MINUTES

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

In-Person Attendance

Cyndy Dicus; Cynthia Gentle; Dave Dobbs; Dave Tharp; Kathy Goodman; Scott A Freitag; Susanne Dixson

Remote Attendance

Lorette Brashear; Nicolas Cornelius

Not In Attendance

Owen Mills

NOTICE OF MEETING

CALL TO ORDER / ROLL CALL OF BOARD MEMBERS
 Chair Dicus called the meeting to order at 4:02 p.m.

2. PLEDGE OF ALLEGIANCE

Chair Dicus led the Pledge of Allegiance.

3. 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.

4. 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
- H. Approve Annexation and Resolution 2022-01, Mann, 140 W. Anasazi Trail, Parcel 304-01-203A
- I. Approve Annexation and Resolution 2022-02, Lewis, 25500 N. Monarch Ranch Road, Parcel 305-01-008J
- J. Approve Annexation and Resolution 2022-03, Lopas, 26767 N. Sweet Pea Bud Lane, Parcel 303-05-138M

Motion to approve the Consent Agenda.

Move: Dave Dobbs Second: Cynthia Gentle Status: Passed

Yes: Dave Dobbs, Cyndy Dicus, Cynthia Gentle, Lorette Brashear

5. 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.

Attorney Cornelius inquired as to whether or not he should attend. Chief Tharp explained that he is invited, but as there are no actionable item his presence is not required.

The Board consensus was to recommend that the Budget Work Study be Tuesday the 19th with a 1:00 p.m. start.

6. ADJOURNMENT

Motion to adjourn at 4:17 p.m.

Move: Cynthia Gentle Second: Dave Dobbs Status: Passed

Yes: Dave Dobbs, Cyndy Dicus, Cynthia Gentle, Lorette Brashear

Signature indicating approval on next page.

Signature Page For: 2022 03 28 CHV Regular Minutes - Approved - Chino Valley Fire District Board of Directors - CV Regular Meeting - 4/25/2022

(Duth

Cynthia Gentle

05/02/2022

FIRE DISTRICT FUNDING CRISIS



2022 SALES TAX INITIATIVE

FIRE DISTRICT CAME FROM

First District in Arizona est. 1918

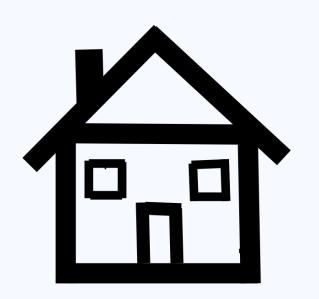
Fire Department for rural areas not within a municipality or incorporated area.

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.

Majority of revenue is from property taxes.

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



Full Cash Value: \$200,000

Limited Property Value: \$200,000



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 \times 10\% = 20,000$

\$20,000 / 100 = \$200

 $200 \times \$2.64 = \528



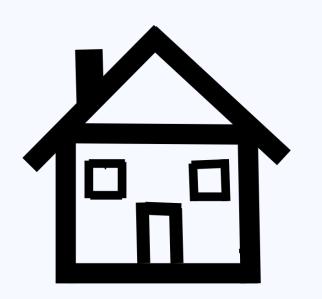
Tax Revenue for the NAV of the Fire District:

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

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

\$21,044,389

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 \times 10\% = 21,000$

\$20,000 / 100 = \$200

Limited

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

Vs.

Full

 $400 \times \$2.64 = \$1,056$ 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

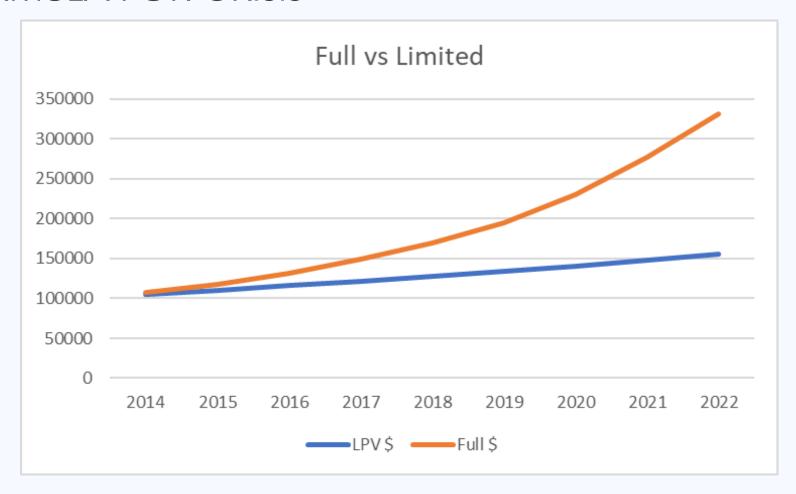


FORMULA FOR CRISIS

- 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 efficacies, and became innovative
 - "DO MORE WITH LESS"



