

MINUTES

**Central Arizona Fire and Medical Authority
Central Yavapai Fire District Board of Directors
Regular Meeting
Monday, March 28, 2022, 4:30 pm - 5:00 pm
Central Arizona Fire and Medical Authority, Administration, 8603 E. Eastridge Drive,
Prescott Valley**

In-Person Attendance

Dane Beck; Darlene Packard; Dave Tharp; Kathy Goodman; Matt Zurcher;
Pete Gordon; Rick Anderson; Scott A Freitag; Susanne Dixon

Remote Attendance

Nicolas Cornelius

NOTICE OF MEETING

1. CALL TO ORDER / ROLL CALL OF BOARD MEMBERS

Chair Zurcher called the meeting to order at 4:30 p.m.

2. PLEDGE OF ALLEGIANCE

Chair Zurcher led the Pledge of Allegiance.

Director Beck joined the meeting in-person at 4:31 p.m.

3. BOARD MEMBER REPORTS

There were no Board member reports.

4. CALL TO THE PUBLIC

Ben Roché, representative of the Professional Firefighters of Arizona (PFFA), President of the International Association of Firefighters (IAFF) Local 3066, and CAFMA Captain, provided a presentation relating to the Arizona Fire District Safety Act. He stated that the Act addresses the funding issues fire districts in Arizona are facing. He then provided basic information relating to how fire districts are funded, how property taxes are calculated, and addressed full vs. limited cash values. The Act is asking for one-tenth of one percent sales tax for 20 years. CAFMA would reap the benefits of almost \$7.6 million in the first year. The PFFA is hoping to gather 300,000 signatures by July; only about 10% of the way there currently. Mr. Roché requested that Board members help gather signatures.

The presentation is attached.

Attorney Cornelius joined via Zoom at 4:35 p.m.

Director Anderson requested a copy of the presentation.

Director Beck inquired as to whether it is a state-wide tax, or just a tax on fire districts. Mr. Roché responded in the affirmative, that it is a state-wide tax, and will include tourists as well as residents.

5. CONSENT AGENDA

- A. Approve Regular Session Minutes - December 16, 2021
- B. Approve Executive Session Minutes - December 16, 2021
- C. Approve September 2021 General Fund and Bond Debt Service Financials
- D. Approve October 2021 General Fund and Bond Debt Service Financials
- E. Approve December 2021 General Fund and Bond Debt Service Financials
- F. Approve January 2022 General Fund and Bond Debt Service Financials
- G. Approve February 2022 General Fund and Bond Debt Service Financials

Motion to approve the Consent Agenda.

Move: Pete Gordon Second: Darlene Packard Status: Passed

Yes: Darlene Packard, Matt Zurcher, Dane Beck, Pete Gordon, Rick Anderson

6. NEW BUSINESS

- A. Discussion and Possible Direction to Staff Regarding Budget Update and Scheduling of April Budget Work Study Session

Chief Freitag recommended the week of April 18th, 2022, preferably the afternoon of Tuesday the 19th beginning at 1:00 p.m.

Director Gordon noted that the week of the 18th is outside the original timeframe provided by Staff in January; he has a conflict that week, but is free on Monday the 18th.

The Board consensus is to recommend Monday the 18th at 1:00 p.m.

7. ADJOURNMENT

Motion to adjourn at 4:46 p.m.

Move: Darlene Packard Second: Pete Gordon Status: Passed

Yes: Darlene Packard, Matt Zurcher, Dane Beck, Pete Gordon, Rick Anderson

FIRE DISTRICT FUNDING CRISIS



2022 SALES TAX INITIATIVE

FIRE DISTRICT CAME FROM

First District in Arizona est. 1918

Fire Department for rural areas not within a municipality or incorporated area.

Today, Fire Districts vary in size from small volunteer with budgets under \$100,000 to large paid agencies with budgets approaching \$40,000,000.

