PERMANENT BASE ADJUSTMENT
DETAILED ANALYSIS

Pursuant to the Arizona State Constitution, the Town of Paradise Valley (the "Town"), as authorized by Resolution 2026-01 passed on February 12, 2026, 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 (i) permanently increase the 1979-80 expenditure base of the Town by $4,219,372 beginning in fiscal year 2027-2028 and (ii) utilize the additional expenditure authority for all local budgetary purposes including but not limited to public safety and street improvements.

If approved, the additional expenditures authorized will be funded from revenue obtained from federal, state and local sources. In 2027-2028, the Town's expenditure limitation will increase by $20,000,000, from $48,281,082 to $68,281,082. In Fiscal Year 2027-2028, none of the revenue required to fund the additional authorized expenditures will be obtained from federal sources while $1,500,000 will be acquired through state sources and the remaining $18,500,000 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 10 years. In the past 10 years, state revenue has increased on average by approximately 5.8% and local revenue has increased on average by approximately 10.5% each year.