

MICHAEL ALLEN PETERS
CANDIDATE FOR PRESCOTT CITY COUNCIL

1. Why are you running for City Council? Please describe your economic and financial training and experience, and explain why the people of Prescott should be willing to rely on you to make complex decisions on what activities the City should undertake, and how they should be paid for.

My wife Lynne and I have been Prescott property owners and taxpayers since 1999. Since 1999 Prescott has grown and the issues facing City Council are ever more complex and challenging. Issues such as water supply, infrastructure needs, transportation and fiscal responsibility need to be addressed and resolved. I decided to run for a seat on City Council because I have a genuine concern for our community and want to make a positive impact on our future and preserve our past. I want to ensure fiscal responsibility; openness in the governmental process; restraint on unnecessary spending; and the construction, maintenance and repair of our roads. I also want to bring some measure of finality to the continuing Big Chino Water Pipeline issue.

I believe I have the right skill set and experience to strike the right balance in addressing these and future issues. My legal background, training and public service experience as a Criminal Court Judge for 16 years has equipped me to deal with multifaceted issues and make tough decisions. I am able to consider the facts, evaluate their merit, consider proposed solutions, and arrive at well-reasoned decisions. I have spent years listening to and making judgments regarding the reasonableness of legal arguments and interpretations. My legal training and experience can be important to understanding contractual matters and the quality of legal advice received by the Council. I have a strong work ethic and sense of responsibility to my country and community and I will provide “Leadership with Balance.”

2. What is the biggest tax-related issue facing the City of Prescott today? What recommendations do you have for dealing with it?

The biggest tax-related issue facing the City today is the economic downturn which has substantially reduced sales tax revenues, a most important source of operating income. Therefore, in the near term we need to be more aggressive and creative in attracting new sources of taxable revenue to Prescott, especially those sources that can help our local businesses through this difficult period. In the short term, an important thing City government can do is to help keep more of its purchases at home by preferentially using local contractors and suppliers. In the longer term, City government can take the initiative to (1) rejuvenate our film commission to more effectively attract films and events to be shot on location here; (2) expand regional trade show activities, and (3) rejuvenate the Antelope Hill golf course and restaurant to draw out-of-town golfers and tournaments. All of these activities can improve revenues from overnight accommodations and restaurant use.

3. What is your position on the September 1st, "Vote YES for Streets" ballot proposition and why?

I support the "Vote YES for Streets" proposition. City reports indicate that the condition of our 495 lane miles of streets continues to decline. System maintenance and repair (M&R) alone requires annual funding of \$8 million. Sales tax is an equitable method to secure these M&R funds, and fund specific projects to improve the system, since it comes from both the citizens and visitors who benefit most from use of our streets. There are few other avenues open that can provide additional funds for streets, yet have the equity of a special sales tax. However, it is imperative that responsible, efficient fiscal management is practiced in the application of these funds and we need to stay within the boundaries set by the sales tax rate. We need to maximize the efficient use of existing infrastructure and carefully prioritize roadway improvements and new construction.

4. Are you in favor of subsidizing private enterprises to locate in Prescott – under what conditions?

My first response is to say "no"; however, this reaction is driven in part by recent, well publicized failures such as with Lowe's. However, we do also have a history of successes, e.g., Gateway Mall, Wal-Mart and Costco, wherein tax and fee preferences have resulted in substantial sales tax revenue streams for the City; revenue streams which might otherwise be going to Prescott Valley. Therefore, the answer really depends on the specific set of circumstances, particularly the skill, or lack thereof, of the City's negotiators in structuring an equitable deal with the enterprise. Clearly, we need an equitable, easily understood formula that relates impact fees, and other concessions that might be considered, to the measure of community benefits, e.g., the number and type of new jobs and net sales tax generated versus the status quo.

5. Do you support the right of Prescott citizens to vote on spending projects of \$40 million or more, adjusted for inflation, as provided in the proposed Taxpayer Protection Initiative?

