

**NOTICE OF A SPECIAL MEETING OF THE
THATCHER TOWN COUNCIL
May 5, 2016**

Pursuant to A.R.S. 38 431.02, notice is hereby given to the members of the Town Council of the Town of Thatcher and the general public that the Town Council will hold a Special Meeting open to the public on May 9, 2016 beginning at 8:00 a.m., at Thatcher Town Hall, located at 3700 West Main Street, Thatcher, Arizona.

AGENDA

1. Welcome and Call Meeting to Order.
2. Pledge of Allegiance.
3. **RESOLUTION NO. 639-2016:** A RESOLUTION PROPOSING A PERMANENT ADJUSTMENT TO THE 1979-80 BASE EXPENDITURE LIMITATION OF THE TOWN OF THATCHER.
4. Adjournment.

RESOLUTION NO. 639-2016

**A RESOLUTION PROPOSING A PERMANENT
ADJUSTMENT TO THE 1979-80 BASE EXPENDITURE
LIMITATION OF THE TOWN OF THATCHER.**

WHEREAS, the Arizona State Constitution permits the submission to the voters of a city or town of a permanent adjustment to the base expenditure limitation; and

WHEREAS, the Town Council of Thatcher has determined that a permanent base adjustment is necessary for the Town of Thatcher.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE TOWN OF THATCHER, GRAHAM COUNTY, ARIZONA, that the following permanent base adjustment be submitted to the voters of the Town of Thatcher.

Shall the expenditure base of the Town of Thatcher be permanently adjusted by \$975,000.

PASSED AND ADOPTED by the Town Council of the Town of Thatcher, Graham County, Arizona, this 9th day of May, 2016.

Robert Rivera, Mayor

ATTEST:

Terry Hinton, Town Clerk

APPROVED AS TO FORM:

Matt Clifford, Town Attorney

Town of Thatcher Permanent Base Adjustment Analysis

1979/80 Base	\$1,860,674
Base Adjustment	<u>\$ 750,000</u>
New Base	\$2,610,674

2016 Inflation Factor	2.9594			
2016 Population Factor	1.6341	2016/1978	5180/3170	1.6341

2017/18 expenditure limit.

\$2,610,674	
<u>X 2.9594</u>	Inflation Factor
\$7,726,028	
<u>X 1.6341</u>	Population Factor
\$12,625,103	

PERMANENT BASE ADJUSTMENT DETAILED ANALYSIS

Pursuant to the Arizona State Constitution, the Town of Thatcher as authorized by Resolution # 639-2016 passed on May 9, 2016 will seek voter approval to permanently adjust the expenditure base of the Town as determined by the Economic Estimates Commission.

With voter approval, the Town will permanently adjust the expenditure base of the Town by \$750,000 beginning in fiscal year 2017-2018 and utilize the additional expenditure authority primarily for an expansion of the electric utility but it could be used for all local budgetary purposes including, streets, police, fire, parks, recreation, wastewater, solid waste collection and similar municipal services.

If approved, the additional expenditures authorized will be funded from revenue obtained from state and local sources. In 2017/18, the Town's expenditure limitation will increase by \$10,794,429 from \$1,860,674 to \$12,625,103. In fiscal year 2017/18 \$1,745,000 of the revenue required to fund the additional authorized expenditures will be obtained will be funded through state revenue sources and the remaining \$9,049,429 will be funded through local revenue sources. All dollar figures in this analysis are estimates only.

In determining the revenue sources to fund the authorized additional expenditures, it is assumed that the state and local revenues received by the Town will continue to be available and increase as they have for the past five years. In the past five years, state revenue has increased by approximately 3% each year while local revenue has increased by approximately 4% each year. Federal revenue has remained relatively unchanged.

PERMANENT BASE ADJUSTMENT SUMMARY ANALYSIS

Pursuant to the Arizona State constitution, the Town of Thatcher seeks voter approval to permanently adjust the expenditure base of the Town as determined by the Economic Estimates Commission. If approved by the voters, the Town of Thatcher's 1979-80 base expenditure limitation will be increased by \$750,000 adjusted each future year for population and inflation growth since 1979-80.

With voter approval, in 2017-2018 the Town's expenditure limitation will increase by \$10,794,429 from \$1,860,674 to \$12,625,103. The Town will utilize the additional expenditure authority primarily for expanding the electric utility and any other local budgetary purpose including, streets, police, fire, parks, recreation, wastewater, solid waste collection, and similar municipal services. The dollar figures in this statement are estimates only.

If approved, the additional authorized expenditures will be funded from revenue obtained from State and local sources.