

Home Rule

Alternative Expenditure Limitation ■ Aug. 28 primary election



The Home Rule vote significantly affects Sedona city services.

The Aug. 28, 2018, primary election will affect city service levels, programs, and amenities.

NO VOTE What it means

- Current spending levels for services and programs would be cut by roughly half beginning July 2019.
- Spending would be capped at 1980 baseline levels adjusted for inflation and population. Cuts could affect basic services, capital improvements, amenities, service contracts and grants to nonprofits.
- Spending would be capped at approximately \$13.5 million in discretionary spending, plus \$10.8 million in exempted expenditures such as existing bond payments, beginning in fiscal year 2020.

Estimated budget impacts FY20

Estimates, rounded, in millions

State-imposed expenditure limit	\$13.5
Amount exempted from state limit	10.8
Total allowable spending under the state plan	24.3
Sedona's forecasted FY2019-20 spending	49.5
Forecasted spending exceeding the state limit	25.2
Budget cuts needed to meet the state limit	51%

Forecasted spending detail

FY20 rounded, in millions

General Govt	Parks and Recreation	1.0
	Attorney and Court	0.8
	Economic Development	2.4
	Information Technology	1.6
	Admin City Mgr, Council, Finance, HR, Clerk	2.9
Community Development		2.4
Public Safety		6.8
Public Works		3.1
Highways and Streets		2.4
Wastewater Utility		4.5
Capital improvements	Stormwater Management	0.9
	Wastewater	1.2
	Sedona in Motion / TMP	10.1
	Other streets	1.1
	Other capital Arts, Parks, PD, Public Works	2.5
Grants		0.1
Debt service		5.7

Why is Home Rule on the ballot?

The Arizona Constitution allows cities and towns to put Home Rule – the Alternative Expenditure Limitation – on the ballot so voters can determine appropriate service levels for the community.

Will my taxes decrease if I vote No on Home Rule?

No. Your vote will not change Sedona's sales tax rate, county property taxes or any city fees. Taxes and fees will continue to be collected.

How has Sedona voted in the past on Home Rule?

Sedona voters have approved Home Rule in every election but one (1994).

What do other cities do?

Statistics from the League of Arizona Cities and Towns tell us that most voters in Arizona cities approve Home Rule. Eighty-seven percent of cities and towns, as of January 2018, are operating under Home Rule or a permanent increase in their base budget. Sedona voters have approved Home Rule seven times since 1990.

YES VOTE What it means

- The city will continue to adopt a balanced budget each year as required by Arizona law (ARS Title 42), with spending restricted to available revenues and accumulated savings.
- The budget will be approved and adopted by residents' elected representatives, the Sedona City Council.
- The city will be able to fully fund core services, transportation and traffic improvement projects, flood control projects, parks and recreation programs, and arts programs, and enter into service contracts with nonprofits such as the Sedona Public Library, Sedona Community Center, Sedona Recycles, Verde Valley Caregivers Coalition, Humane Society of Sedona and other groups at levels similar to current levels.

City budgeting practices

- Citizen committee reviews budget plans. City Council receives input, adopts balanced budget.
- 18 years: Certificate of Achievement for Excellence in Financial Reporting. - Government Finance Officers Association
- Regular independent audits - CliftonLarsonAllen LLP
 - ✓ Annual finance audit
 - ✓ Annual expenditure limitation audit
 - ✓ Annual Highway User Revenue Fund audit
 - ✓ Triennial court procedures review
- Bond rating is A, Standard and Poor's. *"Capacity to meet its financial commitments on obligations is strong."*

Ballot language

Home Rule Option

Proposal submitted by City Council of the City of Sedona

OFFICIAL TITLE: A resolution proposing an extension of the alternative expenditure limitation (home rule option) for the City of Sedona.

DESCRIPTIVE TITLE: Pursuant to the Arizona State Constitution, this proposal establishes an extension of the alternative expenditure limitation (home rule option) for the City of Sedona for the next four years. Annually, the City Council will determine the amount of the alternative expenditure limitation (home rule option) for the fiscal year after at least one public hearing. This alternative expenditure limitation (home rule option) replaces the state-imposed expenditure limitation.

A "YES" vote shall have the effect of extending the alternative expenditure limitation (home rule option) for the City of Sedona.

A "NO" vote shall have the effect of not allowing the City of Sedona to extend the alternative expenditure limitation (home rule option) and to require expenditures of the City to be limited by the state-imposed expenditure limit.

How to vote in the Aug. 28 primary

If you are on the Permanent Early Voter List and have not declared a party affiliation, you will have to take an additional step to receive a primary election ballot by mail.

Watch your mail for instructions to voters from your county recorder. You can ask for a party primary ballot along with the Sedona city council candidates and alternative expenditure limitation proposal, or can choose to remain independent and receive only the city election ballot.

Regardless of whether you have a declared party affiliation, everyone can vote in person on election day, Aug. 28, from 6 a.m. to 7 p.m. To find the polling places for your county or residence, visit the Yavapai County Recorder at yavapai.us/electionsvr or Coconino County Recorder at coconino.az.gov/recorder.

