

The PSPRS system is a well intentioned system that ensures financial security for public safety personnel. This issue is not unique to the City of Prescott. Many factors have led to the large financial impact PSPRS has put on cities and towns throughout the State of Arizona and the Arizona State Legislature has taken action to make changes to the PSPRS system that will help with the administration of the PSPRS fund and lessen the future financial impact on the cities and towns of Arizona.

Presently the City of Prescott owes approximately \$80,000,000 in unfunded liabilities. The fact is that this debt is owed by the Citizens of Prescott and must be paid. Taxes are not an issue the Central Arizona Partnership takes lightly; however, in the case of the PSPRS, sometimes taxes are necessary and tolerable when they are clearly defined and the result of the tax has direct benefit for the Citizens that are being taxed. The design of the 443 tax:

A firm expiration date in ten years and

Funds from the tax are directed to the specific purpose of retiring the PSPRS debt.

It is the responsibility of the elected officials, both State and City, and City of Prescott staff to take the further responsibility of managing the PSPRS at the state and city levels. As taxpayers we insist that the City of Prescott Staff manages the budget process to ensure that the citizens of Prescott receive high quality services by allocating funds outside the 443 tax to the ongoing retirement obligations under PSPRS as they are required to do so today.

In addition, we believe that a continuing ongoing obligation resides with the Arizona State Legislature which can take further actions to ensure that the PSPRS systems delivers the benefits promised, work to lower fund manager's fees, hold those fund managers accountable and work to lessens the financial impact to the cities and towns of Arizona. For these reasons Central Arizona Partnership is supporting the Yes on 443 tax as an essential part of the solution to resolve an issue that started decades ago, and must be fixed. As a group we understand that the sooner we begin paying down the unfunded liability the less impact the debt will have on the citizens of Prescott.

Through collaboration with the regional communities, Central Arizona Partnership advocates for responsible growth, a balance between economic stability and ecological sustainability, judicious management of natural resources and exceptional healthcare, education and community services.