

**MINUTES OF THE SPECIAL MEETING OF
THE ELOY CITY COUNCIL
CITY OF ELOY
628 NORTH MAIN STREET
APRIL 16, 2018
5:00 P.M.**

Staff Present: Harvey Krauss-City Manager; Mary Myers-City Clerk; Brian Wright-Finance Director; Christopher Vasquez-Chief of Police; Rus Ketcham-Library Director

I. CALL TO ORDER

Mayor Belloc called the meeting to order at approximately 5:04 p.m.

II. INVOCATION

Mayor Joel Belloc led Council and the public in the Lord's Prayer.

III. PLEDGE OF ALLEGIANCE

Councilmember Snyder led Council and the public in the Pledge of Allegiance.

IV. ROLL CALL

Council Members Present: Councilmember JoAnne Galindo; Councilmember Andrew Rodriguez; Mayor Joel Belloc; Vice Mayor Micah Powell; Councilmember J.W. Tidwell; Councilmember Dan Snyder; Councilmember Jose Garcia.

Council Members Absent: None

V. BUSINESS

A. COUNCIL TO CONDUCT A SECOND PUBLIC HEARING ON THE PROPOSED EXTENSION OF THE ALTERNATIVE EXPENDITURE LIMITATION ALSO KNOWN AS THE HOME RULE OPTION.

Staff Cover Sheet Report: *Council conduct a second public hearing on the proposed extension of the Alternative Expenditure Limitation also known as the Home Rule Option as required by State Statute.*

This is the second of two public hearings on the proposed Alternative Expenditure Limitation (Home Rule Option) as required pursuant to A.R.S. §41-563.01 (1). Upon conclusion of the public hearing, the Council may take action on a resolution authorizing a ballot initiative for voter consideration on the Home Rule Option at the August 28, 2018 primary election.

With the approval of the Home Rule Option, the City will utilize the expenditure authority for all local budgetary purposes including General Government, Public Safety, Parks and Recreation, Library, Streets, Capital Projects, Water/Wastewater, Sanitation, Airport, Cemetery, and Special Projects.

FISCAL IMPACT: *A “yes” vote on the Home Rule Option will not increase or decrease taxes. Home Rule allows the Mayor and Council to set its annual expenditure levels based upon estimated revenues. If Home Rule isn’t approved, the City will be forced to limit the amount of revenues the City expends based upon an arbitrary State-imposed formula dating back to 1980, which means the City will be required to make major cutbacks on city services and no additional capital projects can be completed.*

Estimated Revenues for City Operations with State-imposed Limitation (w/o Home Rule):

| | |
|---------------------|--------------------|
| <i>\$17,953,415</i> | <i>FY2019-2020</i> |
| <i>\$19,442,615</i> | <i>FY2020-2021</i> |
| <i>\$21,094,790</i> | <i>FY2021-2022</i> |
| <i>\$22,977,607</i> | <i>FY2022-2023</i> |

Estimated Revenues Available to fund City Operations under the Home Rule Option:

| | |
|---------------------|--------------------|
| <i>\$31,104,910</i> | <i>FY2019-2020</i> |
| <i>\$31,819,665</i> | <i>FY2020-2021</i> |
| <i>\$32,780,066</i> | <i>FY2021-2022</i> |
| <i>\$33,493,254</i> | <i>FY2022-2023</i> |

Mayor Belloc opened the public hearing to hear comments and/or questions from the public regarding the home rule option.

Mr. Krauss gave a brief overview and background of the alternative expenditure limitation, also known as the home rule option. He assured Council and the public that approval of the home rule option will not increase taxes. It will allow the city

council to set the city's annual budget based on available revenues and not be limited by the amount in revenues that are tied to 1979-80 budget.

Council briefly discussed with Mr. Krauss and Mr. Wright two possible options for future consideration to avoid having to go out for voter approval every four years for the home rule option.

- Becoming a charter city (voter approval required); or
- Voter approval of a Permanent Base Adjustment

Mr. Wright conveyed the League of Arizona Cities and Towns suggests cities ensure that their home rule option pass, then come back to the voters two years later to seek approval for a permanent base adjustment. He said it fails, the city still have two years left on its home rule option.