Yes, I do support the Taxpayer Protection Initiative. The need for this initiative is symptomatic of the fact that Prescott citizens do not have confidence in the judgment of its current City Staff, Council and Mayor to make decisions regarding the approval of major projects requiring increased public debt. Unfortunately, the current City Council's inability to check runaway spending requires the need for direct citizen participation as a check and balance. Perhaps with a more responsive City government this type of initiative would not be needed.

6. Prescott's 100 year-old underground water delivery and waste systems are deteriorating, wasting water and leaking sewage into the ground. An independent consultant's report highly recommended replacing them for health and conservation

reasons. Please list which capital improvement projects you would defer, in order to update our underground water and sewage systems?

- A. Downtown Fire StationY X N ___
- B. Upgrade Police Practice Range.....Y X N ___
- C. Willow/Watson Fire Station..... Y X N ___
- D. Police & Fire Storage.....Y X N ___
- E. Airport Runway Land Purchase *...Y ___ N ___
- F. Park Upgrades.....Y X N ___
- G. Police Headquarters.....Y X N ___
- H. Rodeo Grounds.....Y X N ___
- I. Fire Training Center.....Y X N ___

***I would defer all the capital improvement projects listed above except for the airport land purchase because that is the only one that is directly related to increased revenue from tourism.**

7. How would you improve the lack of trust that exists between the Council and the populace?

In order to improve the lack of trust which currently exists between the Council and the citizens I would (1) increase transparency by restricting Council executive sessions to confidential human resource matters or to discussions of legal strategies on pending litigation, (2) provide a more user friendly format and forum for public comment before the Council, and (3) foster more open discussion that might prevent the public comment period from often turning into a gripe session. Generally, the disparaging demeanor of the Mayor toward citizen comments is not helpful. This does not encourage citizen participation or promote an atmosphere of mutual trust.

8. How would you support and promote regional economic development in Prescott?

The City Council can foster a business friendly environment in at least five ways. The first is by controlling governmental expenditures so that an unreasonable tax burden is not placed on local businesses. The second is by maintaining Prescott's quality of life so that businesses moving to the area find our community an attractive place in which to live and work. The third is through avoidance of burdensome restraints on new construction of housing and business facilities. The fourth is by successfully addressing the affordable housing issue. Finally, Prescott City government needs to work in a constructive partnership with neighboring communities to effectively address important regional issues.

9. How can we maintain the present flavor of Prescott and manage the quality of the new growth that is needed to sustain our sales tax revenue?

Population and positive economic growth are good for Prescott. Prescott is a very desirable city where people want to live, raise a family, work, and retire. Therefore, growth is inevitable and cannot be excluded. It will occur whether or not current

citizens want it, so let us be prepared. It is important that for basic services, new growth should pay for new growth whether commercial, retail, or individual. Good planning is at the heart of managing the quality of new growth in Prescott. Timely updates to the General Plan and vigilant oversight by the Planning and Zoning Commission are key issues. Certainly, the buck stops with City Council, who need to act with consistency and wisdom in addressing growth related issues.

10. If you needed to balance the City's budget, would you vote to increase taxes or would you vote to make the required cuts in the City's budget? Would you single out specific departments or would you make an equal cut across the board for everyone?

Since I am not in favor of raising taxes and am against new taxes, I would vote to make required cuts in the City budget. Unfortunately, the recent economic boom resulted in many “nice to have” but “not necessary” additions to the City budget. Therefore, I would first look to make cuts in non-essential programs and purchases regardless of the department in which they exist. Staffing patterns and salaries do need to be examined to determine if there is feasibility in leaving vacant positions unfilled and/or consolidating staff positions/salaries. Personnel cuts are painful to individual City employees and disruptive to long term operations, so I would consider staff reduction as a last resort. I would also look to an evaluation of specific departments to determine if improved efficiency can be achieved through a merging of the resources of departments with parallel goals and focus.