

Sedona Fire District

Citizens Advisory Committee

Meeting #2

Understanding How Fire Districts Are Funded and How
Assessed Value, Mil Rate, and Levy All Work

March 14, 2017

Who
Determines
My Property
Taxes?

How Does It
All Work?



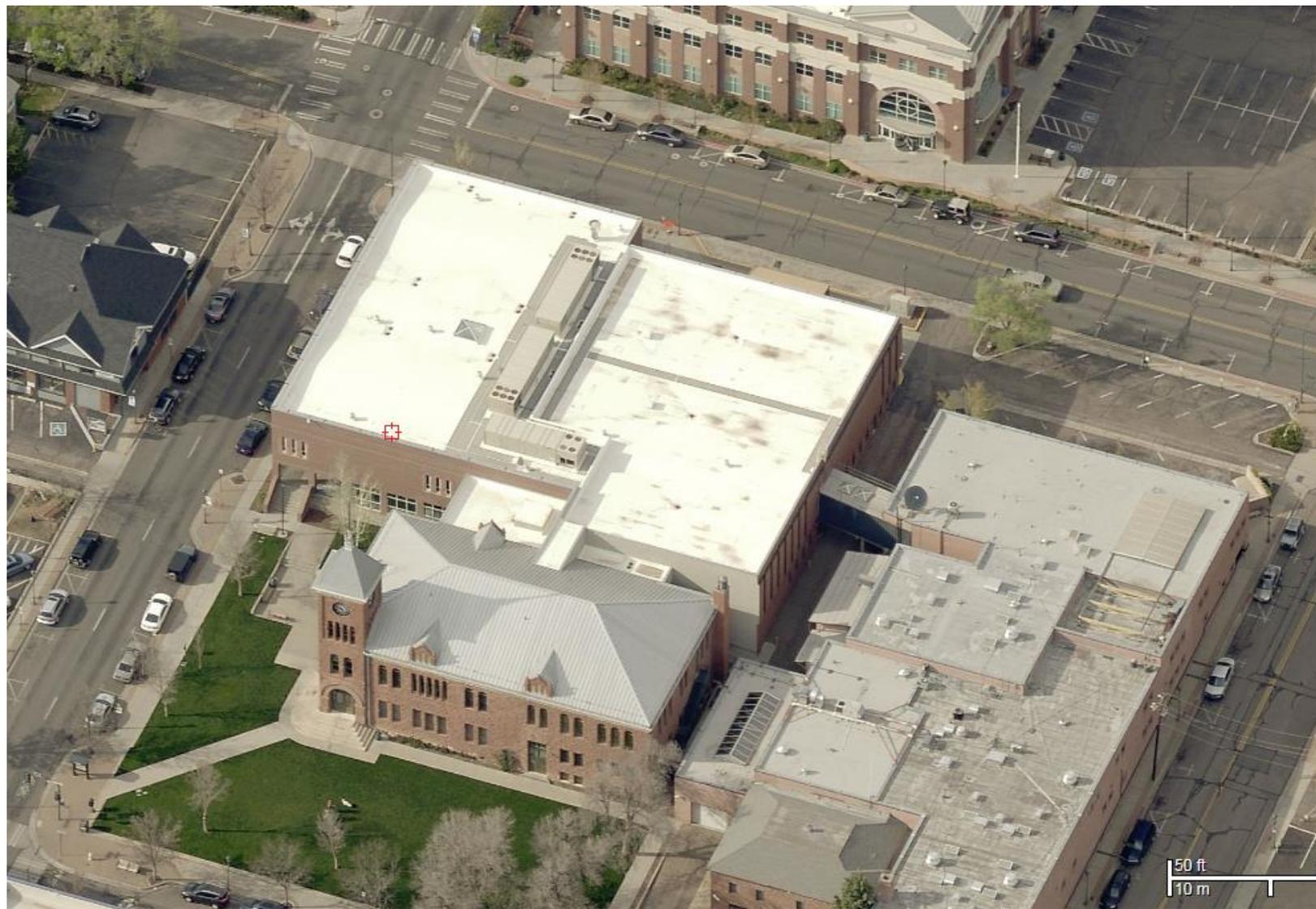
Armando Ruiz
County Assessor



David "Beau" Boisvert
Chief Deputy



Armando Ruiz
Coconino County
Assessor



SFD Citizen Advisory Committee Meeting
Number 2

What does the Assessor Do?

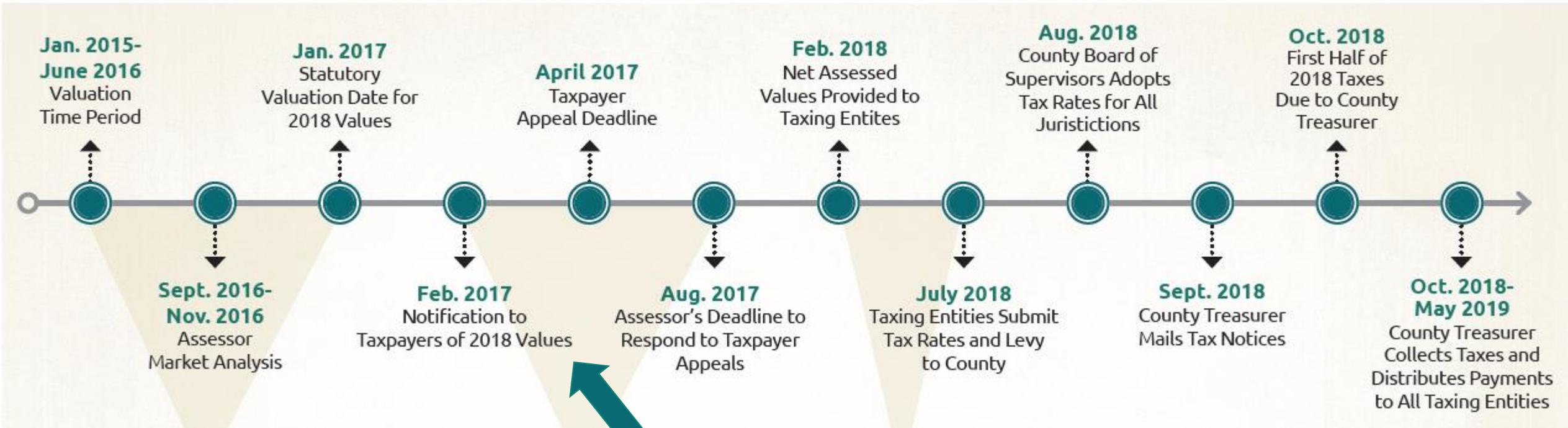
- Locate, Identify, and Value all property for *Ad Valorem* taxation.
- In AZ, property is placed on 3 separate tax rolls.
 - Locally Assessed-Valued by the Assessor
 - Real Property-Homes, Commercial Buildings, Vacant Land.
 - Personal Property-Consists of business equipment, Manufactured Homes not affixed to the land, etc.
 - Centrally Valued Properties (CVP) –Valued by the Department of Revenue
 - Utilities, Railroads, Telecommunications, Mines
 - Example: APS, SRP, BNSF, and Cable One

What is the Property Valuation and Tax Process in Arizona?

