

ORDINANCE NO. 5024-1562

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, PLACING ON THE AUGUST 29, 2017, ELECTION BALLOT THE QUESTION OF ADOPTING A TRANSACTION PRIVILEGE TAX OF THREE-QUARTERS OF ONE PERCENT (0.75%), THE REVENUE FROM WHICH SHALL BE DEDICATED TO THE PAYMENT OF THE CITY'S UNFUNDED LIABILITY TO THE ARIZONA PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM (PSPRS), TAKING EFFECT ON JANUARY 1, 2018, AND ENDING THE EARLIER OF DECEMBER 31, 2027, OR AT SUCH TIME AS THE CITY'S PSPRS UNFUNDED LIABILITY IS \$1.5 MILLION OR LESS AS DETERMINED BY ACTUARIAL VALUE.

RECITALS:

WHEREAS, ARS Section 19-143 requires the adoption of an ordinance by the City Council to order special elections to be held on measures to be submitted to the qualified electors; and

WHEREAS, the City presently has an unfunded liability to the Arizona Public Safety Personnel Retirement System (PSPRS) in excess of Seventy-Eight Million Dollars, which amount will increase to an estimated One Hundred and Sixty-Five Million Dollars (\$165,000,000) if paid over the next twenty years, the period now specified by PSPRS for elimination of said unfunded liability; and

WHEREAS, revenues from the City's current one percent (1%) transaction privilege tax available for general fund expenditures is insufficient to pay the aforementioned unfunded liability to PSPRS without significant and substantial cuts to City services, including the City library, recreation services, police and fire; and

WHEREAS, municipal transaction privilege tax is the only source of City revenue available to pay said PSPRS liability; and

WHEREAS, Article VI, Section 7 of the Prescott City Charter requires that no transaction privilege tax shall be levied at a rate in excess of the base one-percent (1%) rate unless such rate is approved by a majority of the qualified electors voting on the question at a special or general election; and

WHEREAS, a primary election date has been set by the City Council to take place on August 29, 2017, for the voters to elect a Mayor and three City Council members; and

WHEREAS, the City Council wishes to place on the August 29, 2017, ballot a question to be submitted to the voters of whether to adopt a transaction privilege tax of three-quarters of one percent (0.75%), the revenue from which shall be dedicated to the payment of the city's unfunded liability to the PSPRS, taking effect on January 1, 2018, and ending the earlier of December 31, 2027, or at such time as the City's PSPRS unfunded liability is \$1.5 million or less as determined by actuarial value.

ENACTMENTS:

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PRESCOTT AS FOLLOWS:

SECTION 1. THAT at the City of Prescott election to be held on August 29, 2017, a question shall be submitted to the qualified electors of the City of Prescott of whether to adopt a transaction privilege tax of three-quarters of one percent (0.75%), the revenue from which shall be dedicated to the payment of the City's unfunded liability to the PSPRS, taking effect on January 1, 2018, and ending the earlier of December 31, 2027, or at such time as the City's PSPRS unfunded liability is \$1.5 million or less as determined by actuarial value.

SECTION 2. THAT the ballot language for such special election shall read as follows:

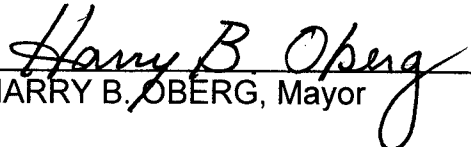
Shall the City of Prescott adopt a transaction privilege tax of three-quarters of one percent (0.75%), the revenue from which shall be dedicated to the payment of the City's unfunded liability to the Public Safety Personnel Retirement System, taking effect on January 1, 2018, and ending the earlier of December 31, 2027, or at such time as the City's PSPRS unfunded liability is \$1.5 million or less as determined by actuarial value.

A "yes" vote shall have the effect of adopting a transaction privilege tax of three-quarters of one percent (0.75%), the revenue from which shall be dedicated to the payment of the City's unfunded liability to the Public Safety Personnel Retirement System, taking effect on January 1, 2018, and ending the earlier of December 31, 2027, or at such time as the City's PSPRS unfunded liability is \$1.5 million or less as determined by actuarial value.

A "no" vote shall have the effect not of adopting a transaction privilege tax of three-quarters of one percent (0.75%), the revenue from which would have been dedicated to the payment of the City's unfunded liability to the Public Safety Personnel Retirement System.

SECTION 3. THAT the Mayor and staff are hereby authorized to take any and all steps deemed necessary to accomplish the foregoing.

PASSED AND ADOPTED by the Mayor and Council of the City of Prescott, Arizona on this 21 day of February, 2017.


HARRY B. OBERG, Mayor