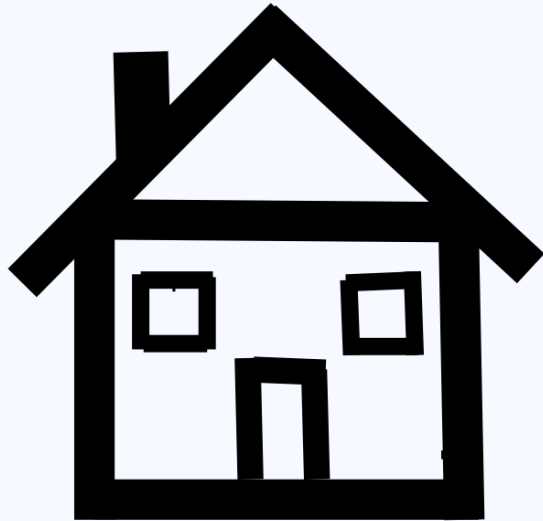
Original rural unincorporated areas and towns have grown into large urban areas with populations in the millions.

HOW FIRE DISTRICT FUNDING WORKS

Majority of revenue is from property taxes.

HOW FIRE DISTRICT FUNDING WORKS

New Home Purchased for \$350,000 in 2019:



Full Cash Value: \$200,000

Limited Property Value: \$200,000

HOW FIRE DISTRICT FUNDING WORKS



Tax for New Home Purchased for \$350,000 in 2019:

Tax Rate: \$2.64 per \$100 of Net Assessed Value

Tax on LPV: \$200,000 x 10% = 20,000

\$20,000 / 100 = \$200

200 x \$2.64 = \$528

HOW FIRE DISTRICT FUNDING WORKS



Tax Revenue for the NAV of the Fire District:

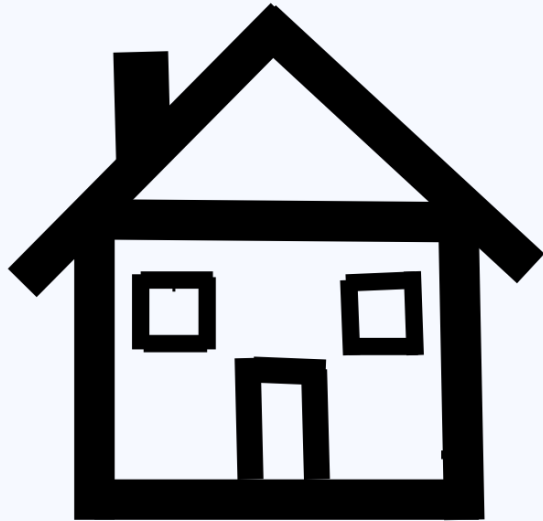
Tax Rate: \$2.64 per \$100 of Net Assessed Value

Tax on NAV of LPV: $\$799,558,835 \times \$2.64 =$

\$21,044,389

HOW FIRE DISTRICT FUNDING WORKS

New Home Purchased for \$350,000 in 2019:



2020 Taxes

Full Cash Value: \$400,000

Limited Property Value: \$210,000

WERE IS THE PROBLEM



Tax for New Home Purchased for \$350,000 in 2019:

Tax Rate: \$2.64 per \$100 of Net Assessed Value

Tax on LPV: \$210,000 x 10% = 21,000

\$20,000 / 100 = \$200

Limited

210 x \$2.64 = \$554 or \$22,080,665

Vs.

Full

400 x \$2.64 = \$1,056 or \$42,447,489

CRISIS BACKGROUND

- Fire District revenue is generated by assessed property values
- Levy rate is limited to \$3.50 per \$100
- Fire Districts see a 2-year lag time of being affected by valuation fluctuation
- During Great Recession property values decreased by 50%
- Proposition 117 limited increase of assessed value to 5%
- Prop 117 started in 2015 Tax Year