Timeline Overview for the 2017 taxes:

1. Market Analysis: Sept 2014 – Dec 2015
2. 18 month Data Window: Jan 2014 – Jul 2015
3. Annual Notice of Value: Jan 2016 (Coconino)
4. Appeals Process: 60 days from date of mailing
5. Jurisdictional Values: Feb 2017
6. District Budgeting Process: Jul 2017
7. Tax Rates Adopted at Public Meeting: Aug 2017
8. Treasurer Collects/Distributes Taxes
 - First Half: Oct 2017
 - Second Half: Oct 2017 - May2018

Tax Year 2018 Timeline



We are here



Judd Simmons
Yavapai County
Assessor

Presentation by
David Beau Boisvert
Chief Deputy





Proposition 117



What does this mean to me?



Brief Summary

- The market exploded from 2004 through 2006
- The Bubble Burst in 2007
- The market went on a downhill run through 2012
- The tax formula still raised the property taxes.
- The tax rates dropped for many jurisdictions.
- The public became frustrated with the system.



Taxation Calculations

- The primary tax rates are applied to the assessed limited property value.
- The secondary tax rates are applied to the assessed full cash value.
- Typically, the primary tax rate is approximately 60% to 75% of the over all taxes.



The New Formula

- The property tax rates will remain separate for identification purposes. (Primary & Secondary)
- This rate will be applied to the Limited Property Value.
- The Limited Property Value can only increase to a maximum of 5%.



The New Calculations

Last years FCV = \$100,000

Last years LPV = \$ 80,000

New FCV = \$125,000

New LPV calculation

\$80,000

 x 1.05

\$84,000



Tax Calculation

The market
increases

Previous tax year

Primary tax rate = 12.56%

Secondary Tax Rate = 2.8%

FCV

\$100,000

LPV

$80,000 \times .10 = 8,000$

$8,000 \times .1536 = \$1,228$

Total Taxes = \$1,228

Current tax year

Primary tax rate = 12.56%

Secondary Tax Rate = 2.8%

FCV

\$125,000 (25%
increase)

LPV

$84,000 \times .10 = 8,400$

$8,400 \times .1536 = \$1,290$

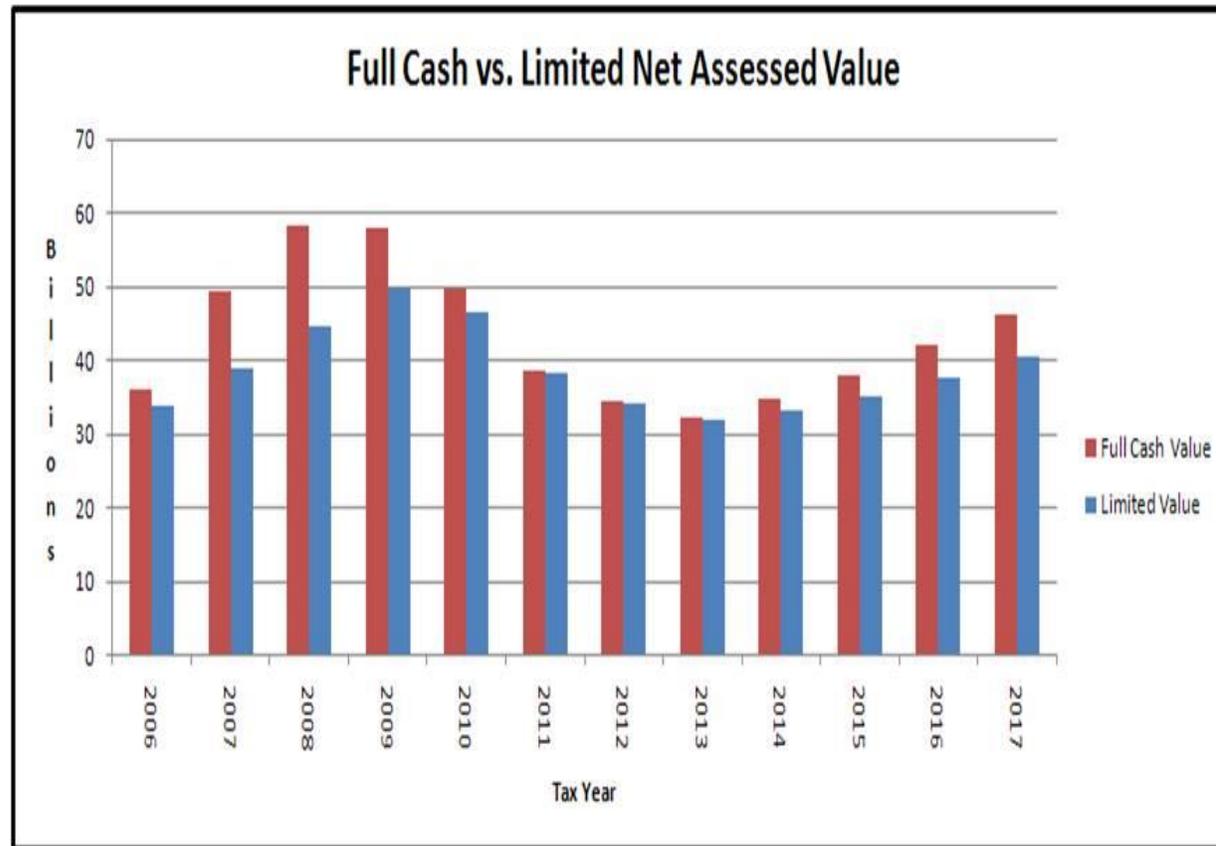
Total Taxes = \$1,290

(5% increase)

