

MINUTES

**Central Arizona Fire and Medical Authority
Central Yavapai Fire District Board of Directors
Monday, April 25, 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.

3. BOARD MEMBER REPORTS

Reports are informational only. Any item articulated in the reports is subject to clarification, discussion, and direction by the Board; no action will be taken.

There were no Board member reports.

4. CALL TO THE PUBLIC

There were no public comments.

5. CONSENT AGENDA

A. Approve Regular Session Minutes - March 28, 2022

B. Approve General Fund Financial Statements

C. Approve Bond Debt Service Financial Statements

Motion to approve the Consent Agenda.

Move: Darlene Packard Second: Rick Anderson Status: Passed

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

6. NEW BUSINESS

A. Discussion and Direction to Staff Regarding the Budget Process and Draft Budget Update

Chief Tharp advised the Board that Staff is asking for direction relating to which of the four budget options they would like to consider moving forward. He reminded the Board that the Agency had forecasted a 2-cent increase, and the Cost of Living Adjustment (COLA) is not the only reason that the tax rate will increase; there are multiple reasons. He also reminded the Board that residents have already received a 5% increase due to the NAV, and this tax increase would be in addition to that. He then explained that the correlation between a COLA and a tax increase are not the same; for example, a 3% COLA is a 5-cent tax increase. He reported that the Chino Valley Fire District (CVFD) Board felt comfortable with a 3-cent increase; however, that nets a different amount for them. He concluded by reiterating that Staff is requesting direction on what the Board would like to see at the May meeting.

Director Beck requested clarification regarding the CVFD Board's direction. Chief Tharp reported that the CVFD Board was comfortable with a 3% COLA and the subsequent tax increase. Chief Tharp explained that if this Board was not comfortable with the tax increase required for a 3% COLA, Staff would go back to the CVFD Board to see if they would be comfortable with a greater tax increase to make up for the dollars not received by the tax increase in Central Yavapai.

Chair Zurcher specified that though CVFD would see a 3-cent increase, it would be a 5.6-cent tax increase for Central Yavapai. Chief Tharp explained that it is not exactly an 80/20 split, and that CAFMA requires a certain dollar amount to function, and that will be dictated by the two District Boards.

Director Beck requested that Chief Tharp speak to the extraordinary expenses that are causing a need for a tax increase, and inquired as to whether Staff believes this will be a continual issue, or a one-off. Chief Tharp replied that a great deal of the workers' compensation increase this year due to COVID-19 will not be recurring. If the Governor's Office declares that COVID is endemic, then that portion of the increase would immediately disappear. Presumptive cancer is still an unknown as it is dependent on the claims that are incurred. Though so far the Agency has not received any COVID relief funds, it is possible that funds from the State, through ARPA or the Cares Act, may offset our COVID costs. There have also been significant fuel and Dispatch increases, some of which the Agency can mitigate, but some of which depends on the economy. He further explained that the Agency must prepare for the entire fiscal year based on what all can see at this time.

Chair Zurcher inquired as to the amount budgeted for the Capital Reserve. Chief Tharp responded that Staff has budgeted for \$100,000 to go to Capital Reserve, and while that number is discretionary, he recommended a minimum of \$100,000 as the Agency must continue to build the account up to \$10 million. CAFMA relies on its Capital Reserve to cover expenses between tax collection dates, and gave an example of the decrease in the Capital Reserve during those periods of time.

Chair Zurcher then inquired as to whether or not any property tax increases that are budgeted for a COLA would include extra funds going to Capital. Chief Tharp

answered that there are monies budgeted for contingencies, and if not used, those dollars would go to Capital. Staff would like to see money left over to assign to the Capital Reserve; however, the Agency is already over budget for overtime and some equipment purchases. He further explained that the Agency is not always able to collect all the tax money that is expected, for example, in the year prior, only 97% was collected. This means that the Agency must operate with less money, which is where the contingency comes into play.

Chief Freitag reiterated that \$100,000 was budgeted and that Staff did not want to ask for more in case the ARPA funds come through. Were that to happen, then those funds would be added to Capital.

Chair Zurcher asked each Board member to comment.

Director Anderson stated that he takes no pride in the fact that the Agency has reached the minimum of 75th percentile and thinks CAFMA should try to make the 3% COLA work. He is comfortable with the corresponding tax increase.

Clerk Packard stated that she agrees with Director Anderson.

Chair Zurcher supports a COLA, but would like to be fiscally responsible and is wary of raising the tax rate too high, too fast. He recognizes that people are hurting, and would support up to a 3-cent addition to the tax rate and splitting a COLA between this year and the next. He concluded by stating that were the sales tax initiative to pass, it would be a game-changer for the Agency.

Director Gordon supports the 3% COLA; however, he is also concerned with making sure the Agency's Capital Reserve account is properly funded. He is fairly comfortable with a 5.6-cent increase this year, but his biggest concern is that too much of an increase, too quickly, might lose CAFMA community support. He would consider a split between this year and the next.

Director Beck is concerned about recruiting, and understands that training new employees, only for them to leave, is costly to the Agency. He echoed the concerns of his fellow members regarding increasing the tax rate too quickly and losing the support of the community. He would support a 3-cent increase with any excess going toward the COLA.

The Board directed Staff to present two budgets, a 5.6-cent increase and a 3-cent increase to the property tax.

7. ADJOURNMENT


Motion to adjourn at 4:57 p.m.

Move: Darlene Packard Second: Rick Anderson Status: Passed

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

Signature indicating approval on next page.

**Signature Page For: 2022 04 25 CEY Regular Minutes - Approved - Central Yavapai Fire District
Board of Directors - CY Regular Meeting - 5/23/2022**

A handwritten signature in black ink, appearing to read "Darlene Packard". The signature is written in a cursive style with a large initial "D" and "P".

Darlene Packard 05/24/2022