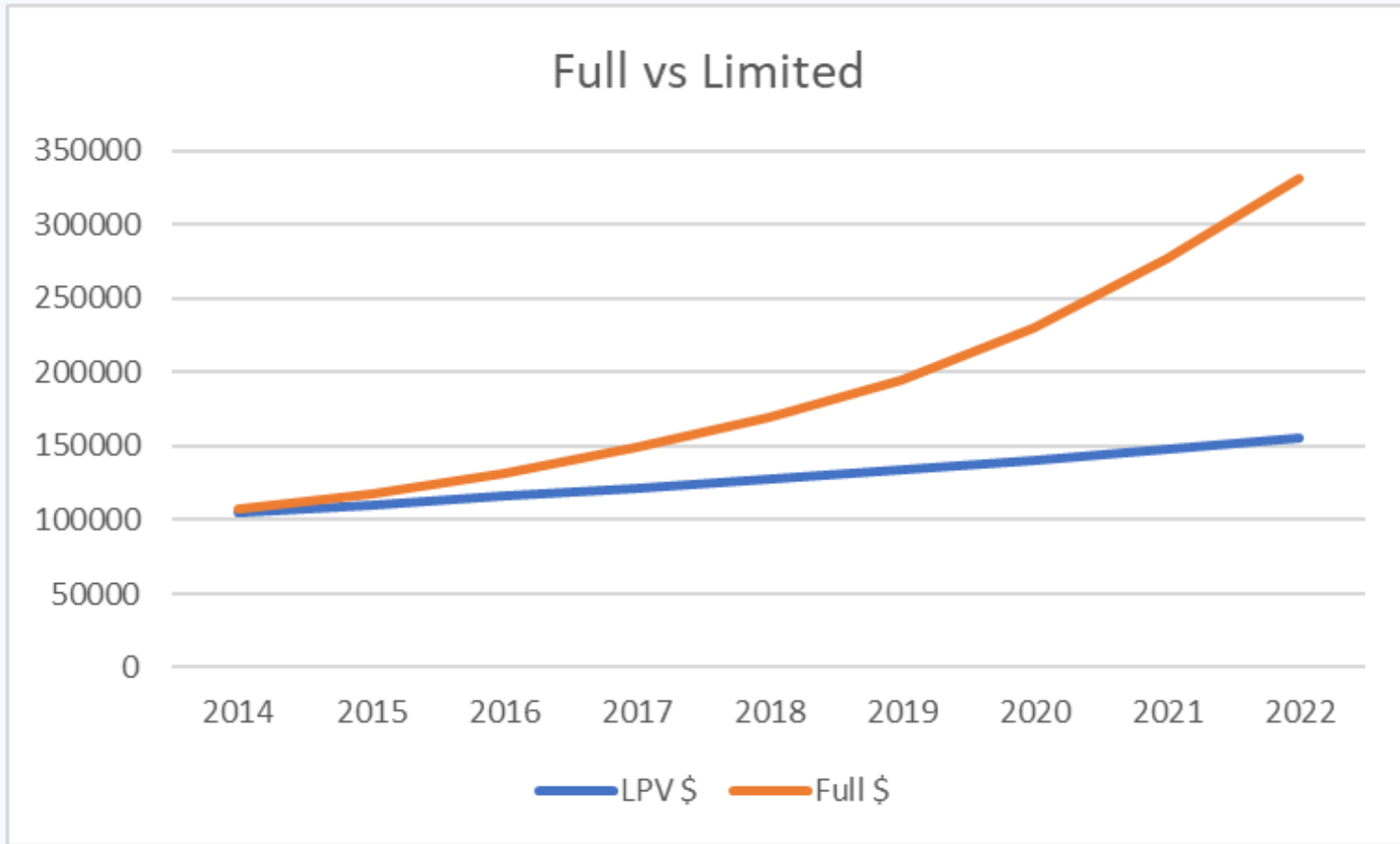


FORMULA FOR CRISIS

- Great Recession had property values to record lows when Prop 117 was enacted
 - Many districts saw greater than 50% decrease in their Net Accessed Value.
 - Fire Districts increased tax levy to compensate for loss of taxable property value
- Tax increases couldn't cover the loss of revenue
- Fire Districts reduced budgets, found efficiencies, and became innovative
 - "DO MORE WITH LESS"