If the tax rate increases or decreases, then the difference maybe more than 5%

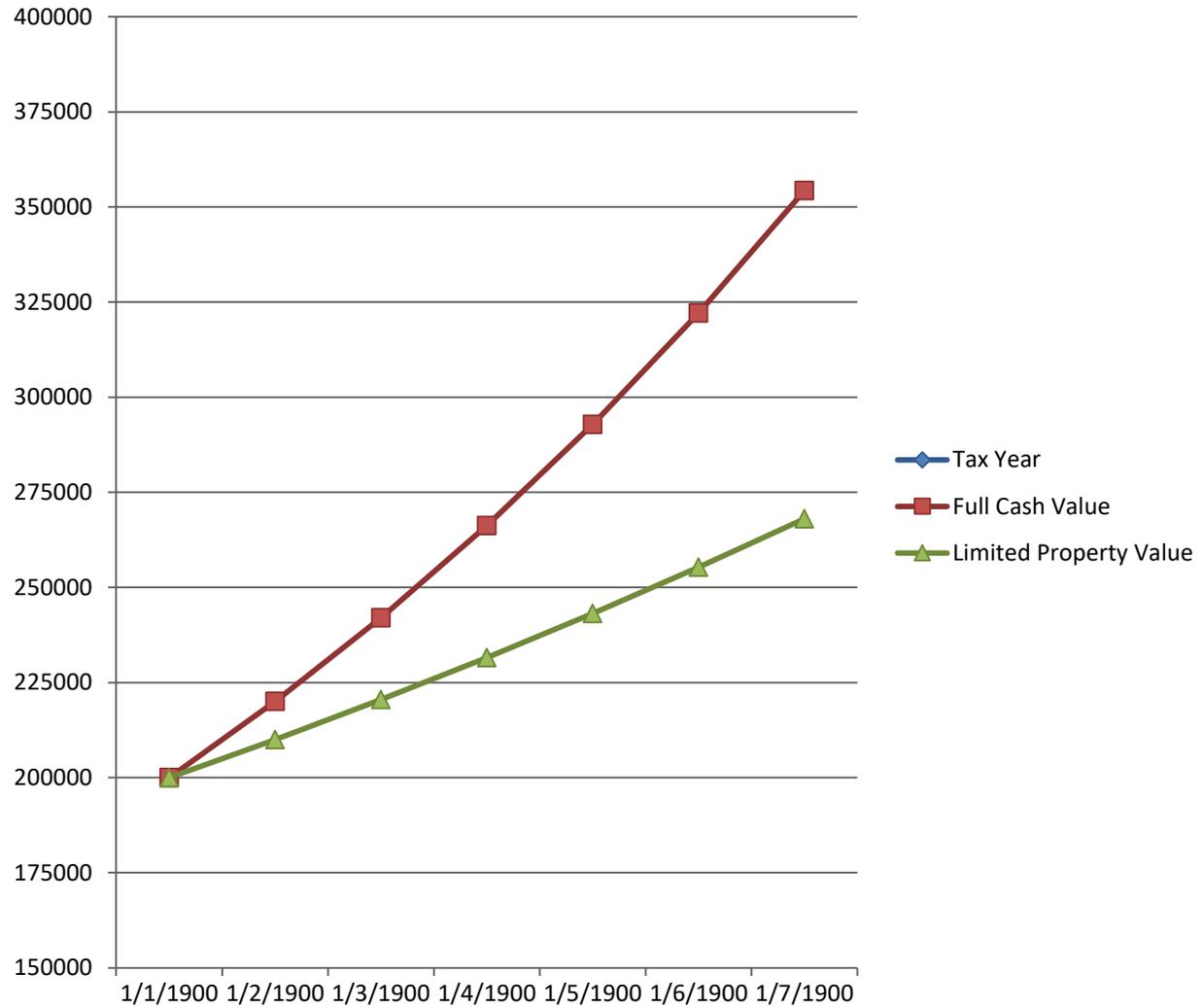


Historical
ratios last
9 years



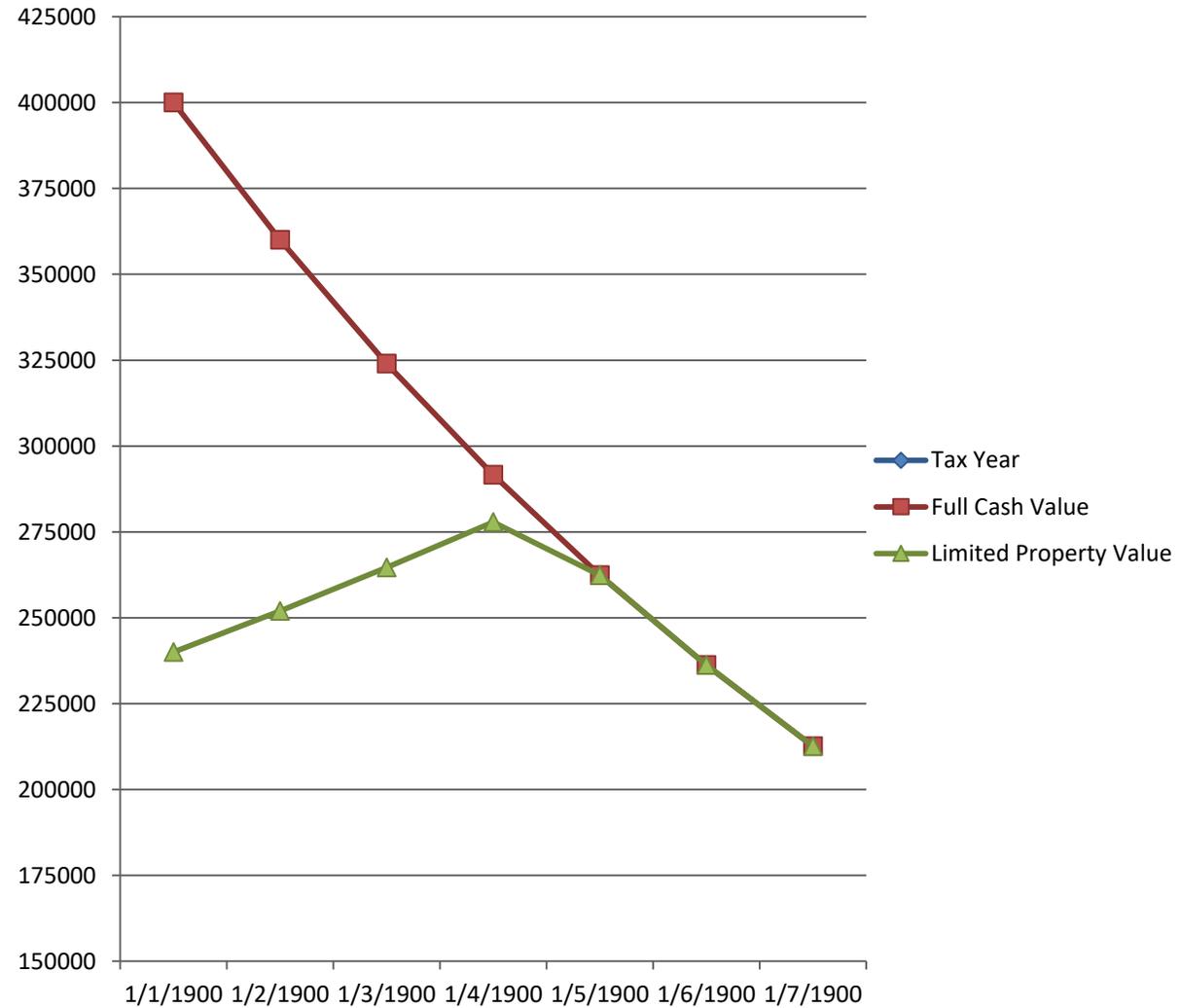


The gap increase in a Positive Market





The gap decrease in a Negative Market





Exceptions to Proposition 117

- The Centrally Valued Properties
- Business Personal Property
- Senior Freeze Properties (frozen at the 2014 value)
- New Construction (additions and deletions)



Title 42-13302

- Erroneously omitted in whole or partial from the previous tax year.
- A change in use has occurred since the preceding year.
- A Property that has been modified by construction, destruction or demolition from the preceding year.
- Property that has been split or consolidated from January 1 to September 30 and not due to an action by a government entity.



Example of New Construction

- A residential home has 1,800 square feet living area.
- The quality is of construction is Good.
- There is an attached 2-car garage.
- The Full Cash Value (FCV) is \$225,000 (\$125/sqft)
- The Limited Property Value (LPV) is \$202,500 (90%)
- The Tax Year is 2016



Example of New Construction

- There is a permit for adding a new bedroom and increase the family room.
- The permit states the value for the additional living space is \$56,000.
- The new construction is completed for 2017 tax year.
- The increase in value at minimum is \$281,000
- The ratio of the LPV to FCV for the 2017 is 87%



The Estimated 2017 Taxes

Rule A Calculation

New FCV \$281,000

New LPV \$212,625

(202,500 X 1.05)

Estimated Taxes

\$212,625 X .10 =

21,263 X .1256 =

\$2,670.57

Rule B Calculation

New FCV \$218,000

New LPV \$244,470

(\$281,000 X .87)

Estimated Taxes

\$244,470 X .10 =

24,447 X .1256 =

\$3,070.54



Conclusion

- The taxes are focused on only one value for 2015 and forward. (The Limited Property Value)
- The duties of the Assessor's office has not changed.
- The Office has experienced less appeals.
- The focus will be on canvassing the county.

