



THE REVIEW

Central Arizona Fire and Medical - 8603 E. Eastridge Dr., Prescott Valley, AZ 86314 – Sept 20, 2024

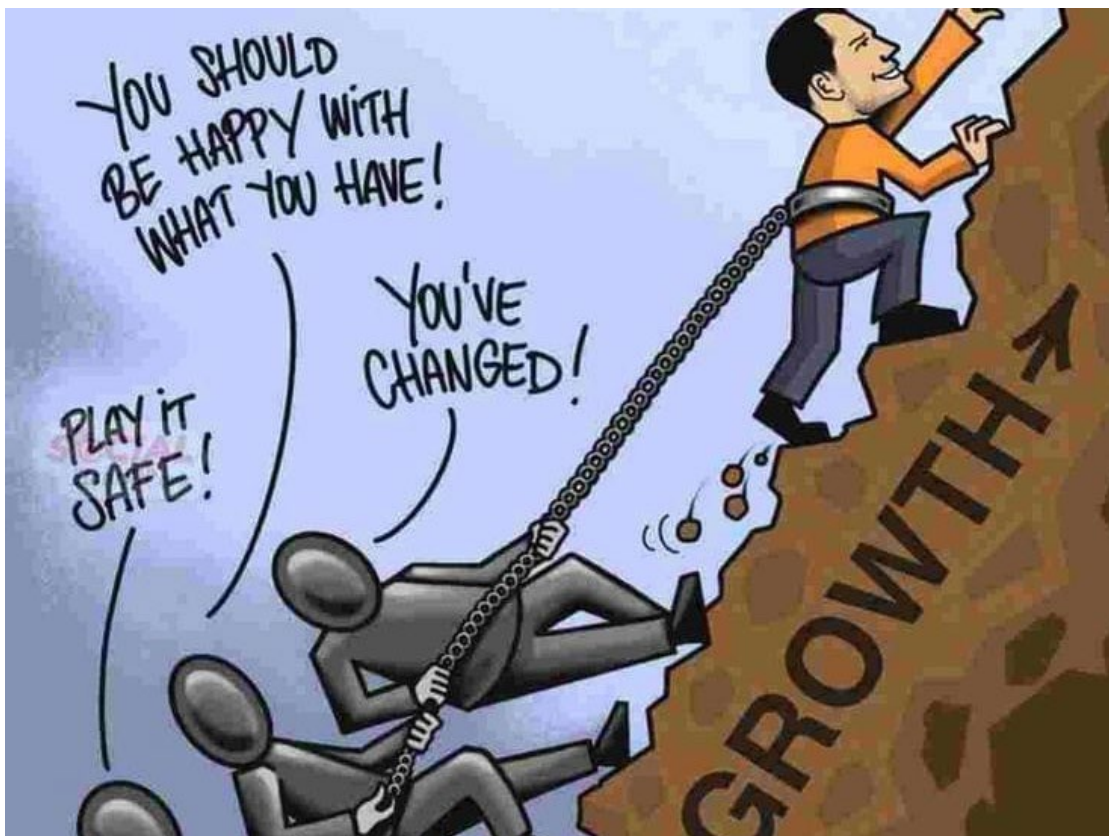
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“Don’t take a leadership position if you aren’t willing to lead.” –

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The Chief's Desk

It's hard to believe it has been eight years since CAFMA was established on July 1, 2016. Time truly flies! So, why was CAFMA created? In a word: efficiency. However, its significance extends far beyond that single word. We all remember the financial downturn and housing crisis that impacted our national, state, regional, and local economies, as well as our personal budgets.

Voters in Arizona passed Prop 117 at the low point of the recession. The prop moved fire districts from the full cash value of a home to the limited cash value, and then went further by limiting the growth of the limited value for fire districts to 5% per year. Unlike California's Prop 13, property values in Arizona do not reset when a home is sold. For a detailed explanation of the financial effects Prop 117 has had on fire districts across the state, visit our website at www.cazfire.gov/funding-fire-districts.

At the time we created CAFMA, both the Chino Valley Fire District (CVFD) and the Central Yavapai Fire District (CYFD) were struggling under the weight of increasing costs and inadequate revenues. For their part, CYFD was considering a reduction of Non-Operations (support) staff, while wrestling with how to ween the organization off reliance on their capital reserve to meet annual general expenditure needs. And, CYFD had gone through a period of frozen wages. While the wages had been unfrozen, the agency was using capital reserves to make up for general revenue shortfalls. It took several years, but we were able to successfully move the CYFD budget from reliance on capital reserves to funding daily operations through annual tax collections.

