



# THE REVIEW

Central Arizona Fire and Medical - 8603 E. Eastridge Dr., Prescott Valley, AZ 86314 - **March 23, 2018**

## March 16, 2018

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## Quote of the Week

"Challenges are what make life interesting and overcoming them is what makes life meaningful." Joshua J. Marine

Salute to Heroes this Saturday. Come out for a family fun event to support our emergency responders, and our NAZ Suns!

## First Annual Partners Academy Saturday, April 21<sup>st</sup> 8-4 CARTA

Has your spouse ever asked about your insurance or retirement benefits? For our newer employees, do they understand the life you live away from home at the Fire Department? Have them sign up for our first ever partners academy! Topics include:

- ❖ Health, cancer insurance and EAP (Employee Assistance Program)
- ❖ PSPRS benefits and additional retirement options
- ❖ Station tour and hands-on equipment demonstrations
- ❖ Critical Incident stress management tools and information

ALL PARTNERS OF CAFMA EMPLOYEES ARE INVITED.  
SEATING IS LIMITED – YOU MUST RSVP TO ATTEND

RSVP by contacting either:  
Patty Brookins at 928-759-6983 or  
pbrookins@cazfire.org  
Karen Viscardi at 928-759-6965 or  
kviscardi@cazfire.org

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## The Chief's Desk

You are all aware, some of you painfully aware, that we are mid-budget preparation. We will be presenting an update to the board Monday at the meetings, along with a presentation by Union VP Mike Kontz. Budget development is a long and arduous task that seems never ending. We believe it is important for everyone in the organization to have some level of understanding as to how the process works. For those tuning in from the public, this may give you some insight as well.

Every three years we go through a zero based budget process. This means that each line item is zeroed out and the person responsible for that line item has to justify their request. This provides a level of accountability and transparency in the process as well as ensures our limited resources are assigned properly. This year happens to be year three, even though its only year two for CAFMA. We have already reviewed all of the budget requests, made adjustments and have developed the rough draft of the budget.

One of the first items we review every year is the capitol replacement plan. This includes sitting with Fleet Manager Domenic Scaife who reviews the status of our fleet to determine if things need to be replaced per the plan, or if their life expectancy can be extended. We are continuously monitoring, planning and adjusting to ensure long-term financial sustainability, as well as making sure our fleet and facilities are maintained properly. Continued Page 3

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### Board Meetings

March 26<sup>th</sup>

CVFD 1600  
CAFMA 1630  
CYFD 1800

### Upcoming Events:

March 26 – Board Meetings

March 27 – Chino Valley Town Council Meeting

March 28 - Wage and Benefit Committee, PVEDF Luncheon

March 29 - Meet with New Recruits

March 30 – Meeting in Phoenix

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## Capital Update

**S1114** – Senate bill 1114 Joint Powers Authority Fingerprint bill passed unanimously with an emergency clause and has been signed by the Governor. **A big thank you to Senator Fann for her sponsorship and pushing this bill!**

**S1093** – Senate bill 1093 will remove some of the requirements for fire sprinklers



out of the life safety code. It was dead, but has been revived as a striker bill – which was held in committee today. However, it may be revived again in a different committee next week.

**S1268** – Senate bill 2168 would offer additional property tax exemptions to a certain class of citizens. This bill is currently being held in rules on constitutional issues. Our hope is that it doesn't make it out of rules.



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**Congratulations to Firefighter Sam Ramirez on his retirement this morning! He was honored by family, friends, fellow firefighters and staff this morning as part of our agency's flag ceremony.**

**We will hold the official retirement ceremony for Captain Valdez and FF Ramirez on April 26<sup>th</sup> at CARTA, along with our promotional ceremony, recruit graduation and new hire swearing in ceremony. Please plan to join us.**

Photo Credit: Bill Brookins

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### **Chiefs Desk Continued**

Another vital step in the process is obtaining the hard numbers from PSPRS, our property and casualty provider, health insurance provider, workers compensation, ect. PSPRS is a fixed cost in that we receive a bill and we have to pay it. The retirement system remains the biggest drain on revenues as it continues to increase beyond projections each year. Our property and casualty insurance usually stay relatively steady with only minor increases. Health care and workers comp are two areas that do fluctuate significantly depending on usage. Each year we review premiums, service and explore other providers to ensure we are getting the best for our monies. Being in the health care risk pool has helped control our health care costs tremendously.

We make projections every year as to what these expenses may be and what we might expect from an increase in the Net Assessed Valuation (NAV). Since Prop 117, we have been unable to get a good handle on what to expect from the NAV's, but I think we are getting closer. In simple terms, we think projecting 4% for CYFD and 3% for CVFD plus an estimate related to new growth may be appropriate. We'd like at least one more year of data to help us make that determination. Our recent NAV's show new growth at nearly 2% for each agency.

Our discussions with labor concerning wages and benefits begin in advance of having the hard numbers. These meetings usually serve to set the tone as we work through what the issues are and what options may be available. For example, we know our starting wages are at the low end of the market, and that the new minimum wage law will have an impact as those wages are closing in on our starting pay. To that end, we have spent months working with labor representatives on various options that fit within the budget plan. Chief Bliss and Engineer Horstman have done yeoman's work developing workable recommendations. Once we have the hard numbers, we reassess and adjust the plans accordingly. This is a lengthy and time consuming process with everyone working together.

Once staff and labor have determined what is possible, the Union VP makes a presentation to the board at the March meeting. At that same meeting, Chief Bliss and staff go through a brief presentation to bring the board up to speed on where we are in the budget process.

Any division or program manager that wants to improve a program above and beyond the normal budget must submit a Program Improvement Request (PIR) to senior staff by a prescribed time. Staff meets to discuss the requests and compare the expenditures with the budget. There are times when we are able to absorb requests into the next budget without an impact. Others may require a fiscal impact and may be denied or preliminarily approved on a case by case basis by staff. Those approved by staff are then presented to the board for their consideration along with any supporting information. The board is the final decision maker in the process. Examples of PIR's may be a new position to keep up with workload, security fencing for a station, or other new equipment outside the normal scope. PIR's are normally reviewed after we have the hard numbers for expenses/revenues and after discussions with the union.

April is when we hold a special joint budget session with all members of both boards. The Chino Valley and Central Yavapai boards are presented with two budgets. The Chino Board receives the Chino Valley Fire District budget which includes revenue collections and expenditures through transfers to CAFMA, and the Central Yavapai Board receives the same for Central Yavapai; each contains the proposed tax rate. Both boards are provided the line item budget for CAFMA so they can make comparisons and discuss the finer points of the line item budget used to manage our day to day operations. The CAFMA board is made up of elected representatives from both the CYFD and CVFD boards, so ultimately they are reviewing all budgets in line with their responsibilities to all agencies.

The budgets are up for approval at regularly scheduled board meetings in June. The two boards, Central Yavapai and Chino Valley vote on their budgets. If approved, then CAFMA votes on the line item budget which was reviewed by both boards. As a reminder, boards are run like a normal democracy or in other words the majority rules. This means that if the budget is approved on a 3-2 vote, it becomes the approved budget for day to day operations.

This is a very brief overview of some of the steps in the budget process.