

**Minutes**  
**Public Hearing**  
**Alternative Expenditure Limitation**  
**February 3, 2022**  
**10:00 A.M.**

**Members Present**

Mayor Luis Montoya  
Vice-Mayor Laura Dorrell\*  
Council member Anthony James  
Council member Ray Lorenzo  
Council member B. Waddell Reyes\*  
Council member Ray West  
Council member, Karen Crump-Frye

\*Excused

Quorum Present

**Call To Order:** The Public Hearing was called to order by Mayor Luis Montoya at approximately 10:01 a.m.

**Public Hearing on the proposed alternative expenditure limitation – home rule option:**

**Presentation/information on the Alternative Expenditure Limitation – Home Rule Option – Staff:** Town Clerk, Espie Castaneda provided historical information on the implementation of a state-imposed expenditure limit affecting Cities and Town's that was state-wide voter approved in 1980. However, the same legislation offered alternatives to the state-imposed expenditure limit. She explained that these alternatives or options include Home Rule, Permanent Base Adjustment; One-Time Override and Capital Projects Accumulation Fund. These alternatives also need voter approval. She further explained that current population figures as well as current inflation factors are used to calculate the projected state-imposed limit to help each community determine whether to pursue one of the allowed alternatives.

Ms. Castaneda provided the calculation for the projected state-imposed limit for the next four years. Next, she provided a comparison using the town's FY2022 budget and current inflation factors as the basis to project the next four years of a local controlled expenditure limitation.

She highlighted the benefits of pursuing the Home Rule Option to include:

- ✓ Allows local control in establishing an expenditure limit in the next four years;
- ✓ Home Rule does NOT enable the town to spend more than the revenues it receives;
- ✓ The town has been granted voter approval to operate under this option in the past;

- ✓ Home Rule does NOT increase or decrease the revenues that the town receives from sales tax and state shared revenues or from other sources;
- ✓ Home Rule has NO impact on taxes or tax rates.

Final comments of the presentation included the process to secure the proposition on the August 2, 2022 Primary Election Ballot.

**Public Comments:** Questions and comments from those present during the presentation included: When would the home rule option take effect? *If voter approved, the Home Rule Option would be effective beginning in FY 2024.* What agency issues the inflation factors? *The office of the auditor general provides the most recent inflation factors.* Would the state-imposed limit be sufficient should the measure fail? *The state imposed limit might be sufficient, but it would be uncertain to make that determination at this time. Each year the town determines the needs of the town and that could change drastically if the local economy was affected or if the town had a major infrastructure issue.*

**Adjournment:** There being no further comments the hearing adjourned at approximately 10:30 a.m.