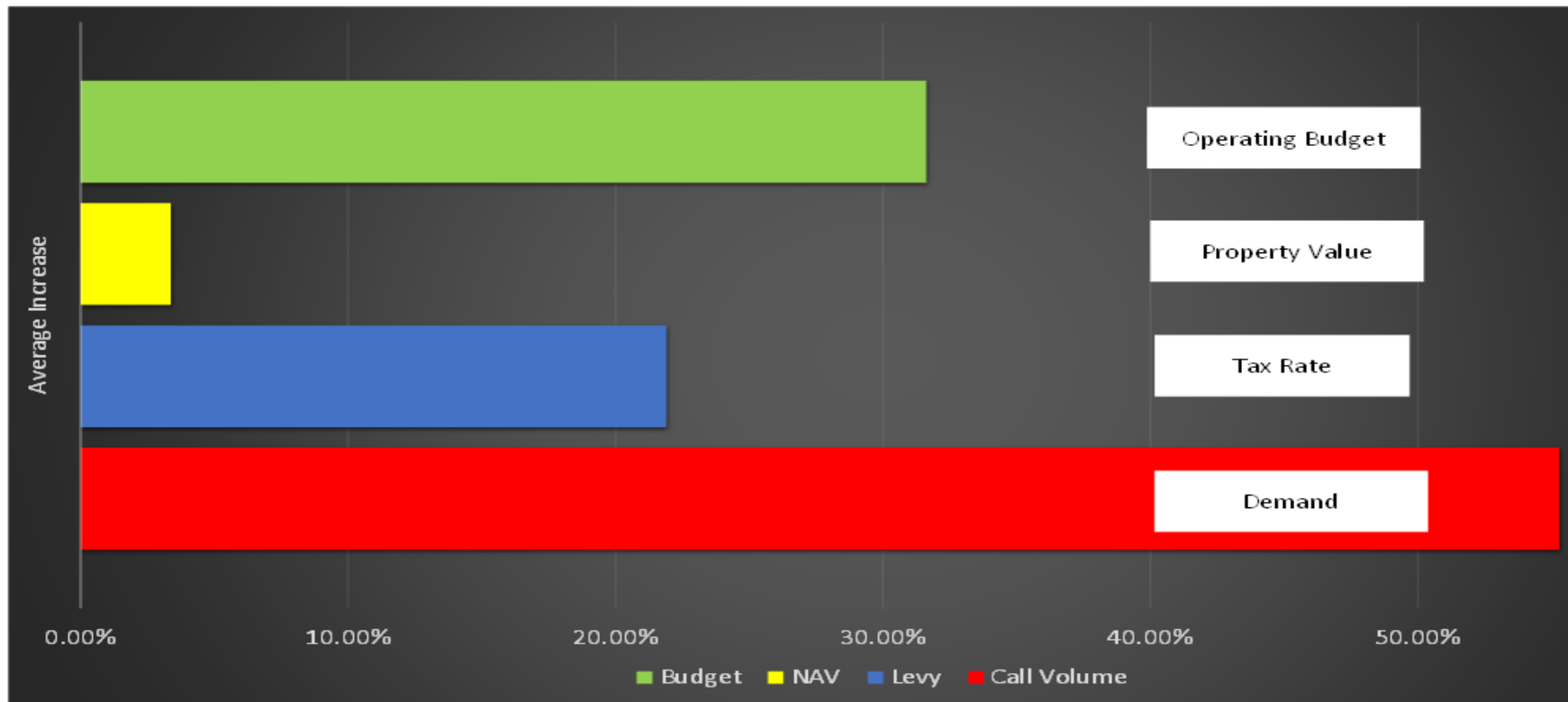


FORMULA FOR CRISIS



CRISIS IDENTIFIED

2008 - 2020



EXTREME SITUATIONS

- Mayer Fire District

2008

Budget \$2.7 million – Call Volume 1348– NAV \$43.9 Million

2020

Budget \$2.4 Million – Call Volume 2359 – NAV \$30.3 Million



EXTREME SITUATIONS

- Superstition Fire District

2008

Budget \$14.5 million – Call Volume 8136– NAV \$599 Million

2020

Budget \$16.5 Million – Call Volume 9994 – NAV \$430 Million



EXTREME SITUATIONS

- Drexel Heights Fire District

2008

Budget \$13.2 million – Call Volume 7135– NAV \$263 Million

2020

Budget \$11.3 Million – Call Volume 7874 – NAV \$220 Million



SOLUTION

- Create a supplement revenue source for Fire Districts



STATE WIDE SALES TAX – ARIZONA FIRE DISTRICT SAFETY ACT

- The Arizona Fire District Safety Act would impose temporary additional transaction privilege tax (commonly referred to as the sales tax) and use tax increments of one-tenth of one percent (or one tenth of \$0.01) for a period of 20 years, and distribute the additional revenue generated between fire districts in Arizona
- Estimated Revenue of \$150 Million in year one rising to \$250 Million in year twenty
- Distributed proportionally, determined by NAV
- Distribution is capped at 3% for any single district
 - Equals \$4.5 million at \$150 million
 - Example 10 districts receive the \$4.5 million cap. Leaves \$105 million to be proportioned with the remaining 134 districts



