

Call of Special Election

City Council

June 16, 2026

Background

- March 24th City Council presentation – public safety needs
- May 5th City Council presentation – community survey results
- May 26th City Council presentation – Citizen Committee recommendation
- All details are available at <https://connect.flagstaffaz.gov/safety-committee> the Connect Flagstaff Public Safety site

Citizen Committee Recommendation

- 0.5% (half cent) sales tax
- \$40 million general obligation bond
- Evaluation the Water Resource and Infrastructure Protection Fund fee (WRIP) in 2027

Ongoing Resources

0.5% (half cent) sales tax

- All-Risk Firefighters for wildland fire, suppression, and EMS
- Fire academy and training
- Fire supplies and equipment
- Fire cancer testing and turnouts
- Police training
- Station O&M
- Emergency response vehicles and maintenance
- Citywide evacuation plan
- Emergency Management personnel
- Aircraft rescue firefighters, equipment & supplies
- Police personnel, equipment & supplies

One-Time Resources

\$40 million General Obligation Bond

- Wildland fire equipment
- Wildland fire facility
- Emergency medical equipment
- JWP Fire Station #7
- Emergency Management supplies and equipment
- Station expansion and modernization
- Upgraded dispatch technology
- Radios and communication
- Emergency vehicle fleet
- Criminal investigation tools

Sales Tax

- 0.5% produces \$18.2 million per year, for 15 years
- Increases City's base tax rate from 2.486% to 2.986%
- 37% paid by visitors
- Half of AZ cities have rate of 3.00% or higher
- Utilized to address enhanced public safety needs
- Ongoing source for additional staff and related expenses



What does a Sales tax rate mean to consumers?



- Tax applies to items like dining bills and commodities like a refrigerator
- Tax does not apply to food at the grocery store or residential rent
- At 0.5% the tax would be \$0.50 (fifty-cents) per \$100
- Examples
 - Purchase a \$50,000 vehicle is \$250 more
 - Eat fast food for \$21 costs \$0.11 more
 - Buy a gallon of milk for \$4.59 is \$0 more
 - Apartment rent for \$1,575 is \$0 more

Sales Tax Ballot Language

A measure referred to the people by the Flagstaff City Council to levy a transaction privilege tax (sales tax) dedicated to enhance public safety services at a rate of 0.5%, commencing on July 1, 2027 for a period of 15 years ending June 30, 2042.

A YES vote shall increase the Transaction Privilege Tax (Sales Tax) to enhance public safety services by 0.5% effective July 1, 2027 for 15 years

A NO vote shall not increase the Transaction Privilege Tax (Sales Tax) to enhance public safety services by 0.5% effective July 1, 2027 for 15 years



Sales Tax Ballot Language

A measure referred to the people by the Flagstaff City Council to levy a transaction privilege tax (sales tax) dedicated to enhance public safety services at a rate of 0.5%, commencing on July 1, 2027 for a period of 15 years ending June 30, 2042.

A YES vote shall increase the Transaction Privilege Tax (Sales Tax) to enhance public safety services by 0.5% effective July 1, 2027 for 15 years

A NO vote shall not increase the Transaction Privilege Tax (Sales Tax) to enhance public safety services by 0.5% effective July 1, 2027 for 15 years

AS IT WILL APPEAR ON BALLOT

PROPOSITION NO. 404

A measure referred to the people by the Flagstaff City Council to levy a Transaction Privilege Tax (sales tax) dedicated to enhance public safety services at a rate of 0.5%, commencing on July 1, 2027 for a period of 15 years ending June 30, 2042

A **YES** vote shall have the effect of approving a levy of a sales tax at a rate of 0.5% to be in effect for a period of 15 years beginning July 1, 2027, to enhance public safety

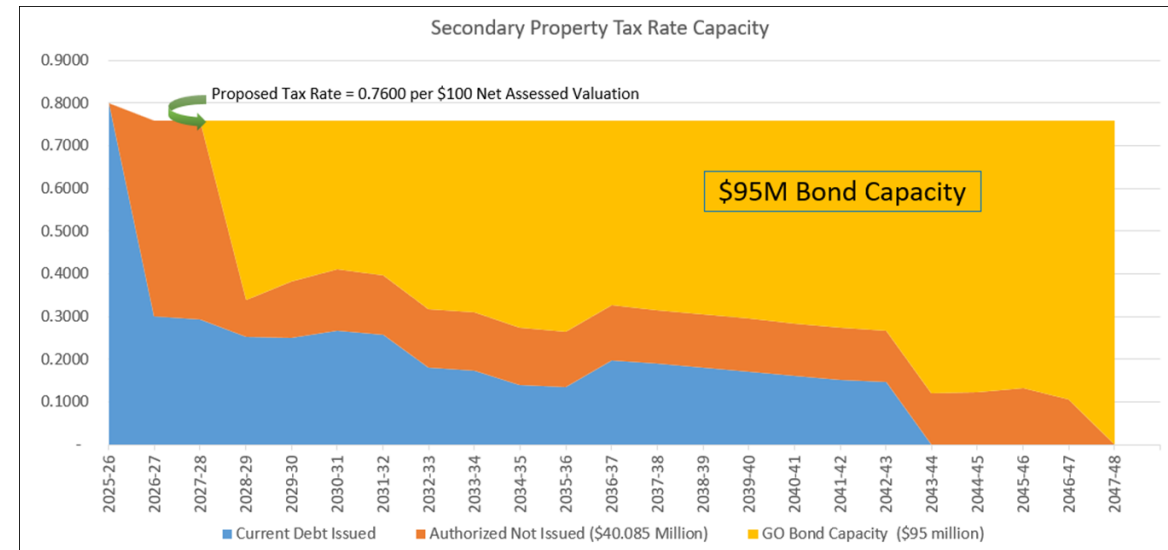
A **NO** vote shall have the effect of not of approving a levy of a sales tax at a rate of 0.5% to be in effect for a period of 15 years beginning July 1, 2027, to enhance public safety.

YES

NO

General Obligation Bond

- \$95 million in capacity
- Flat rate policy for Secondary Property Tax is set at 0.7600
- Assuming assessed value increased by 5%
 - Average Residential customer pays \$14.93 more per year
 - \$1 million Commercial property pays (\$0.11) less per year
- Supplement with Development Impact Fees
- One-time source for buildings and equipment



General Obligation Bond Ballot Language

A measure referred to the people by the Flagstaff City Council relating to the issuance of general obligation bonds in a principal amount of \$40,000,000 to invest in public safety infrastructure and equipment.

A YES vote shall authorize the governing body of the City to issue and sell \$40,000,000 of general obligation bonds of the City to be repaid with secondary property taxes

A NO vote shall not authorize the governing body of the City to issue and sell such bonds of the City

AS IT WILL APPEAR ON BALLOT

PROPOSITION NO. 405

A measure referred to the people by the Flagstaff City Council relating to the issuance of general obligation bonds in a principal amount of \$40,000,000 to invest in public safety infrastructure and equipment

A **YES** vote shall authorize the governing body of the City to issue and sell \$40,000,000 of general obligation bonds of the City to be repaid with secondary property taxes

A **NO** vote shall not authorize the governing body of the City to issue and sell such bonds of the City

BOND APPROVAL, YES

BOND APPROVAL, NO

Resolutions

Two separate actions:

1. Read and Adopt Resolution #2026-36 – Bond Question
2. Read and Adopt Resolution #2026-37 – Sales Tax