the permanent base adjustment. Permanent base adjustments apply to all future years; however, voters may adopt additional adjustments.

2. **May a city or town under home rule adopt a permanent base adjustment?** Yes. A city or town under home rule may adopt a permanent base adjustment. The Economic Estimates Commission will use the adjusted base limit to calculate the city's or town's constitutional expenditure limitation for the year following a permanent base adjustment's voter approval. However, the city or town is still subject to its home rule if the home rule has not expired.
3. **What is permanent base adjustment (Proposition 422) and why is it on the ballot?** Florence voters are being asked to consider a Permanent Base Adjustment option on the August 28, 2018 ballot. This option would adjust the base dollar amount used under the state formula to calculate the Town's expenditure limitation. In 1979/80, the Arizona State Constitution imposed expenditure limitations on all cities and towns in Arizona based on their 1978 actual expenditures and population (with an allowance for inflation). Like most cities and towns, Florence has seen significant growth since 1978. The Town now provides many services it did not provide in 1979, such as its many parks and recreation facilities and programs, library services and programs, a full-time fire department, new streets, and sidewalks, as well as additional parks. As Florence has grown, so too have revenues and operating costs.
4. **If Florence already uses the Home Rule option, why is the Permanent Base Adjustment being brought before voters now?** Approximately 87% of all Arizona cities and towns, including Florence, operate under either a temporary or permanent alternative expenditure limitation. Every four years Florence voters are asked to approve the temporary "Home Rule" Alternative Expenditure Limitation option. In 2014 the voters voted down the Expenditure Limit Option. The Town held two special elections in 2015 and 2016 which the voters approved a one-time expenditure limit. When compared to the "Home Rule" Alternative Expenditure Limitation, the Permanent Base Adjustment would save on administration and election costs every four years along with any additional costs of special elections if the "Home Rule" fails. The Permanent Base adjustment allows the Town Council to address future budget needs with an expenditure base that is in line with current revenue, population and inflation trends. It allows the Town to spend the revenue it collects for programs it operates in a manner that adequately serves the needs of the community based on current financial conditions.
5. **Will Proposition 422 increase my taxes?** NO. If Proposition 422 passes, the only outcome is that it provides the Town of Florence the ability to budget for and spend the revenues it already collects. The Permanent Base Adjustment option does not empower the Florence Town Council to create new and additional taxes, nor does it enable the Town to spend beyond the revenues it receives.