

**TOWN OF PRESCOTT VALLEY
REQUEST FOR COUNCIL ACTION
Date: June 23, 2016**

SUBJECT: Petition Requesting Call of Election to Fund Public Transit Services

SUBMITTING DEPARTMENT: Management

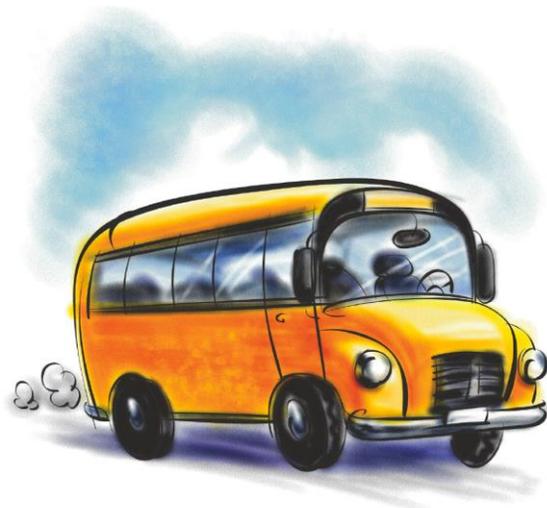
PREPARED BY: Larry Tarkowski, Town Manager

AGENDA LOCATION: Comments/Communications , Consent , Work/Study ,
New Business , Public Hearing , Second Reading

ATTACHMENTS: None

SUMMARY BACKGROUND:

At its Work-Study session on June 16, 2016, advocates for a new public transit system in Prescott Valley presented the Town Council with a petition signed by approximately 500 residents requesting that the Council call for an election in May 2017 to determine whether to impose a specified ad valorem tax for purposes of funding the operation of such a transit system.



HISTORY: Over the past two years advocates for a public transit system in Prescott Valley have discussed with Town staff and Council members the various options for organizing and funding such a system. In 2015, the Council contracted with the Central Yavapai Metropolitan Planning Organization and Transit Plus (a private consultant) to perform a study to define a service model and financing plan. The study was completed in March 2016. In the meantime, an ad-hoc transit advisory committee (TAC) formed of non-profit groups, interested citizens, and agencies that provide service to transit-dependent clients in an effort to raise public awareness and encourage funding support. Public meetings of the group were held on October 20, 2015 and January 19, 2016. And, a formal public hearing was held by the Town Council on January 21, 2016. At the hearing, the viability of various organization plans and funding mechanisms was discussed. The most viable model appeared to be direct Town operation and funding based on voter consideration of assessing a specified ad valorem tax.

LEGAL AUTHORITY: As a general rule, municipal councils may not voluntarily submit questions to the public for a vote unless a specific statute so authorizes. [*Scottsdale v. Superior Court*, 103 Ariz. 204 (1968)] One such vote that a municipal council may submit to the public is the question of whether to assess a new ad valorem tax the next fiscal year. [ARS 42-17056] If a municipal council does not choose to submit such a vote to the public, it appears the general power of initiative would still be available to advocates to attempt to place the question before the voters by initiative petition. [Arizona Constitution Art. IV Part 1 Sec 1(8); A.R.S. §19-141 et seq.] Any such vote may only be held on the 3rd Tuesday in May of any year.

QUESTION: The question of whether to call for a May 2017 election could be deferred until December of this year. However, the recent presentation to the Council of an informal petition by

transit advocates has put the question squarely before the Council at this point in time. The direct issue, of course, is not whether Council members are in favor of public transit (or even if they are in favor of funding public transit through an ad valorem tax). Rather, it is whether they are in favor, today, of incurring the cost of an election in May 2017 based on current information as to the level of public support for funding a transit system.

OPTIONS ANALYSIS: The Council may vote to direct the Town Clerk to take steps to schedule an election on the 3rd Tuesday in May, 2017 for the voters to determine whether to assess a specified ad valorem tax for funding a public transit system in Prescott Valley, OR decline to direct the Clerk to take such steps.

ACTION OPTION: Motion to direct the Town Clerk to take steps to schedule an election on the 3rd Tuesday in May, 2017 to determine whether to assess a specified ad valorem tax for funding a public transit system in Prescott Valley, **OR** Motion not to direct the Town Clerk to schedule a May 2017 election re assessment of an ad valorem tax as recently requested by petition. **VOTE**

RECOMMENDATION: Staff makes no recommendation.

FISCAL ANALYSIS: Over the years, the Town Council has made it clear that any public funds paid for a transit system within the Town would have to be based on a new funding source (rather than attempting to re-direct current revenues). The most viable option appears to be a new transit department within the Town organization funded with a new ad valorem tax approved by vote of the Town electorate per ARS 42-175056(B). By statute, such a vote can only be held in May of each year.

REVIEWED BY:

Management Services Director _____

Town Clerk _____

Town Attorney _____

Town Manager _____

COUNCIL ACTION:

Approved Denied Tabled/Deferred Assigned to _____