Vice Mayor Powell asked Mr. Wright if the home rule option doesn't pass, can the city bring it before the voters again in two years.

Mr. Wright said if the home rule option doesn't pass, the city can bring it back to the voters the following year at a special election.

Councilmember Galindo wanted to know if the home rule option and permanent base adjustment could both be placed on the same ballot.

Mr. Wright said no; it has to be one or the other. He said the most important thing is to let voters know that approving the home rule option will not increase their taxes. Approval will only allow the city to run the city based on its current budget.

Vice Mayor Powell conveyed that the last home rule option passed with a little over sixty percent (60%) approval. He reiterated what Mr. Wright said about the importance of informing voters that voting for the home rule option will not increase their taxes. Vice Mayor Powell said going for a permanent base adjustment is something Council may want to think about for the future.

Mr. Krauss said he's contacted several organizations in the city to schedule times to speak to their members about the importance of the passage of the home rule option.

Councilmember Snyder said Council as individuals can also write letters to the editor supporting the home rule option.

There being no further questions and/or comments, Mayor Belloc closed the public hearing.

B. COUNCIL CONSIDER ADOPTION OF RESOLUTION NO. 18-1435 PROPOSING AN EXTENSION OF THE ALTERNATIVE EXPENDITURE LIMITATION, ALSO KNOWN AS THE HOME RULE OPTION.

Staff Cover Sheet Report: *Council adopt Resolution No. 18-1435 authorizing the question of whether to extend the Alternative Expenditure Limitation, also known as the Home Rule Option, on the August 28, 2018 primary election ballot for an additional four years.*

Per A.R.S. Section 41-563.01 (1), the City Council is required to vote on the proposed alternative expenditure limitation extension immediately after holding the second public hearing at a special meeting. Adoption of Resolution No. 18-1435 will officially place the question of whether to extend the Alternative Expenditure Limitation for the City an additional four years on the August 28, 2018 Primary Election ballot. If approved, the Home Rule Option would be effective for FY2019-2020 through FY2022-2023.

FISCAL IMPACT: *The publicity ballot and election are funded out of the City Clerk's budget.*

A "yes" vote on the Home Rule Option will not increase or decrease taxes. Home Rule allows the Mayor and Council to set its annual expenditure levels based upon estimated revenues. If Home Rule isn't approved, the City will be forced to limit the amount of revenues the City expends based upon an arbitrary State-imposed formula dating back to 1980, which means the City will be required to make major cutbacks on city services and no additional capital projects can be completed.

Estimated Revenues for City Operations with State-imposed Limitation

| | |
|---------------------|--------------------|
| <i>\$17,953,415</i> | <i>FY2019-2020</i> |
| <i>\$19,442,615</i> | <i>FY2020-2021</i> |
| <i>\$21,094,790</i> | <i>FY2021-2022</i> |
| <i>\$22,977,607</i> | <i>FY2022-2023</i> |

Mr. Krauss conveyed that adoption of the proposed resolution will place the initiative on the August 28th primary election ballot.


Motion by Vice Mayor Powell, seconded by Councilmember Rodriguez to read Resolution No. 18-1435 by title only, passed unanimously.

The city clerk read the resolution title into the record.

Motion by Vice Mayor Powell, seconded by Councilmember Rodriguez to adopt Resolution No. 18-1435, passed unanimously by roll call vote.

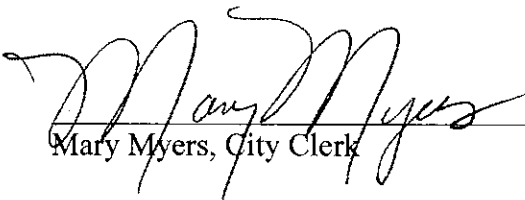
VII. ADJOURNMENT

There being no further business, Mayor Belloc adjourned the meeting at approximately 5:27 p.m.



Joel G. Belloc, Mayor

ATTEST:



Mary Myers, City Clerk