

TAXPAYER PROTECTION INITIATIVE

This is a citizen originated initiative that will amend the City of Prescott (herein defined as the "City") Charter. Its purpose is to require voter approval for certain high cost projects.

A. Definitions:

1. "Project" is defined as a group of related activities undertaken for the purpose of performing a discrete function or functions or creating interrelated infrastructure, including but not limited to the acquisition of land and the design and construction of transportation infrastructure; the acquisition of land and the design and construction of infrastructure to accomplish withdrawal and transportation of water from a remote location; design and construction of a single physical facility or complex.
2. "Project Value" is defined as the City's estimated total value of the portion of expenditures, obligations, or conveyances related to said Project, regardless of when or how the expenditures, obligations or conveyances are allocated in the budget process of the City, or in any sort of contract or agreement if a vote of the City Council will be required to continue in the Project. The estimated Project Value shall be calculated upon the total combined values of all portions or subcontracts of said Project and shall include the operating costs for the first five years of the Project and all planning and study costs for the project.

B. Applicability

1. The City may not, without prior voter approval through a Proposition as detailed herein, enter into one or more agreements or contracts relating to a single Project that:
 - a. Authorizes expenditures of City of Prescott funds; or
 - b. Imposes direct or contingent obligations on the City or its residents, including long term contractual payment obligations or guarantees of future payments; or
 - c. Conveys ownership or control of property or resources owned or controlled by the City, including any resource rights owned or assigned to the City but transported, sold or used by another party; or
 - d. Conveys rights to use property or resources owned or controlled by the City or to be a provider of any category of services currently provided by the City; and that, when combined with any previously authorized expenditures, obligations or conveyances related to the same project, would have an aggregate Project Value of Forty Million Dollars (\$40,000,000) or greater, Beginning in 2011, the value threshold will be adjusted once every year by the percentage change in the Bureau of Labor Statistics Consumer Price Index for All Urban Workers during the immediately preceding calendar year.
2. Approval by the voters shall be required irrespective of whether funds have been spent on a Project before passage of this initiative. If a future council vote is required to facilitate any furtherance of a Project, authorize participation by other parties in such a Project, initiate a construction Project, or authorize participation, then the voter approval requirements of this initiative apply.

C. Exceptions:

1. In order to assure the Health and Safety of the City's residents, the following projects shall not require a public vote:

- a. Replacement or repair of existing sewer and water lines, or
- b. Replacement or repair of wastewater treatment systems, or
- c. Projects required by state or federal law or court order.

2. Approval by the voters shall not be required for initial funding of feasibility studies or conceptual designs, or other expenses in aggregate less than Five Million Dollars (\$5 million). Design plans and specifications or construction of any kind shall not be included in this exception. This amount shall be adjusted annually by the same percentage rate as the threshold is adjusted in Section B.1.

D. Proposition Content:

1. The wording of the mandated Proposition shall include at minimum the following:

- a. Description of the Project;
- b. Estimated total amount of payments or guarantees to be made by the City, entities controlled by the City, City residents, or ratepayers; and estimated amount per household;
- c. The Project Value, enumerating all projected financing costs including interest and estimated specific costs, including, but not limited to, likely and potential legal, litigation, or remedial costs;
- d. Detailed description of the City's possible funding mechanisms and repayment methods with each mechanism's estimated share of total funding, or declaration that the specific funding and repayment sources are not determined; and
- e. Specific location(s) of the subject "Project".

2. There shall be printed on the official ballot immediately below the number of the measure and the official title of each measure:

A "yes" vote shall have the effect of _____.

A "no" vote shall have the effect of _____.

The blank spaces shall be filled with a brief phrase, approved by the City Attorney, stating the essential changes depending on the outcome of the vote including the estimated per household cost of the Project.

E. Voter Information:

1. Prior to the public vote on a proposed Project, all households with a registered voter will receive an election pamphlet containing the five points in Section D.1. In addition, ballot statements both pro and con shall be published in the pamphlet. Individuals or organizations may submit statements of up to 300 words at a cost of One Hundred dollars (\$100) each, up until a date specified by the City Clerk. The statements shall also be posted on the City's web site, with a link from the home page. The City shall mail one copy of the publicity pamphlet to every household that contains a registered voter. This pamphlet may be

combined with another voter pamphlet covering other ballot questions. The mailings may be made over a period of days but shall be mailed in order to be delivered to households before the earliest date for receipt by registered voters of any requested early ballots for the Proposition vote.

2. Prior to the Proposition vote, the City shall hold or cause to be held at minimum two public hearings on the ballot measure. The hearings shall provide an opportunity for proponents, opponents and the general public to provide testimony and request information.

F. Sponsoring Campaign Committee

The sponsoring campaign committee of this initiative, the Taxpayer Protection Committee, shall have standing in all legal actions related to the initiative and future implementation of any section of this initiative.

G. Severability:

If any provision of this initiative is found to be unenforceable by a court of law, the remainder of the initiative shall remain in effect.