

**TOWN OF CAREFREE, ARIZONA
RESOLUTION 2022-19**

**A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE
TOWN OF CAREFREE, ARIZONA, RESTRICTING THE USE OF PRIMARY
PROPERTY TAXES TO OFFSET THE LONG-TERM COSTS TO PROVIDE FIRE AND
EMERGENCY SERVICES AND TO QUALIFY FOR REGIONAL AUTOMATIC AID**

WHEREAS, the Town of Carefree (the "Town") provides fire and emergency medical services to its residents, guests and businesses through a highbred model, whereby the Town owns all fire facilities and equipment while contracting with Rural Metro for fire and emergency medical services and personnel; and

WHEREAS, with respect to fire and emergency medical services, the Town is currently at high risk during simultaneous, long-duration and/or large-scale emergency events if regional support cannot be provided by nearby fire and emergency medical service providers; and

WHEREAS, if additional resources and personnel are currently required during an emergency event, the Town's regional support is provided through the discretionary mutual assistance process known as "Mutual Aid"; such Mutual Aid from nearby fire and medical service providers is not guaranteed; it is subject to availability of resources; and

WHEREAS, the City of Scottsdale has recently cancelled a Mutual Aid Agreement with Rural Metro, and the Town of Fountain Hills is cancelling its master contract with Rural Metro to form its own municipal fire department. These collective external actions have further isolated the citizens of Carefree from regional support for fire and emergency medical services; and

WHEREAS, a more efficient and robust regional emergency dispatch program exists within the metropolitan Phoenix-Mesa area, whereby fire and emergency medical resources from all participants are automatically dispatched to appropriately allocate resources to areas of need without the necessity of a request for assistance (referred to as "Automatic Aid"); and

WHEREAS, this Automatic Aid regional approach is overseen by its partners through the Life Safety Council; and

WHEREAS, the Life Safety Council has represented that they will not permit Rural Metro to participate in the Automatic Aid system; and

WHEREAS, over the past year, the Town has conducted an extensive citizen participation program to evaluate how to qualify for the regional Automatic Aid emergency dispatch system; and

WHEREAS, in October and November of 2022, five citizen workshops were held to outline the increased costs to the Town for participating in Automatic Aid and to explore options to cover the financial gap of such participation; and

WHEREAS, the existing fire fund in the Town budget has averaged a deficit of over \$400,000 annually, and the anticipated costs of joining Automatic Aid will further increase this deficit by approximately \$1 million; and

WHEREAS, it is anticipated that contracts with fire and emergency medical service providers who are part of the Automatic Aid system will be long term, with annual inflationary increases; and

WHEREAS, the Town hired professionals specializing public sector financing to model the Town's capacity to pay for these additional expenses; and

WHEREAS, this modeling shows the Town will be in an unsustainable, insolvent position due to the expanding costs to provide fire and emergency medical services. Accordingly, the Mayor and Common Council of the Town (the "Town Council") has determined it is necessary to identify a less volatile revenue stream to supplement its current sales tax revenues to ensure a sustainable funding source for the expanding costs to provide fire and emergency medical services; and

WHEREAS, the Town Council has determined that a modest primary property tax would provide the less volatile revenue stream necessary to ensure the Town can provide fire and emergency medical services throughout the Town under the Automatic Aid system; and

WHEREAS, the Town Council adopted Resolution 2022-18 to call a special election to ask the Town's voters to consider a primary property tax; and

WHEREAS, the Town Council has committed to dedicating funds raised by the proposed primary property tax levy to offset the overall costs of providing fire and emergency medical services to all residents, guests, businesses and property owners within the Town.

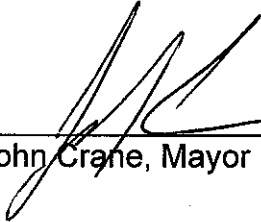
NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF CAREFREE, ARIZONA:

Section 1. That the recitals above are incorporated herein by reference.

Section 2. That, if a primary property tax is approved by the Town's voters at the special election on May 16, 2023, any primary property tax revenues collected thereafter shall be used to offset the costs of providing fire and emergency medical services to Town's residents, guests, businesses and property owners.

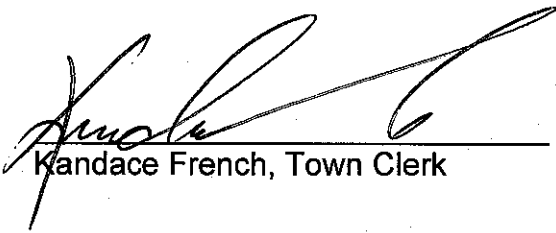
PASSED, ADOPTED AND APPROVED by the Mayor and Common Council of the Town of Carefree, Arizona, this 13th day of December, 2022.

AYES 6 NOES 0 ABSTENTIONS 0 ABSENT 1



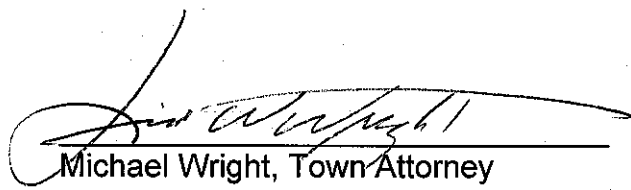
John Crane, Mayor

ATTEST:



Kandace French, Town Clerk

APPROVED AS TO FORM:



Michael Wright, Town Attorney