



**ARIZONA FIRE & MEDICAL AUTHORITY  
BUCKEYE VALLEY FIRE DISTRICT  
NORTH COUNTY FIRE & MEDICAL DISTRICT  
SOUTH COUNTY FIRE & MEDICAL DISTRICT**

**Joint Governing Boards Budget Workshop  
April 18, 2023**

**MINUTES**

**1. WELCOME/INTRODUCTIONS**

Board Chairman Bookie called the Joint Governing Board Budget Workshop to order on Tuesday, April 18, 2023, at 9:06 a.m. The meeting was held in person at the Arizona Fire & Medical Authority Administrative Office at 18818 N. Spanish Garden Drive, Sun City West, AZ 85375.

Members Present: Buckeye Valley Fire District Board Member Gary Benson; North County Fire & Medical District Board Members Richard Bookie, Tony Sambol, David Wilson, and James Young; South County Fire & Medical District Board Members Bill Becker, John Crawford, Karen Gueltzow, and Diane Price

Members Absent: Buckeye Valley Fire District Board Members Melanie Hardy, John Heiden, Paul Hunter, and Daniel Richardson; North County Fire & Medical District Board Member Smitty Smith; South County Fire & Medical District Board Member Jack Arend

Chairman Bookie recited the Pledge of Allegiance.

**2. LEGISLATIVE/ECONOMIC CHALLENGES**

Gabe Buldra, James Vincent Group, LLC reviewed legislative challenges for fire districts including Proposition 117 and its impacts on property tax rates, commercial property assessment reductions and the shifting of the tax base from commercial properties to residential properties, and the failing of the recent Proposition 310 effort.

Discussion ensued relating to commercial properties being annexed by neighboring cities and the continued effort to exempt solar from the tax code, which could pose a great challenge for the

Authority given the large solar farms in the South County Fire & Medical District and Buckeye Valley Fire District jurisdictions.

Mr. Buldra reviewed the local economic challenges including the western states consumer price index sitting at approximately 8.5% affecting the costs for materials and services at a local level.

**3. OVERVIEW OF REVENUES AND PERSONNEL EXPENSES**

Human Resources Director Shauna Fisher reviewed personnel challenges in the emergency services industry nationally noting the large turnover in Emergency Medical Services (EMS) which is sustaining at about a 40% rate, noting that fire districts are competing with municipalities and the private sector who can offer higher wages and benefits to prospective employees.

Director Fisher noted that in order to maintain salary levels across the Authority at the 75% level when compared to neighboring jurisdictions, many of the minimum salary levels in EMS will need to be increased this coming fiscal year.

Discussion ensued relating to a proposed EMT Program to encourage recruitment, retention, and career growth opportunities in the EMS field.

*The Governing Boards took a recess at 10:12 a.m. and reconvened at 10:21 a.m. with all members present.*

Mr. Buldra reviewed the revenue breakdown by District including property tax revenues, Fire District Assistance Tax, ambulance revenues, grant and wildland revenues and other miscellaneous revenues collected. Noting a total revenue collection of approximately \$56 million.

Mr. Buldra reviewed Fiscal Year 2024 personnel expenditures including salaries and wages, overtime usage, and taxes and benefits of approximately \$43 million, which represents 76% of budgeted expenditures.

Assistant Chief Christ DeChant explored historical overtime budgeting usage and challenges noting that with the addition of the Buckeye Valley Fire District additional time will be needed to fully analyze appropriate staffing levels in an effort to limit overtime usage.

**4. BUDGET OVERVIEW BY DIVISION**

Mr. Buldra presented the proposed budgets by division and highlighted the largest expenses in each division as well as increases or decreases that are needed in the Fiscal Year 2024 Operating Budget.

Discussion ensued relating to decentralizing training resources across divisions, set dispatch fees for emergency services, and the Support Services Division’s sharp increase in fuel costs and EMS supplies due to inflationary increases.

Mr. Buldra noted the Division Budget expenditures total approximately \$14 million.

