HOME RULE ELECTION

INFORMATION FOR PUBLIC HEARING

What is Home Rule?
The Home Rule election requires a "yes" or "no" vote on whether the City's annual limit on expenditures should be set according to the State of Arizona Annual Expenditure Limitation formula for the City of Benson, or if the limitation should be set annually by City Council as the total of its Approved Budget.

A "YES" vote for "Home Rule" will give the City Council the authority to set the City's Annual Expenditure Limit each year through the Budget process.

A "NO" vote for "Home Rule" will set the City's Annual Expenditure Limit according to a formula issued by the State of Arizona.

Background
Arizona voters approved Article IX, Section 21 and 22, of the Arizona Constitution on June 3, 1980. The Article prescribes an annual expenditure limit for each political subdivision in the State. The Arizona Economic Estimates Commission (EEC) establishes annually for each political subdivision an Expenditure Limit based on actual expenditures in the 1979-1980 fiscal year. The limit is adjusted each year for changes in population and inflation factors.

The Article approved by the voters also contained provisions that allow cities to establish a voter-approved alternative expenditure limitation (Home Rule). In order to have Home Rule, the voters must approve Home Rule in an election every four years.

Is Benson currently a *Home Rule* City?
Yes. City of Benson voters have approved Home Rule in elections held in 1985, 1989, 1993, 1997, 2001, 2005, 2009, and 2013 each time the issue has been placed before the voters.

What would the expenditure limit be if Benson was not a *Home Rule* city?
The State imposed Expenditure Limit for fiscal 2016-2017 would have been about $4,891,842, plus any grants received and amounts borrowed. The actual Expenditure Limit under Home Rule is $19,585,639, the total of the City Council Approved Budget for 2016-2017.

If the City was subject to the State Imposed Limit, would City services be affected?
Yes. Currently, the City's annual expenditures for utility services alone (natural gas, water, sewer and garbage) exceed $3,000,000. Meanwhile, all other City services (police, fire, parks, streets, library etc.) cost about $7,000,000. Hence, basic City services today cost about $10,000,000, and that is before consideration of any necessary capital projects.

If the City was subject to the State Imposed Limit, it could not function to provide for the basic needs of its citizens as they are being provided today. Choices such as "do we want water and sewer service, or would we prefer police and fire protection?" would have to be addressed and resolved if the City were subject to the State Imposed Limit.