The Levy Limit Worksheet



Armando Ruiz
Coconino County
Assessor

2017 FIRE DISTRICT LEVY LIMIT WORKSHEET

COCONINO & YAVAPAI COUNTIES - SEDONA FIRE DISTRICT

	COCONINO	YAVAPAI	COMBINED
	2016	2016	2016
ADJUSTMENTS FOR ANNEXED PROPERTY			
A.1. Net Assessed Value of Property Annexed for TY 2017	\$0	\$0	\$0
A.2. A.1. divided by 100	\$0	\$0	\$0
A.3. Prior Year Actual Tax Rate (excluding debt service tax rate)	\$2.4470	\$2.4470	\$2.4470
A.4. Adjustment for Annexed Property (A.2. multiplied by A.3.)	\$0	\$0	\$0
MAXIMUM ALLOWABLE LEVY LIMIT			2017
B.1. Prior Year Maximum Allowable Levy Limit (B.4 from prior year)			\$24,281,781
B.2. Line B.1. multiplied by 1.08			\$26,224,323
B.3. Plus amount attributable to annexed property (Line A.4.)			\$0
B.4. MAXIMUM ALLOWABLE LEVY LIMIT (Line B.2. + B.3.)			\$26,224,323
CURRENT YEAR NET ASSESSED VALUES			
	2017	2017	2017
C.1. Centrally Assessed Property	\$4,349,734	\$9,361,798	\$13,711,532
C.2. Locally Assessed Real Property	\$129,655,870	\$389,511,950	\$519,167,820
C.3. Locally Assessed Personal Property	\$2,091,771	\$3,664,221	\$5,755,992
C.4. Total Net Assessed Values (C.1. through C.3.)	\$136,097,375	\$402,537,969	\$538,635,344
C.5. C.4. divided by 100	\$1,360,974	\$4,025,380	\$5,386,353
CURRENT YEAR TAX RATE / LEVY LIMIT CALCULATION			
	2017	2017	2017
D.1. Current Year Net Assessed Values / 100 (Line C.5.)			\$5,386,353
D.2. Maximum Allowable Levy Limit (Line B.4.)			\$26,224,323
D.3. Tax Rate (D.2. divided by D.1.; rounded to 4 decimals)			\$4.8687
D.4. Maximum Tax Rate (lesser of D.3. or \$3.25)			\$3.2500
D.5. Current Year Allowable Tax Rate ¹⁾	\$3.2500	\$3.2500	\$3.2500
D.6. Current Year Allowable Levy Limit (D.5. multiplied by D.1.)	\$4,423,165	\$13,082,484	\$17,505,649
D.7. Prior Year Excess Collections			
D.8. Prior Year Excess Levy			
D.9. Current Year Allowable Levy Limit (D.6. - D.7. - D.8.)	\$4,423,165	\$13,082,484	\$17,505,649

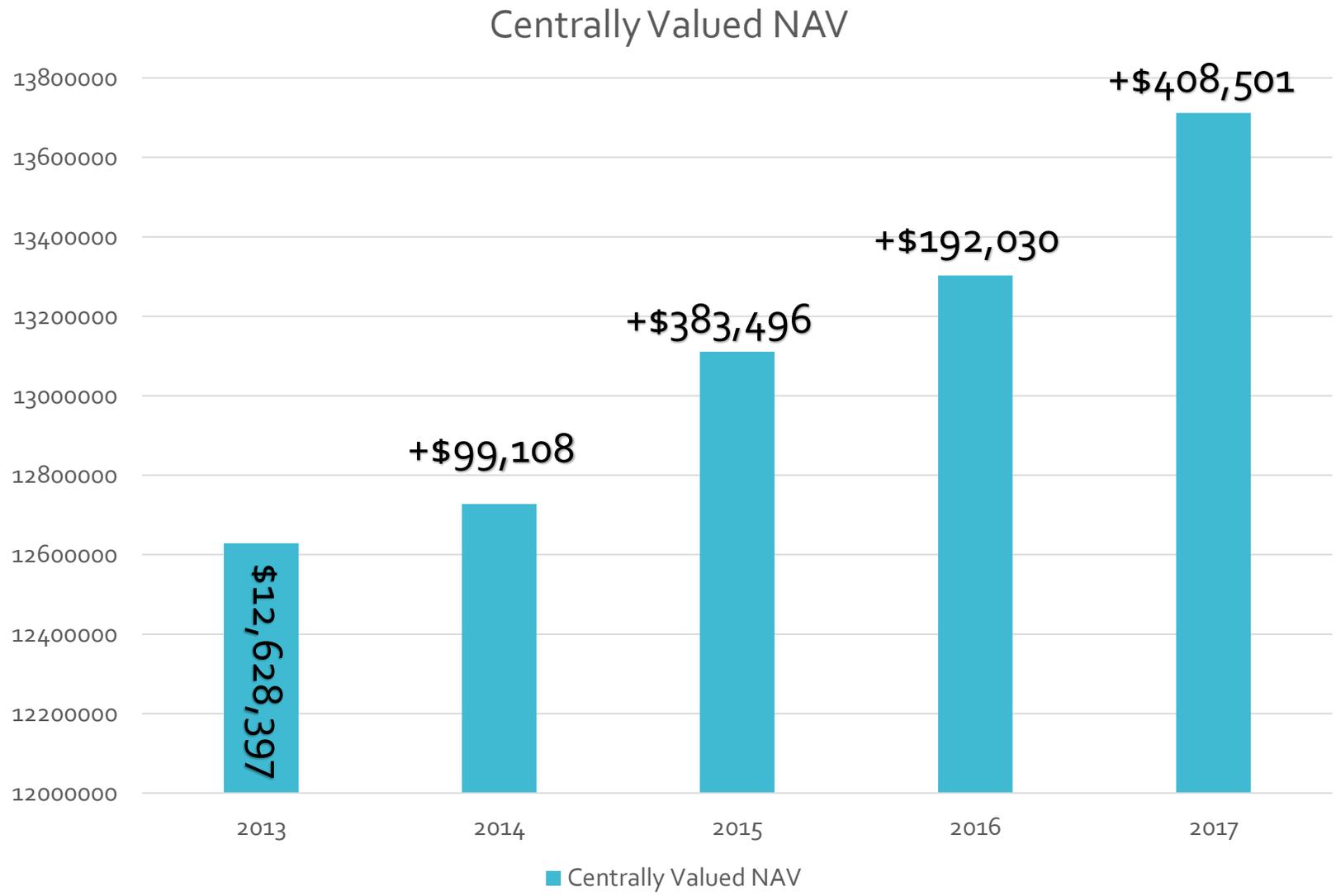
¹⁾ Adjusted D.5. to avoid a levy that exceeds the maximum allowable levy limit (Line B.4.)

