



TOWN OF KEARNY

ALTERNATIVE EXPENDITURE LIMITATION

(Home Rule Option)

DETAILED ANALYSIS

Pursuant to the Arizona State Constitution, the Town of Kearny as authorized by Resolution No. 18-12.01 passed on 4 June 2018, will seek voter approval to adopt an alternative expenditure limitation (Home Rule Option) to apply to the Town for the next four years beginning in 2023-2027.

Under a Home Rule Option if approved by the voters, the Town estimates it will be allowed to expend approximately \$9,066,631 in 2023-2024, \$9,609,297 in 2024-2025, \$10,186,268 in 2025-2026, and \$10,799,801 in 2026-2027.

With approval of the Home Rule Option, the Town will utilize the expenditure authority for all local budgetary purposes including general government, public safety, public works, utilities, cultural and recreation and capital improvements. We estimate that the expenditures for the next four years under the Home Rule Option will be as follows:

**Alternative Expenditure Limitation
2023-2027**

Estimated Amounts To Be Expended

Purpose	2023-2024	2024-2025	2025-2026	2026-2027
General Government	\$ 459,479	\$ 477,858	\$ 496,973	\$ 516,852
Public Safety	\$ 1,126,447	\$ 1,171,505	\$ 1,218,365	\$ 1,267,100
Public Works	\$ 127,308	\$ 132,401	\$ 137,697	\$ 143,205
Utilities	\$ 996,819	\$ 1,036,692	\$ 1,078,160	\$ 1,121,286
Cultural and Recreation	\$ 356,578	\$ 370,841	\$ 385,674	\$ 401,101
Capital Improvements	\$ 6,000,000	\$ 6,420,000	\$ 6,869,400	\$ 7,350,258
Total Expenditures	\$ 9,066,631	\$ 9,609,297	\$ 10,186,268	\$ 10,799,801

If approved, the expenditures authorized will be funded from revenues obtained from federal, state and local sources. It is estimated that the amount of revenue from each source for the next four years will be as follows:

**Alternative Expenditure Limitation
2023-2027**

Estimated Amounts of Revenue

Source	2023-2024	2024-2025	2025-2026	2026-2027
Federal	\$ 6,000,000	\$6,420,000	\$6,869,400	\$7,350,258
State	\$ 1,893,332	\$ 1,969,065	\$ 2,047,828	\$ 2,129,741
Local	\$ 1,173,299	\$ 1,220,231	\$ 1,269,041	\$ 1,319,802
Total	\$ 9,066,631	\$ 9,609,296	\$ 10,186,269	\$ 10,799,801

(The Town property tax shall be limited to the amount prescribed in the Arizona State Constitution).

In determining the revenue sources to fund the authorized additional expenditures under the alternative expenditure limitation, it is assumed that the federal, state and local revenues received by the Town will continue to be available in 2023-2024 as they have for the past four years. Their continued availability is also assumed for the next three consecutive years following 2023-2024.

Any and all dollar figures shown in this analysis are estimated figures only and are based upon information available at the time of preparation of this report. The budgets and actual expenditures in any given year may be more or less than the figures noted above depending on available revenues. The actual expenditure limitation for each fiscal year shall be adopted as an integral part of the budget for that fiscal year.



TOWN OF KEARNY

ALTERNATIVE EXPENDITURE LIMITATION

(Home Rule Option)

SUMMARY ANALYSIS

Pursuant to the Arizona State Constitution, the Town of Kearny seeks voter approval to adopt a Home Rule Option to apply to the Town for the next four years beginning in 2023-2024. Under a Home Rule Option if approved by the voters, the Town estimates it will be allowed to expend approximately \$9,066,631 in 2023-2024, \$9,609,297 in 2024-2025, \$10,186,268 in 2025-2026, and \$10,799,801 in 2026-2027.

With approval of the Home Rule Option, the Town will utilize the expenditure authority for all local budgetary purposes including general government, public safety, public works, utilities, culture and recreation and capital improvements.

Under the state-imposed limitation, the Town estimates it will be allowed to expend approximately \$8,364,086* in 2023-2024, \$8,8314,096* in 2024-2025, \$9,329,104* in 2025-2026, and \$9,857,031* in 2026-2027 for the operation of your local government. These expenditures estimates include expenditures of constitutionally excludable revenues.

The amount of revenue estimated to be available to fund the operation of your Town government is \$9,066,631 in 2023-2024, \$9,609,297 in 2024-2025, \$10,186,268 in 2025-2026, and \$10,799,801 in 2026-2027. These revenue estimates are the same under the Home Rule Option or the state-imposed expenditure limitation. (The Town property tax shall be limited to the amount prescribed in the Arizona State Constitution.)

Any and all dollar figures presented in this summary are estimates only and are based upon information available at the time of preparation of this analysis. The budget and actual expenditures in any of the four years may be more or less than the expenditures noted above depending on available revenue.

If no alternative expenditure limitation is approved, the state-imposed expenditure limitation will apply to the Town.

* As amended to reflect updated inflation factors