TREMENDOUS RESULTS

- **Mayer Fire District**

Potential Sales Tax Revenue In First Year - \$686,206

- **Williamson Valley Fire District**

Potential Sales Tax Revenue In First Year - \$398,662

- **Central Arizona Fire District**

Potential Sales Tax Revenue In First Year - \$7,761,707

- **Groom Creek Fire District**

Potential Sales Tax Revenue In First Year - \$380,897

- **Crown King Fire District**

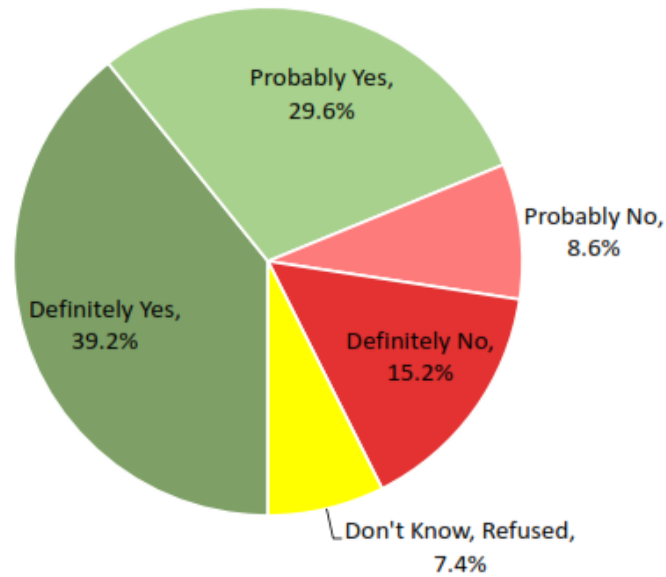
Potential Sales Tax Revenue In First Year - \$69,417



POLLING:

Post-Test: Knowing just what you know right now, would you vote Yes or No on this proposal?

Total: 68.8% Yes
23.8% No



| | |
|-----------|-----------|
| GOP: | 58.2% Yes |
| Dem: | 79.4% Yes |
| PND: | 84.4% Yes |
| IND: | 50.0% Yes |
| Maricopa: | 72.3% Yes |
| Pima: | 54.9% Yes |
| Rural: | 67.6% Yes |
| Under 29: | 82.8% Yes |
| 30-39: | 48.3% Yes |
| 40-49: | 70.7% Yes |
| 50-64: | 63.6% Yes |
| 65+: | 63.8% Yes |



PLATFORM:

Ranking All Statements Together

| | <u>Mean</u> | |
|-----------------------------------|-------------|--|
| Q24. Response times | 4.33 |  |
| Q26. Fire Districts are in crisis | 4.18 | |
| Q25. Benefits all of Arizona | 4.02 | |
| Q27. Equipment and training | 3.98 | |
| Q28. Small price to pay | 3.93 | |
| <hr/> | | |
| Q31. Sales taxes are regressive | 2.99 | |
| Q29. Taxed enough already | 2.98 | |
| Q32. Fixed income | 2.74 | |
| Q33. Just a money grab | 2.40 | |
| Q30. Pay for it themselves | 2.30 | |



HOW CAN IT BE DONE

- Gather 300,000 signatures by July 2022

1500 signatures per day

or

3000 Fire District PFFA Members = 100 signatures per member

8000 PFFA Members = 40 signatures per member

- Goes to AZ Voters in November 2022 Election



CAN IT BE DONE

This cannot be done.....

Unless Firefighters FIGHT for it.

Specifically.....

Fire District Firefighters



TARGETED AUDIENCES

- Major Community Events - where large crowds of voters will be available to sign
 - Home Shows
 - Gun Shows
 - Tattoo Shows
 - Sporting Events
 - Rodeos
 - Art Fairs/Shows
 - Ect.
 - Grocery Stores



MEMBER BUY-IN

- This is an initiative by Firefighters for Firefighters
- Arizona Fire District Safety Act seeks a temporary one-tenth of one cent sales tax to increase funding for fire districts to invest in manpower, equipment, and training to reduce these response times and improve public safety in rural Arizona.



You Can Solve The Crisis – For One Penny On A \$10 Lunch!

