



THE REVIEW

Central Arizona Fire and Medical - 8603 E. Eastridge Dr., Prescott Valley, AZ 86314 – **May 27, 2022**

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“Nothing in the world is worth having or worth doing unless it means effort, pain, difficulty... I have never in my life envied a human being who led an easy life. I have envied a great many people who led difficult lives and led them well.”

— Theodore Roosevelt

Remember this Memorial Day: Some gave all



The Chief's Desk

The tentative budget for Fiscal Year 2022/2023 was approved Monday evening during a joint special session of the boards. As we've been saying since we started the process, our tax rate will be going up. The good news is that it is less than initially forecasted.

With the 105% increase in workers' compensation, 3% increase in PSPRS, increased property and casualty insurance costs, increased fuel costs, a 3% COLA, increased dispatch fees, finalizing the move into the new wage scale, etc. the rate will increase \$.038. That is less than the \$.06 initially budgeted to cover all of our costs, and greater than the \$.02 we had planned. Overall, given the current state of things in the world, an increase of only \$.018 above the original plan is not bad.

It's important to recognize that taxes do increase by default as the net assessed valuation (NAV) of a property increases. In short, even if our rate remained the same, the amount our citizens are paying for our services would increase. The only way it doesn't increase is if we were to reduce the rate, thereby not taking the increased valuation of the property to fund our budget. That is an unlikely scenario given that our cost to operate increases year-over-year and that property taxes are our only significant funding source.

In addition to the increased expenses listed above, we also budgeted for a couple of grants that we may or may not receive. One is the Assistance to Firefighters Grant (AFG). We applied for one-time monies to provide cancer screenings for our personnel. Grants usually require a 10% match from the applicant, so for the sake of round numbers, if we applied for a \$500,000 grant, we'd need to budget an additional \$50,000.

We also applied for a Staffing for Adequate Fire and Emergency Response (SAFER) Grant. If approved, we'll be able to hire five new/additional firefighters. Our hope is that the new spots will reduce the number of times we have to mandate that someone work overtime to fill vacancies, as well as balance some of the workload. SAFER will pay 75% of a new firefighter's salary in year one, 75% in year two, 35% in year three, and in year four we absorb 100% of their salary. These positions are not in preparation for staffing a new engine; instead, their purpose is to augment what we have today.

As I said to the Board at the meeting on Monday, we'll likely ask for an additional tax increase for the 23/24 fiscal year. The increase would be used to start hiring four new firefighter positions per year over three years. Once the last of the 12 firefighters are hired, we would staff a new 24-hour engine. Ultimately, we would have 11 24-hour engines and one 40-hour engine. We are currently working through some additional analysis and compiling the data to support our ask.

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Upcoming Events:

May 30: Admin Closed in observance of Memorial Day
May 31: Office in the morning, Dr. in Phoenix all afternoon
Jun 1: Software Demo, FRI Program Planning, Record Podcast, Fallen Officers Ceremony
June 2: AFDA Meeting, PFFA Conference
June 3: Meet Chief Bradley and Chief Durre
June 4: Emergency services recruitment fair at CARTA

Board Meetings:

May 23: Administration
CVFD – 1600-1635
CYFD – 1630 -1700
CAFMA – 1700-1830

How to Sync Up Your Team for Success

By: Michael Hyatt

Sometimes it's easy to spot the difference between a weak leader and a strong one. Take alignment. While weak leaders blame their teams when they can't get it, strong leaders know it's their responsibility to create it.

Years ago, I was making a major presentation to a prospective client. My boss was there. So was my boss's boss (aka "The Big Boss"). Our goal was to sign the client and win his business. Everyone on our team was nervous, especially me—since I was the one making the pitch.

Prior to the meeting, I had shared my presentation with my boss. He reviewed it, offered some helpful feedback, and then shared it with the Big Boss. The Big Boss didn't comment, so we both assumed he was fine with it. (This was his MO.)

But, no. As I was actually making the presentation, I could tell the Big Boss was uncomfortable. He didn't say anything, but he was visibly agitated. We weren't aligned, and I could see it in his body language. However, he remained silent.

After the presentation, the prospect asked me several direct questions. I provided what I thought were simple and honest answers. My boss chimed in a few times to agree or amplify. The prospect seemed satisfied. In fact, he gave us his permission to proceed with a contract. He expressed his enthusiasm about doing business together. We shook hands and left.

fullfocus.com

6 Ways Multi-Generational Workforces Lead to Business Growth

By: Steve Arizpe

For decades, employers have been inundated with studies about an imminent shift in workplace demographics, especially when millennials entered the scene. Many also planted seeds of doubt about how multiple generations could coexist or even thrive in the business world.