*The Governing Boards took a recess at 11:27 a.m. and reconvened at 11:47 a.m. with all members present.*

In response to an inquiry, Finance Director Rebecca Chitwood noted that financial best practice is to set a contingency fund at a minimum percentage of the total budget. The Staff recommended operating budget sets the Authority Contingency Fund at approximately \$1 million. The Fiscal Year 2023 annual financials will show the current contingency fund largely depleted. This is a break from previous years but is a direct result of increased costs for fuel, supplies, and services.

**5. SUMMARY BUDGET PRESENTATION**

Mr. Buldra summarized the Staff recommended budget which includes the presented divisional budgets, labor requests relating to salaries and benefits, contractual obligations for the Buckeye Valley Fire District Joint Powers Agreement, overtime budget, the addition of one new position and 2 peak time ambulances, as well as \$1.05 million towards the Capital Fund, and \$1.06 million towards the Contingency Fund. The Staff recommended budget would require a .17 cent tax increase for both the North County Fire & Medical District and the South County Fire & Medical District, and a .13 cent tax increase for the Buckeye Valley Fire District.

Discussion ensued relating to alternative options to the Staff recommended budget and their impacts on tax payors.

Scott Dial, Local 3573 stated that labor’s request this year was to get all members of the Authority up to the 75<sup>th</sup> percentile of neighboring jurisdictions on the salary schedule. Labor always keeps the future in mind and is committed to sustainability of the Authority and its member districts into the future. Labor is supportive of the Staff recommended budget.

**6. REVIEW OF CAPITAL IMPROVEMENT PLAN (CIP)**

Director Chitwood reviewed three funding options for the Capital Improvement Plan (CIP). Option One is the Staff Recommended option and is to seek general obligation bond funding from voters in the 2024 election cycle. This option will allow flexibility as to when the bonds are sold and will not limit future maintenance and operations maximum allowable tax rates. Option Two is to seek an additional .25 cents to the already proposed .17 cent increase to the property tax rates. Option Three is to maintain the current proposed \$1 million annual funding to the CIP as well as delaying many capital projects for several years. However, this option is strongly discouraged by Staff as the CIP will run into the red by Fiscal Year 2026.

Discussion ensued relating to average property tax rates for homeowners in each district and the dollar amount impacts of compounding tax increases.

Mr. Buldra noted the deadline to put a general obligation bond request on the November 2024 ballot is May 11, 2024. Bond attorney costs would be contingent upon the bond passing and wrapped into the overall bond funding.

Discussion ensued relating to bond sale proceeds, uses for the funds, timeline of needs, and the marketing and outreach efforts to pass such a bond request.

*The Governing Boards took a recess at 1:17 p.m. and reconvened at 1:25 p.m. with all members present.*

**7. OPEN QUESTION & ANSWER SESSION**

Mr. Buldra summarized the Staff recommended budget including the associated tax increase requests and the CIP funding options and noted that the Governing Boards will need to adopt their tentative budgets at their respective April meetings.

North County Fire & Medical District Board Member Young stated that he felt the Staff recommended budget is reasonable and that the bond funding for the CIP may be a necessary step.

South County Fire & Medical District Board Member Crawford agreed with the Staff recommended budget and noted that going to the voters requesting bond funding is only permission for the funding, the funding comes when the bonds are sold at a later date.

Buckeye Valley Fire District Board Member Gary Benson noted a few areas within the Staff recommended budget and CIP that he would like to further review with staff but felt the recommended budget was reasonable.

North County Fire & Medical District Board Member David Wilson noted that both the North County and South County districts are largely senior communities and emergency medical services are important to this community and the quality of those services matter to residents.

Board Members requested detailed charts be provided to illustrate the full financial impacts of the tax increases and bond funding requested.

North County Fire & Medical District Board Member David Wilson requested detailed information on the cost allocations between all district members of the Authority.

**8. ADJOURNMENT**

The meeting adjourned at 1:55 p.m.

*Karen Gueltzow*

Karen Gueltzow (May 31, 2023 13:42 PDT)

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Karen Gueltzow, AFMA Board Clerk







# 04.18.23 Joint Governing Board Budget Workshop Minutes

Final Audit Report

2023-05-31

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