



# TOWN OF JEROME

POST OFFICE BOX 335, JEROME, ARIZONA 86331  
(928) 634-7943 www.jerome.az.gov

## RESOLUTION NO. 595

### A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF JEROME PROPOSING AN 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**, Jerome voters in 1986, 1990, 1994, 1998, 2002, 2006, 2012 and 2016 authorized the local alternative expenditure limitation (Home Rule Option); and

**WHEREAS**, the Town Council of Jerome after two public hearings has determined that an extension of the alternative expenditure limitation is necessary for the Town of Jerome;

**NOW, THEREFORE, BE IT RESOLVED** by the Town Council of Jerome, Arizona that the following alternative expenditure limitation be submitted to the voters of the Town of Jerome:

Shall the following be adopted by the Town of Jerome as an alternative expenditure limitation:

"The Mayor and Common Council of the Town of Jerome 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 Jerome 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 Jerome 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."

ADOPTED AND APPROVED by a majority vote of the Jerome Town Council on the 24 day of March, 2020.

APPROVED:

Christina "Alex" Barber, Mayor

ATTEST:

Candace Gallagher, Town Manager/Clerk

APPROVED AS TO FORM:

William J. Sims, Town Attorney



Jerome Town Hall Located at 600 Clark Street, Jerome Civic Center



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## STAFF SUMMARY REPORT

**FROM:** Candace Gallagher, Town Manager/Clerk  
**ITEM:** ITEM #2: ALTERNATIVE EXPENDITURE LIMITATION (HOME RULE)  
**MEETING DATE:** March 17, 2020

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### Background/History:

Any city or town may adopt its own "alternative" expenditure limitation (also known as "Home Rule") that is free from any ties to the State imposed limitation if a majority of the qualified electors voting on the issue at the city/town regular election vote in favor of the alternative limitation. An alternative limitation may be referred to the city/town voters by an affirmative vote of two-thirds of the members of the city/town council. If approved, the annual adopted budget becomes the alternative expenditure limitation for the city or town and remains in effect for four consecutive years. If the alternative limitation is defeated by the voters, no new alternative expenditure limitation may be submitted to the voters for at least two years, and the city or town will be subject to the State limitation.

The voters of the Town of Jerome in 1982, 1986, 1990, 1994, 1998, 2002 and 2006 adopted an alternative expenditure limitation - home rule option. Voters in 2010 and 2011 adopted a one-time override, accomplishing the same purpose. In 2012 and 2016, an alternative expenditure limitation was once again approved by Jerome voters by a wide margin. It is now time to reaffirm the alternative expenditure limitation in 2020.

A city/town council contemplating an alternative expenditure limitation must hold two public hearings on the proposed action. Notice of these hearings must be published twice, and following the second hearing, the council must vote on the proposed alternative expenditure limitation. A record of the vote and, if approved, the amount of expenditure in excess of the State limitation and purposes for the excess expenditure must be published.

Public hearings have been scheduled for March 17 and March 24, 2020 and notice was published in the Verde Independent on March 4 and March 11. Following the March 24 hearing, Council will be asked to vote on the proposed alternative expenditure limitation, and a record of the vote will be published.

At least 60 days prior to the election, we must submit a detailed analysis, summary analysis and summary analysis worksheet to the Auditor General for review. The detailed analysis of the alternative expenditure limitation must contain specific amounts estimated to be expended in specific areas for a period of four consecutive years, and specific amounts of estimated revenue from each and any source, and any assumptions used in estimating such revenue, for a period of four consecutive years. I will be preparing and submitting these analyses to the Auditor General.

We must also prepare a publicity pamphlet for this election, containing information required by

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statute, including any arguments for or against the proposal. It must be provided to each household within the town containing a registered voter at least 10 days before the election. Any arguments for or against the alternative expenditure limitation must be filed with my office no later than May 6, 2020. I will be working with Runbeck Election Services to prepare and mail the required publicity pamphlet.

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A full timeline is attached for your reference.

**Key Considerations:**

- If approved, the expenditure authority will be used only for local purposes including police, fire, courts, library and youth programs, economic and community development, parks and recreation, street maintenance and improvements, water and wastewater systems operations and maintenance, refuse and recycling services, and other important public services.
- Without approval of the alternative expenditure limitation, the Town will be limited to spending only \$474,617 in 2020-21, and similar amounts in succeeding years, resulting in drastic reductions in these same services.
- Home Rule allows the Town to decide for itself what services it will provide to its residents through the annual public budget process, rather than be subjected to formulaic restrictions imposed by the State.
- The proposal does not permit the Town to spend more than it receives, and it is not a tax increase. Actual expenditures will continue to be subject to the public budgeting process and the Town's fiscal policies.
- Jerome voters have consistently approved a local alternative to the State-imposed expenditure limit every four years since 1982.