

## 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 Dixon

### **Remote Attendance**

Lorette Brashear; Nicolas Cornelius

### **Not In Attendance**

Owen Mills

## **NOTICE OF MEETING**

### 1. 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**



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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.

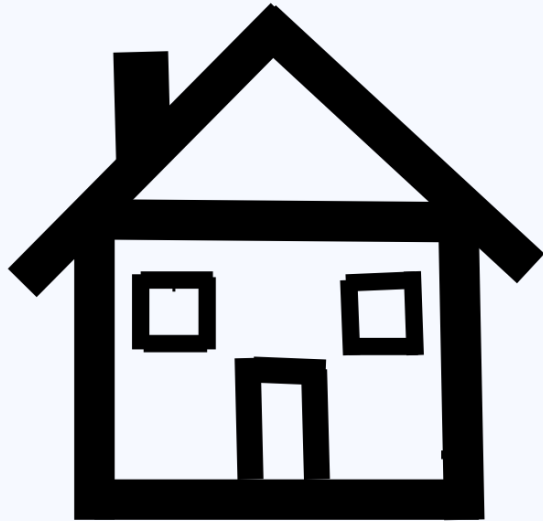
Original rural unincorporated areas and towns have grown into large urban areas with populations in the millions.

# 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:

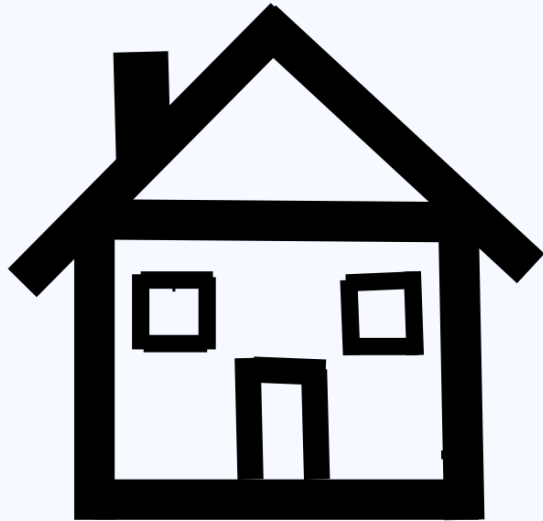
Tax Rate: \$2.64 per \$100 of Net Assessed Value

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

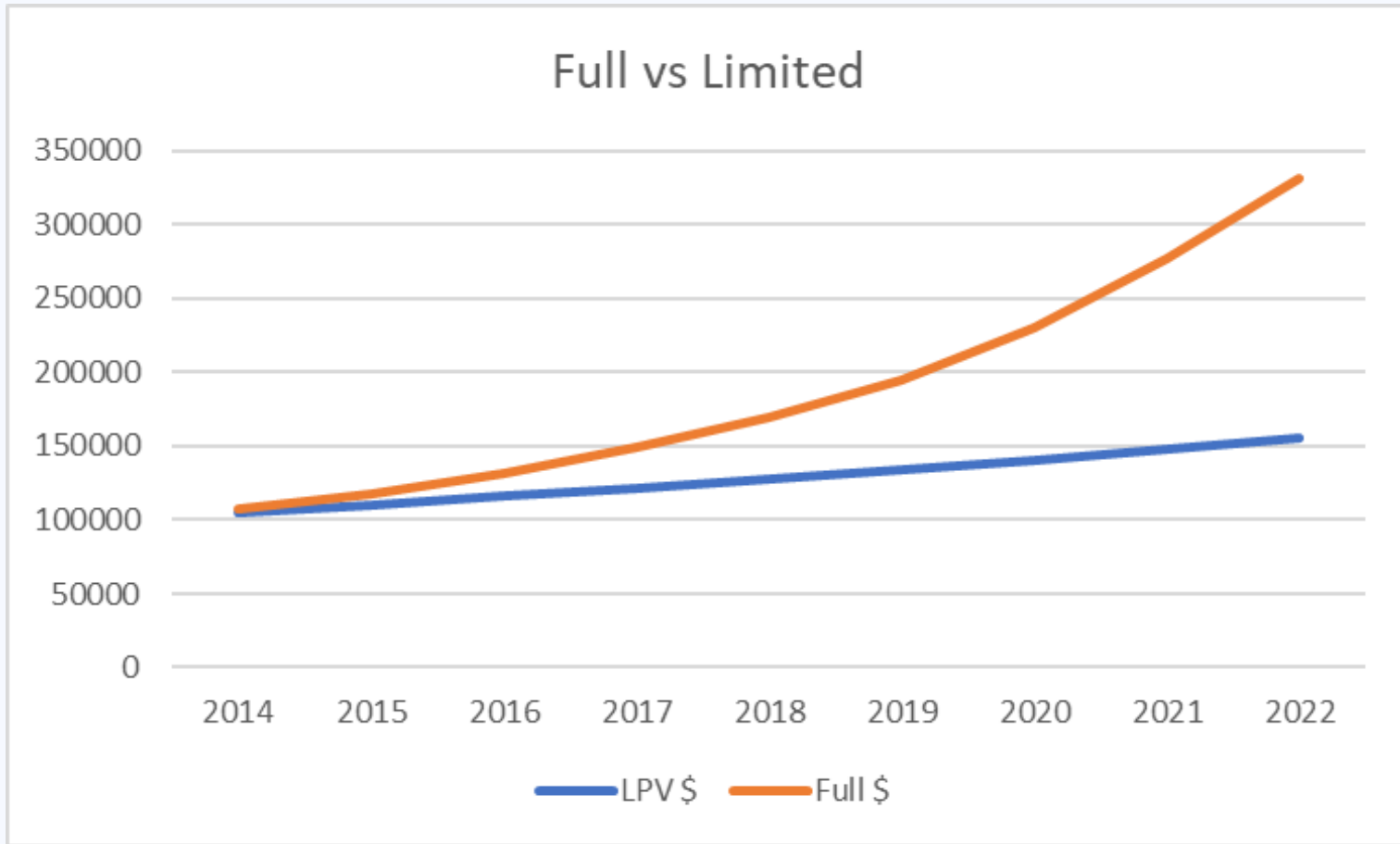


# FORMULA FOR CRISIS

- 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"