2017 Combined Levy Limit Worksheet

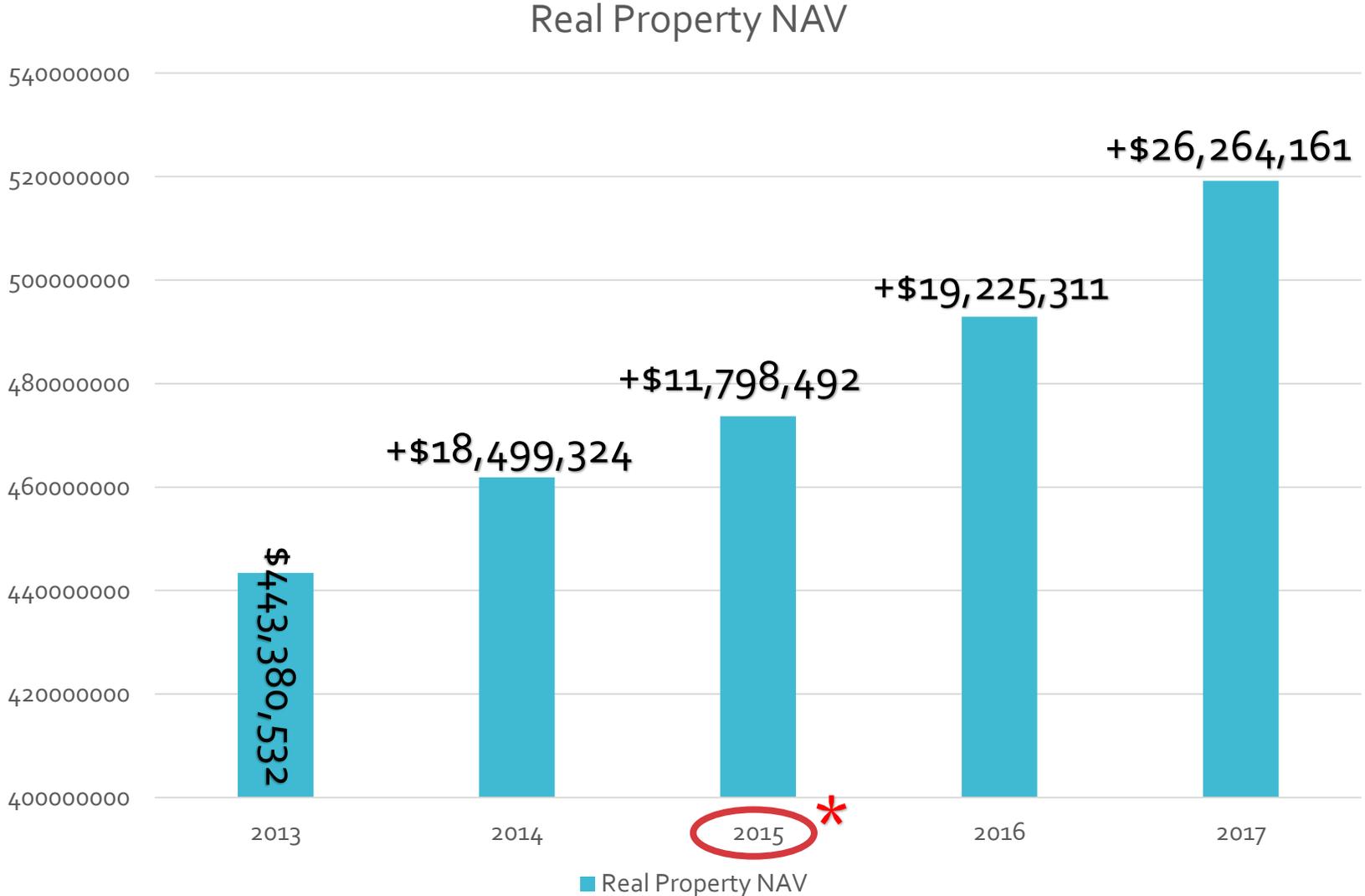
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- Net Assessed Value is the total property value after all property has been classified and all exempt property have been removed.
- Sedona Fire District contains property value from Coconino and Yavapai County because the district overlaps in two counties.
- The Net Assessed Values contain Locally Assessed Real Property, Locally Assessed Personal Property and Centrally Valued Property (valued by AZDOR)