Before CAFMA was formed, CVFD was considering the possibility of browning out stations i.e., closing one of the stations each day depending on staffing, as the workforce would be reduced through attrition. CVFD was not facing the immediate challenge of using its savings to balance day-to-day operations. They did have a healthy reserve account; it just took us some time to pull all the finances together to identify where the money was held. Their wages were still frozen with no projection as to when they would be unfrozen.

Forming CAFMA enabled both organizations to retain all personnel while creating operational efficiencies across the board. As the economy has improved and the area continues to grow, we have been able to add personnel to meet increased demand. We are currently working through a three-year staffing plan to add an eleventh 24-hour engine and increase staffing at two stations to ensure constant staffing of four personnel. Today, stations are staffed with a minimum of three personnel per day, though some days may be staffed with four.

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Upcoming Events:

Sept 23: Senior staff meeting,
Board meeting day
Sept 24: Chamber breakfast, HR
Specialist Interviews, BC
Meeting
Sept 25: Meetings
Sept 26: Meetings, Legado
Appreciation

Board Meeting:

Board Meeting: Sept 23
Joint Meetings – 1600-1900

Chiefs Desk Cont.

Taxes, especially property taxes, are not a popular topic of conversation in our area. However, our organization is solely funded by property taxes. This means that any increase in the maintenance and operations budget or personnel costs result in an increase in what property owners pay on their annual tax bills.

If you compare the 2016 budget to the 2024 budget, you will notice a significant difference. Why? In 2016, we had 110 Operations (response) personnel. As of September 2024, that number has grown to 150. Over that same period, our Non-Operations (support) staff has increased from 33 in 2016, to a 43. Out of those 43 support positions, five are funded through service contracts with agencies outside CAFMA, e.g., radio communications agreements with the Yavapai County Sheriff's Office, Prescott Valley Police Department, Prescott Regional Communications Center, Prescott Police Department, and Prescott Fire Department.

The ratio of Operations to Non-Operations personnel in 2016 was 76.92% to 23.08%. Today, with the additional personnel we've added, the ration is 76.92% to 23.08%. Based on the true numbers and the ratio, I would say the notion that we've prioritized Non-Operations over Operations is debunked.

The Board had initially planned to increase the tax rate in 2020 to hire new firefighters; however, with the onset of the pandemic, they opted to keep the budget relatively stable, with only a slight increase. While this did delay hiring for some of our response needs, no one could have anticipated the full impact of the pandemic at that time.

As the area has grown, we have added personnel as best we could within the funding limitations we face. From 2016 to 2021, we encountered significant financial challenges with the PSPRS pension system, where annual increases were out of control, and we had no means to curb the impact. In 2021, CAFMA, along with other agencies in the Arizona Fire District Association (AFDA), worked with lawmakers to pass legislation allowing fire districts to access Certificates of Participation (COPs) to refinance pension debt. When CAFMA issued COPs to refinance our pension obligations, it was projected that our taxpayers would save nearly \$21 million over the life of the loan.

Let us talk about inflation. In recent years, the cost of a firefighter's turnout gear has increased from \$2,200 to \$3,800 per set—a 42% increase in cost. Our fuel budget in the 2020/2021 fiscal year was \$285,000, for the 2024/2025 budget year, it is projected at \$450,000, reflecting a 57.9% increase. In 2020, a new fire engine cost us \$650,000. By 2023, the price had risen to \$1.1 million, and in 2024, it is now \$1.4 million. These increases come on top of rising utility costs, property and casualty insurance, and increased costs related to medical, office, janitorial supplies, and more. To build a new fire station on the property we own at Glassford Hill and Santa Fe Loop is now estimated to cost \$12 million.

The cost of living for our organization has increased, just as it has for our personnel. To remain competitive in recruitment and retention, we have had to increase wages and improve benefits, all while keeping pace with the cost of living in our area. While we are not exactly where we would like to be in terms of wages, we have certainly pushed ourselves to provide the best compensation possible within our means.

In 2024, CAFMA is working as intended: We are more efficient and adaptable. While not able to hire all of the positions we need, we are moving in the right direction. As always, money is a factor. Our Board works together each year to ensure we deliver the best possible services, optimize our budget, and meet the needs of both our community and our members to the best of our ability.

I hope this helps a lot of the newer folks understand a bit of the history behind why we created CAFMA. For those who have been here a while, I hope it serves as a good reminder of where we were versus where we are today.