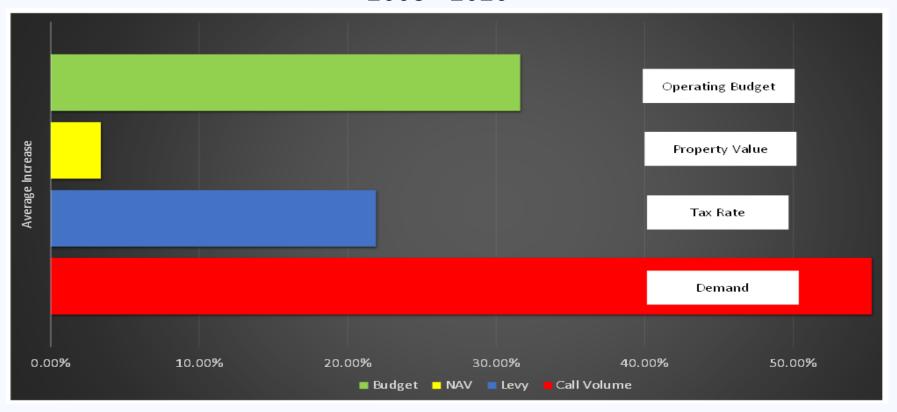
FORMULA FOR CRISIS





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

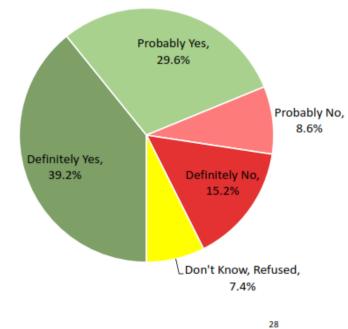
Potential Sales Tax Revenue In First Year - \$69,417



POLLING:

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





GOP:	58.2% Yes
Dem:	79.4% Yes
PND:	84.4% Yes
IND:	50.0% Yes
Maricopa: Pima: Rural:	72.3% Yes 54.9% Yes 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

Confidential Trade Secret



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
	Effective
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.

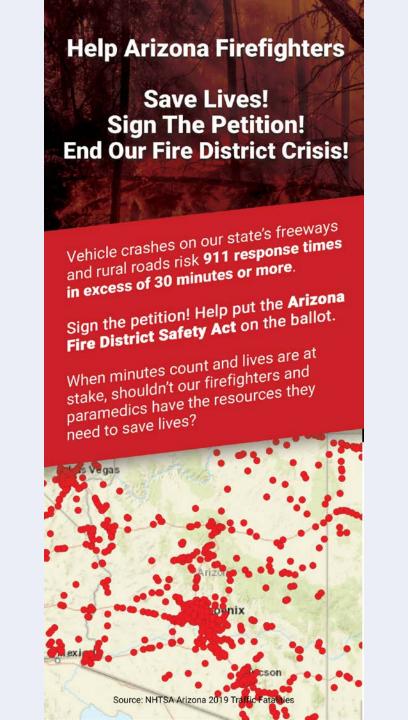
Your petition signature will help fix this. If voters approve, the Arizona Fire District Safety Act will temporarily increase Arizona's sales tax by 1/10th of a penny.

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

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









PETITION PACKET

	Initiative Meas	sure to	be Submitted Direc	ctly to Electors		CIRCULATOR	
	na for their approval or rejecti	on at the	next regular general election	on and each for himself says: I have personally signed this petition with	Intied	Mari copa	VOLUNI
first and last names. I have not signed any lative description: Insert a description of not m							sure It may not
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ning his own name because of physical infirmity,		rinted Na		or to knowingly sign such petition when he is not a qualified elector. Actual address	Arizona post office		
Signature 1	First	MI	Last	(street & no. and if no street address, describe residence location)	address & zip code	City or Town (if any)	Date signe
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15 Frank Pol -	Susan	E	CORBIN	9413 S. 543 No.	85354	TONOTAH	1/21/20

PETITION PACKET

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