After nearly 20 years of experience working with at least four generations in the workplace, savvy employers have a solid understanding of managing any differences that may still exist. In addition, many of the lines have been blurred due to an increased focus on individual behaviors and values, along with the way workers view their jobs and purpose.

Now is the time to change the narrative, celebrate multi-generational workforces and explore ways they benefit companies. Below are six ways multi-generational workforces can lead to business growth.

1. Offers a solid pipeline of talent

Companies that embrace multi-generational workforces will experience a solid pipeline of talent, which can provide a competitive advantage in the marketplace. When companies reevaluate and widen their recruiting efforts to attract employees from all generations, it expands the talent pool to fill open positions. Updating job descriptions with relevant language that appeals to everyone and identifying additional avenues for recruitment will help reach untapped areas for talent.

In addition, developing creative ways to retain top talent, including seasoned workers, is important for talent management and continuity efforts. For example, while many are retiring, there are some interested in transitioning to part-time work. Companies that can accommodate reduced hours will maintain a level of productivity and institutional knowledge that are costly and difficult to replace. As hiring and retaining top talent continues to be the single-largest challenge for employers, companies that have a solid pipeline of talent are better positioned for growth and continued success.

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Chief's Desk Continued

Unfortunately, we would not likely be in a place to construct a new fire station, which means we would need to run a dual engine company out of one of the Prescott Valley stations until we can find funding. Construction costs for a new station are estimated around \$6 million, and that's just a basic station. We don't have enough taxing capacity to tax for station construction. And, quiet honestly, we have identified the need for three, possibly four, new stations. Given that development does not currently pay for development in our area, it's up to us to find a funding source. The only one available that makes financial sense is going out for a bond in the next three to five years. Not popular, but it's unavoidable.

In order to make this year's budget work, we cut north of \$2 million in capital expenditures from the budget, and cut two new Non-Operations positions that are needed. Some of the cuts were from Capital Reserve and some were from the general revenue. The cuts to Capital do not mean that we don't need to make the purchases. We simply had to prioritize our spending, no different than we do with our personal budgets. As for the two positions, if we receive monies from the State to offset our workers' compensation increases, we may end up with monies that could be used to fund the spots mid-year. That said, we have to balance what we need to add to the Capital Reserve with funding the positions.

Ultimately, we made some tough choices this year, and the Board had to make some difficult political decisions regarding tax rates. It's certainly not the best news, but it could have been worse.

Someone, not within our Agency, mentioned that we should be flush with money given all of the construction in the area. As a reminder, tax collections are always two years behind. To that end, once a house or commercial building is constructed, it takes two years before we see any property tax revenue.

Additionally, net assessed valuation increases are severely limited under Prop 117. The limited rate established upon initial sale of the property can only grow at 5% per year, while the full cash value of the house can skyrocket. So, a \$400,000 house built in 2013 was set at a limited value of \$360,000. For this example, let's say that same house just sold for \$800,000. Because the value of the home is not reset upon the sale of the property, the property taxes on the home are still set at a limited value associated with the initial \$400,000 full market value. If the home increased at the max allowed, 5% per

year, over nine years the limited value of the now \$800,000 home is only \$557,211. If the value of the property reset at sale, the new limited value for property tax purposes would be \$720,000. For those that struggle with math as I do, that is a difference of \$162,789.

Ultimately, roof tops are a good thing for us. However, limited property values, delayed tax collections, and annual increases in our operating costs do not lend themselves to being fat with cash. The State established a regressive tax structure for Fire Districts and then told us that it's our issue to solve. It's asinine when you think about it.

This is why a 1/10 of a cent sales tax would be a win for fire districts across the state. If we can diversify our revenue stream, we can better control property taxes, and then everyone who uses our services actually contributes to the cost of those services. In the end, it costs money to provide services and there's only one source from which we can derive revenue – taxes.

Do I sound like a broken record on this yet? I hope so, this is an important topic and we need to help folks understand the challenges we face with meeting the ever-increasing demand for services. If people understand the challenge, they're better able to help find and support sustainable solutions.

Did I also mention Fire Districts did not receive any monies for COVID? I mean, the State, counties, towns, and cities received millions in windfall that can not only be used to cover COVID expenses, but to fund other unrelated projects as well. All we got was a big increase in workers' compensation, and a significant hit in personnel and supply expenses. It's an unfair world sometimes...