Combined CVP Trends

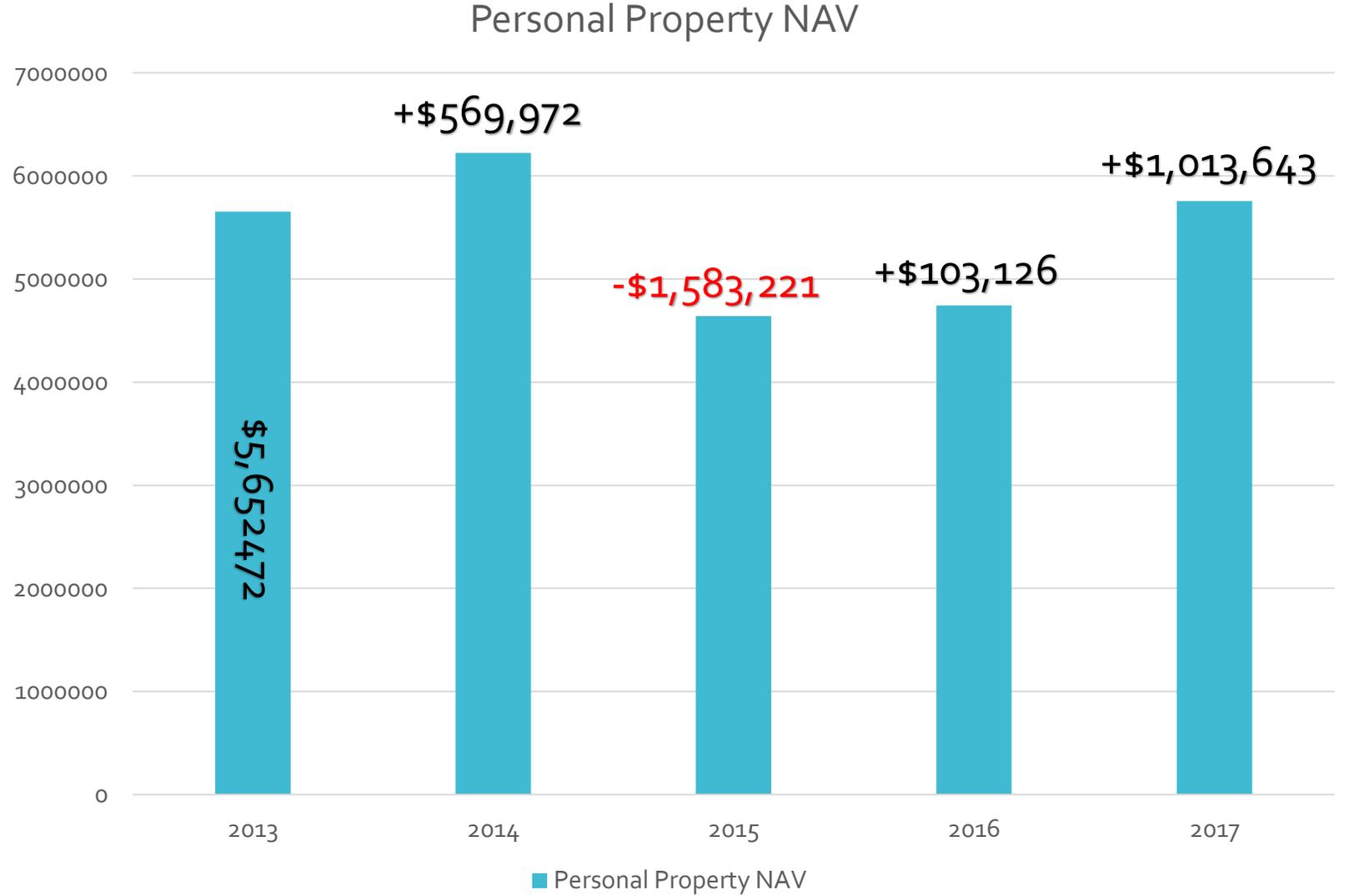


Combined Real Property Trends



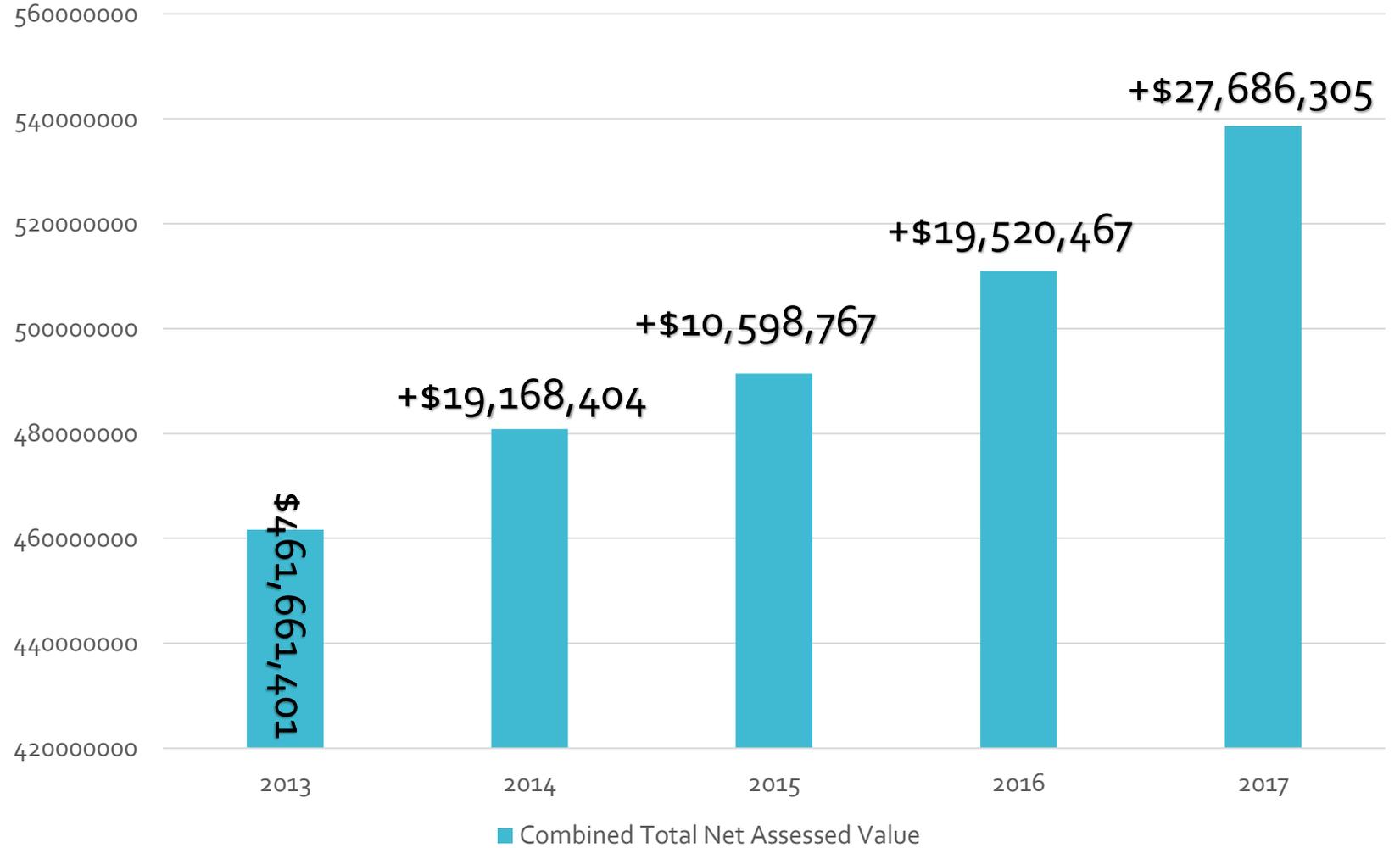
* First year change from secondary to primary net assessed due to Prop 117

Combined Personal Property Trends



Combined Total NAV

Combined Total Net Assessed Value



Using NAV to calculate the max Tax Rate

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- The 2017 NAV for Sedona Fire District is \$538,635,344
- This number is divided by 100 because the Tax Rate (Mil Rate) = tax per \$100 of net assessed value
- NAV/100 is used to calculate the max tax rate in section "D", that a fire district can use to levy taxes.

Max Tax Rate

CURRENT YEAR NET ASSESSED VALUES	2017	2017	2017
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- The formula provides for two methods of determining the MAX tax rate.
- By law, fire districts are required to use the lesser of the two methods that includes a cap of \$3.25 per 100.

Max Tax Rate

MAXIMUM ALLOWABLE LEVY LIMIT			
	2017		
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B.2. Line B.1. multiplied by 1.08			\$26,224,323
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- Method 1, takes the maximum allowable levy from last year and allows it to increase by 8%.
- This is used to calculate one method of the max tax rate (D.2. – D.3.)
- If this is more than \$3.25 then this calculation is not used and the max tax rate is defaulted to \$3.25

What does the \$3.25 Max Tax Rate mean for Levy Capacity?

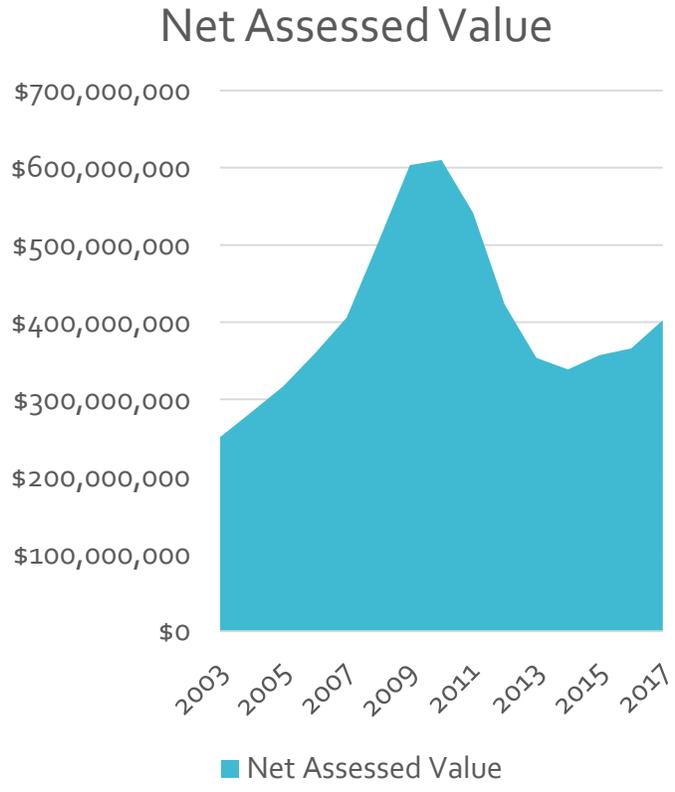
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- Drastically limits the ability to increase the levy particularly if a district is already levying the max \$3.25.
- Growth or loss in levy capacity is directly tied to a fire district's Total Net Assessed Value.
 - Real Property growth will be limited because of Prop 117.
 - Some Property Types can be volatile