Fire district firefighters run 911 calls across thousands of square miles statewide. They fight wildfires that have torched more than 2.2 million acres since 2016. Every day is a crisis.

- **Not enough manpower.**
- **Not enough training.**
- **Not enough equipment.**
- **No resources to save lives.**

Your petition signature will help fix this. If voters approve, the Arizona Fire District Safety Act will temporarily increase Arizona's sales tax by 1/10th of a penny.

That's 1 cent the next time you spend \$10 at McDonald's.

Sign the petition today. Help us help firefighters help save lives!



PAID FOR BY SUPPORT ARIZONA FIRE DISTRICTS
(SPONSORED BY THE PROFESSIONAL FIRE FIGHTERS OF ARIZONA)



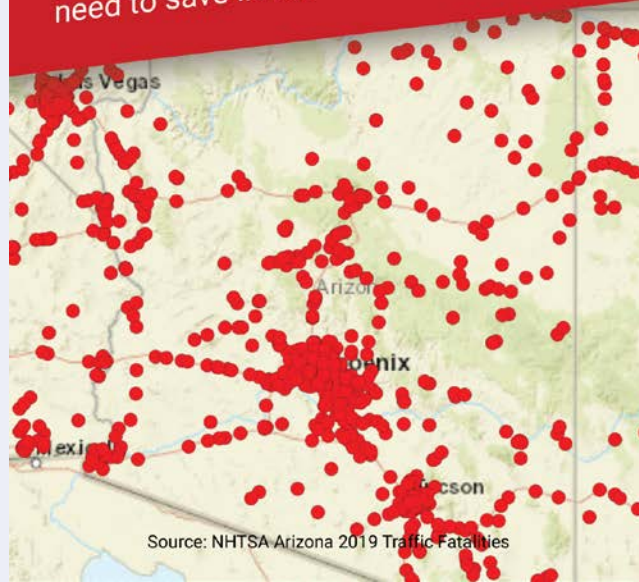
Help Arizona Firefighters

**Save Lives!
Sign The Petition!
End Our Fire District Crisis!**

Vehicle crashes on our state's freeways
and rural roads risk **911 response times
in excess of 30 minutes or more.**

Sign the petition! Help put the **Arizona
Fire District Safety Act** on the ballot.

When minutes count and lives are at
stake, shouldn't our firefighters and
paramedics have the resources they
need to save lives?



PETITION PACKET

Instructions for Circulators

1. All circulators shall sign the Affidavit of Circulator.
2. All non-resident circulators, whether paid or volunteer, must register with the Secretary of State's office before circulating petitions. Circulators who are Arizona residents must register with the Secretary of State's office before circulating petitions if they are both (i) paid, and (ii) circulating for a statewide initiative or referendum. Circulators who are required to register should print their Circulator ID number in the space provided on the front and back side of each petition sheet.
3. Circulators are not required to be a resident of this state but otherwise must be qualified to vote in this state.
4. Circulators shall include their actual residence address or, if no street address, a description of their residence location.

Affidavit of Circulator

State of Arizona _____
County of Maricopa
(Where notarized)

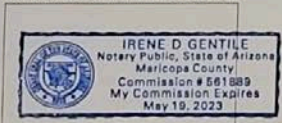
I, Benjamin H Roche, a person who is not required to be a resident of this state but who is otherwise qualified to register to vote in the county of Yavapai, in the state of Arizona at all times during my circulation of this petition sheet, and under the penalty of a class 1 misdemeanor, depose and say that subject to section 19-115, Arizona Revised Statutes, each individual printed the individual's own name and address and signed this sheet of the foregoing petition in my presence on the date indicated and I believe that each signer's name and residence address or post office address are correctly stated and that each signer is a qualified elector of the state of Arizona and that at all times during circulation of this signature sheet a copy of the title and text was attached to the signature sheet.

(Signature of affiant) Ben Roche

(Residence address, street and number of affiant, or if no street address, a description of residence location) 2855 N. Yuma Dr.
Chino Valley, AZ 86323

DATE OF NOTARIZATION 2/10/2022
(date)

Stamp notary seal within the box below



NOTARY SIGNATURE Irene D. Gentile
Notary Public

Registered Circulator ID Number I-12-2022

STATEWIDE ONLY
Secretary of State
Revised 11/15/2021