

10/19/22 - Citizen Workshop Recap

Location: Christ Anglican Church

Facilitator: Matt Lehrman

Facilitator: John Little

AGENDA:

- Welcome (this is the first of 5 workshops)
- Why is this important now?
- What are the options & costs/benefits?
- How would we pay for transition to a new service model
- When/where/how will this be decided?

PANELISTS:

- Gary Neiss, Carefree Town Administrator
- Peter Burns, resident & public finance expert, P&Z commissioner
- Chief John Kratz, Fire Chief, Retired
- Jim Rounds - Rounds consulting group has done fiscal analysis

Goal: this is place for all of us to discuss questions. There are no decisions being made yet, there are no initiatives to push, this is simply an opportunity to talk and understand the Fire & Emergency service options available. The panel is here to provide clear and factual answers. We want to know what YOUR thoughts and priorities are. (Dialogue; not decisions) 2 Main questions to consider: Automatic Aid vs Mutual Aid? And affordability?

The group had an opportunity to get real-time feedback and answers to questions.

Why is this conversation important now? Today, all the surrounding communities have joined Automatic Aid. Carefree being an island, there could be some concern for a delayed response, which is a risk to our citizens. There are solutions for Carefree to join Automatic Aid, but it is expensive. Rural Metro has been providing services for 50+years. Over the years, there was a mutual aid agreement among neighboring communities. (We helped them and vice versa.)

After the major fires in Cave Creek a couple of years ago, the problem was uncovered that Cave Creek didn't have enough equipment, resources, and was too small to handle the wildfires in the area. After the fires were contained and taken care of, Scottsdale Fire and others said they may not come next time without "skin in the game". Subsequently, Scottsdale cancelled our mutual aid agreement.

Automatic Aid will not allow Rural Metro to join the program. The difference being Rural Metro is a private organization and the other fire companies are municipal. Currently, the Carefree fire station and Rural Metro firefighters can achieve all requirements for Automatic Aid, but Rural Metro is not permitted into the program.

One caveat to consider – with mutual aid, we may have to wait until another station is available if ours are assisting on another call. With automatic aid, there is a larger pool to pull from for coverage. The first responders provide the same level of life-saving and fire suppression services.

Joining automatic aid will require additional equipment and assets to meet the requirements. (For example, it is approximately \$150k to outfit a firefighter with 2 suits of equipment.)

Matt asked the group for advice on how to continue this conversation in a productive way in our community.

Citizen questions:

- Is there a minimum requirement for contract years we agree to?
- Is private fire service unique to AZ? What are other places doing? (TN, OR, have Rural Metro)
- What are the benefits of having our own fire department?
- Would the Town be able to better manage the fire department at a reduced cost?
- Does the midpoint forecast mean that we can afford fire services? (it's shaky ground – Peter explained that 60%-70% of town funds are from sales tax. Carefree doesn't have many businesses that can support this. What would we do if we lost a big sales tax generator like Basha's?)
- How did Cave Creek manage their process to obtain automatic aid? (Jim Rounds also helped them. Cave Creek has a larger operating budget and more retail sales tax support, and didn't need to pursue a property tax at this point. Carefree is taking a different approach and taking feedback from residents to decide which plan to move forward with.) If the group wants to stay with Rural Metro, Jim Rounds will put together some forecasting.
- Need to engage people and survey what they want – the town is asking the right questions, need to ask more people.
- What are the options for getting more revenue? sales tax and property tax (Carefree already has a high sales tax at 3%, raising this would discourage sales and be a negative impact.)
- Want to see more economic development to support the funding. (economic development takes time to build-example of property to develop will take years before we see returns)
- How many times have we used automatic aid as a community?
- How many communities subscribe to automatic aid vs mutual aid? (majority are on mutual aid)
- Feedback: videos were very well done.

Gary explained that Scottsdale FD has stopped talking to us completely and are pushing us toward Daisy Mountain.

Peter Burns explained that our budget can change +/- \$1 Mil each year.

Jim Rounds explained the affordability of services. He used the analogy of buying a car. As a consumer, you need to determine what you can afford and then select the vehicle that best matches your budget and needs. This same model applies when paying for fire service.

Jim Rounds explained the "Midpoint Forecasting" concept meaning that we are planning for periods of recession and a strong economy. Focusing on the midpoint is the best way to anticipate those unknown factors. Rounds then mentioned that Carefree has been very responsibly managed, meaning that there were no holes that had to be addressed to project the costs.

You don't want to have a structural imbalance in your budget. If you do have to pay for services, what is the best way of getting there?

Gary explained that there is a candidate for governor that wants to eliminate grocery tax – this would be a huge hit to a Town like Carefree and we don't have control over these decisions. We need to put more reliance on a less volatile revenue stream.

Sheila explained that the traditional model for a Town is to have multiple types of revenue streams (property tax, sales tax, state tax).

Gary outlined the next steps in this process: December meetings with Town Council to review the feedback and information from the 5 workshops. Explained the legal requirements for adding an initiative to the ballot should the Town go to vote for a property tax. Gary also noted that the council is not deciding on a property tax – they are asking the voters to decide this.

Matt closed the meeting by asking for feedback on how to improve these workshops.