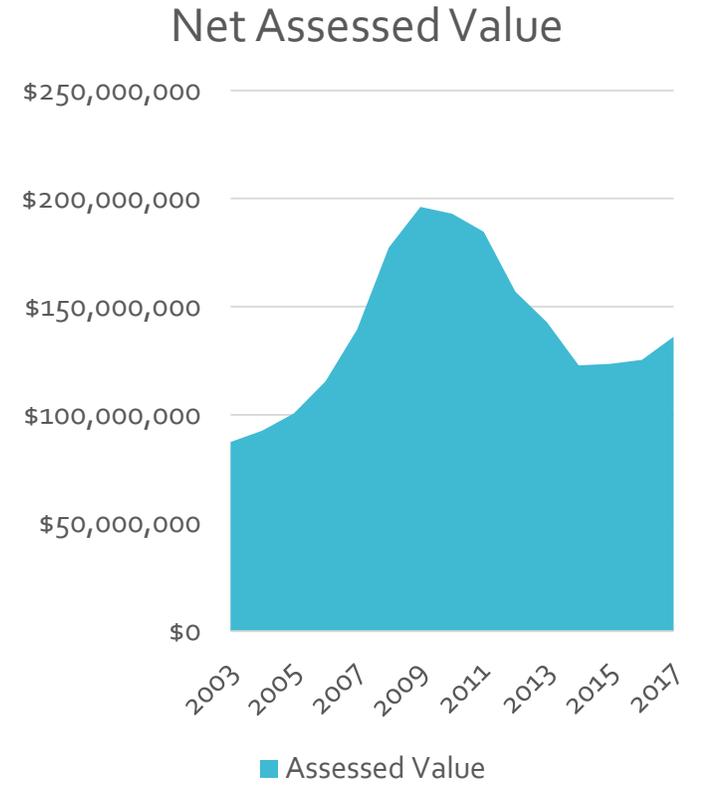
10 Year Comparison of Net Assessed Values

15 Year Historical Perspective of Each County's Net Assessed Value Property for the Sedona Fire District

Yavapai County



Coconino County



Sedona Fire District Numbers by County

	Yavapai	Median FCV	Coconino	Median FCV
Agricultural	6	\$165,042	0	-
Commercial	754	\$249,738	314	\$357,247
CVP	72	\$55,940	35	\$38,036
Exempt	152	\$268,236	57	\$178,144
Personal Property	115	\$29,734	116	\$2,159
Residential	9327	\$287,575	2023	\$399,800
Vacant	2409	\$103,032	631	\$108,800
Total	12,835		3,176	

Fire Chief's Home in Yavapai County

Assessed Value = \$229,724

(Tax comparison if it were located in Coconino)

Where do my tax dollars go?

	Yavapai	Coconino
County	\$437.10	\$132.96
School District #9 (all lines)	\$823.20	\$823.20
State School Equalization	\$115.08	\$115.09
Sedona Fire District	\$562.12	\$562.12
Fire Dist Assistance fund	\$22.96	\$22.97
Community College	\$472.34	\$142.75
Library District	\$43.82	\$58.72
Flood Control District	\$45.38	\$91.89
JTED Valley Academy	\$11.50	\$11.49
Public Health District	-	\$57.43
	\$2,533.50	\$2,018.62

From The Chief

- Can you explain the changes to the percentage commercial property
 - 25% down to 20%
 - 20% down to 18%
 - mil rate changed as part of legislation

From The Chief

- Can you explain Fire District Assistance Tax (FDAT)
 - Is it similar to the State School Equalization

From The Chief

- Can taxes be different from one neighbor to the next
 - How often do people's homes get assessed by an assessor?
 - Could one's taxes go up while one's taxes goes down

Questions
for
Armando or
Beau



Seems Fairly Simple Right?

- Most people could agree- no one wants to pay more taxes.... In fact many would prefer to pay NO taxes!
- But how would we have the services we have without taxes
 - School District
 - Multiple Lines on Tax Bill
 - State Equalizer
 - Valley Academy
 - Yavapai or Coconino Community College
 - Yavapai or Coconino County
 - County Assessment
 - Flood Control
 - Library District
 - Public Health (Coconino County)
 - Red Rock Road Maintenance (VOC)
 - Sedona Fire District
 - Fire District Assistance Tax (FDAT)
 - Collected by County and distributed throughout the County Fire Districts- essentially an equalizer that is disbursed to all fire districts in the county

Where Do We Get All of the SFD Funding

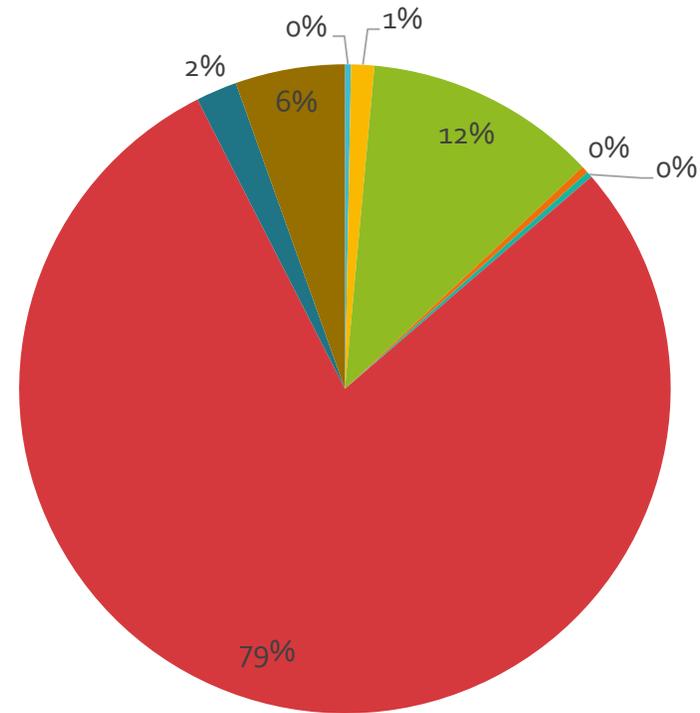


The Revenue Side of the Equation

- Tax Levy
- Fire District Assistance Tax
- Ambulance Revenue
- Telecommunication Services
- Communication Rents
- Non District Fire Revenue
- Other Income (Grants)
- Carry Over/Reserve Funds