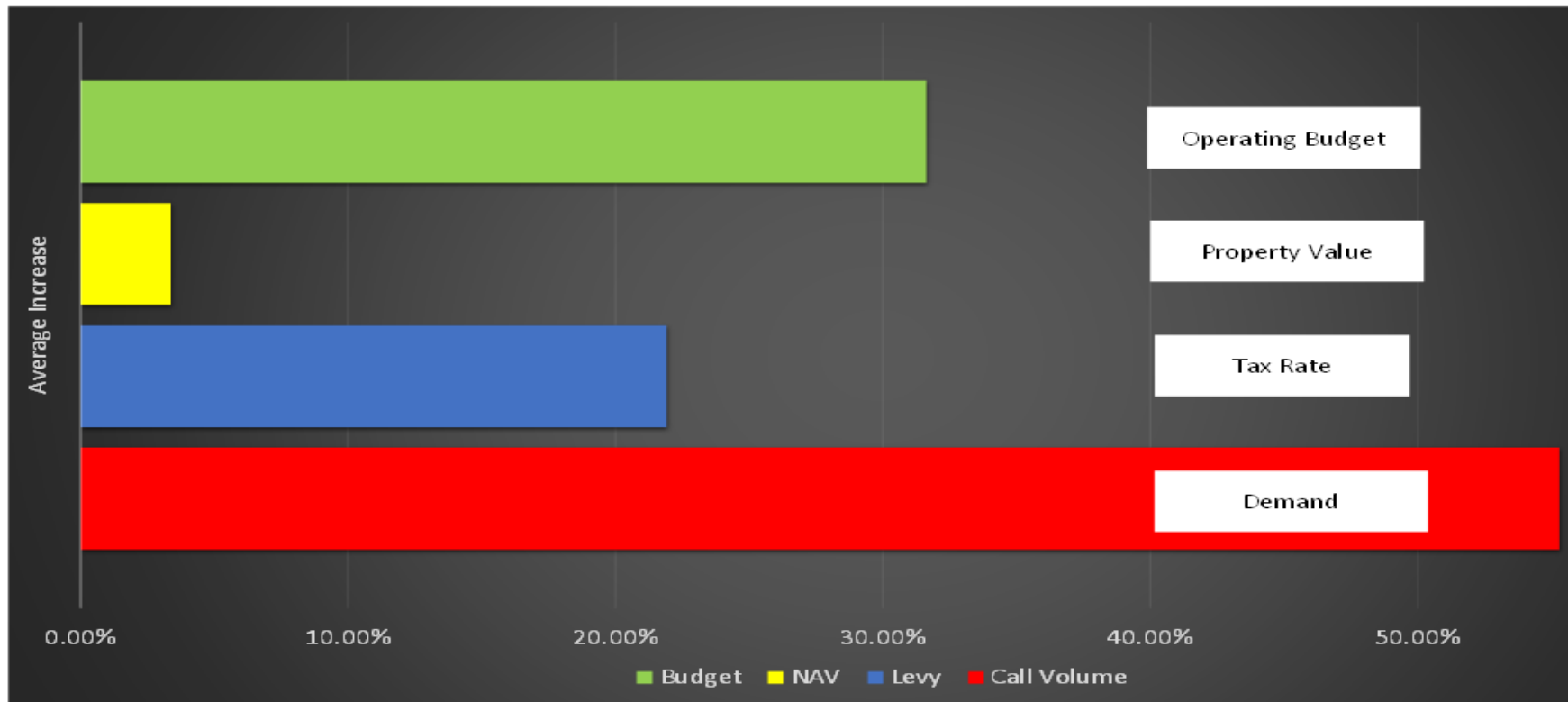


# FORMULA FOR CRISIS



# 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**

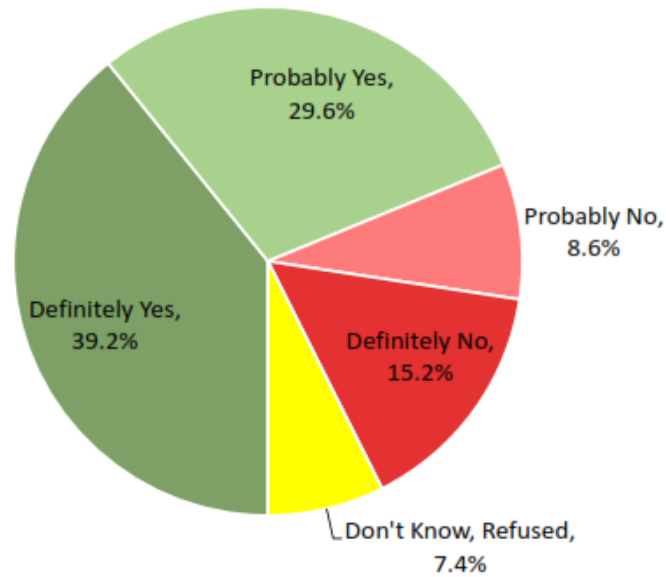
Potential Sales Tax Revenue In First Year - \$69,417



# 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	
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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?