The Revenue Side of the Equation

FY2017 Revenue Data

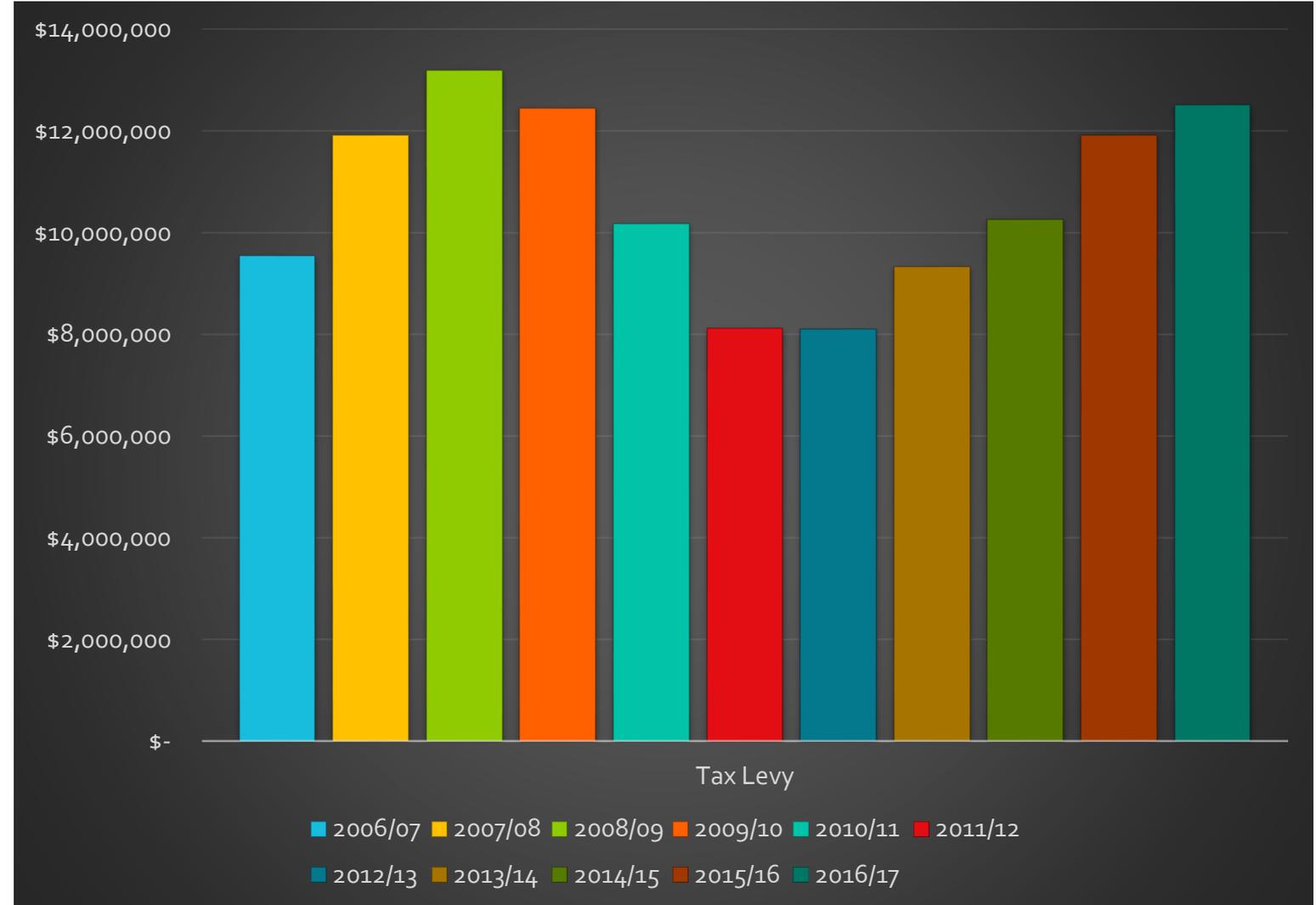


- Telecommunication Services
- Communication Rents
- Ambulance Services
- Non District Fires
- Other Income
- Levy
- FDAT
- Carryover/Reserve

Tax Levy Comparison

2008/09-
\$13,191,070

2016/17-
\$12,502,923



How Does SFD Create Our Budget



SFD Citizen Advisory Committee Meeting
Number 2

So Why Is This All So Important To Understand?

- When SFD prepares a budget, we have to consider the factors discussed here today.
 - What is the budget we need to effectively operate
 - Assessed Value- did it go up or did it go down
 - What is the Mil Rate going to be
- What is the percentage increase/decrease impact the budget
 - Levy (impact to the tax payer)
 - Overall Budget
 - Personnel Costs
- What is the cumulative effect these numbers have looking down stream on all of the pressure points within our budget and?
- How is Prop 117 going to affect pushing us to the Mil Rate Cap

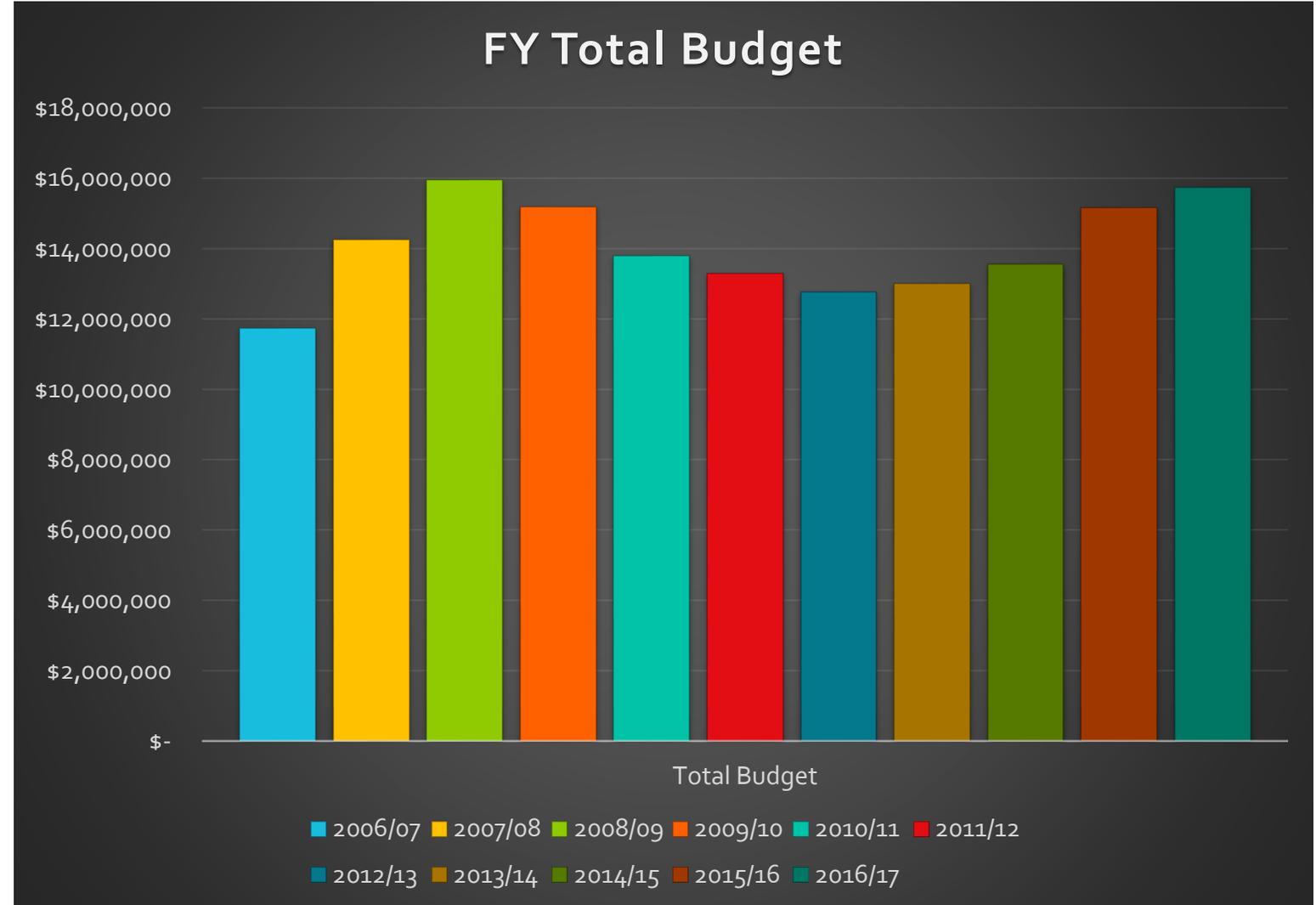
So Why Is This All So Important To Understand?

- How are we going to keep up with inflationary costs of our business related to the capped increase in Assessed Value
- How are we going to pay for capital needs
- How do we protect ourselves from an economic downturn
- What is the right amount of money to have in the rainy day fund
- How do we remain relevant to our community
 - Effective emergency response
 - Proper staffing
 - Training
 - Equipment
 - Technology
 - Changes in emergency services- Community Paramedicine, Firefighting tactics, NFPA Standards

Total Budget Comparison

FY09-
\$15,924,838

FY17-
\$15,714,697



So What
Predictive
Modeling Do
We Do

What Tools Do
We Use



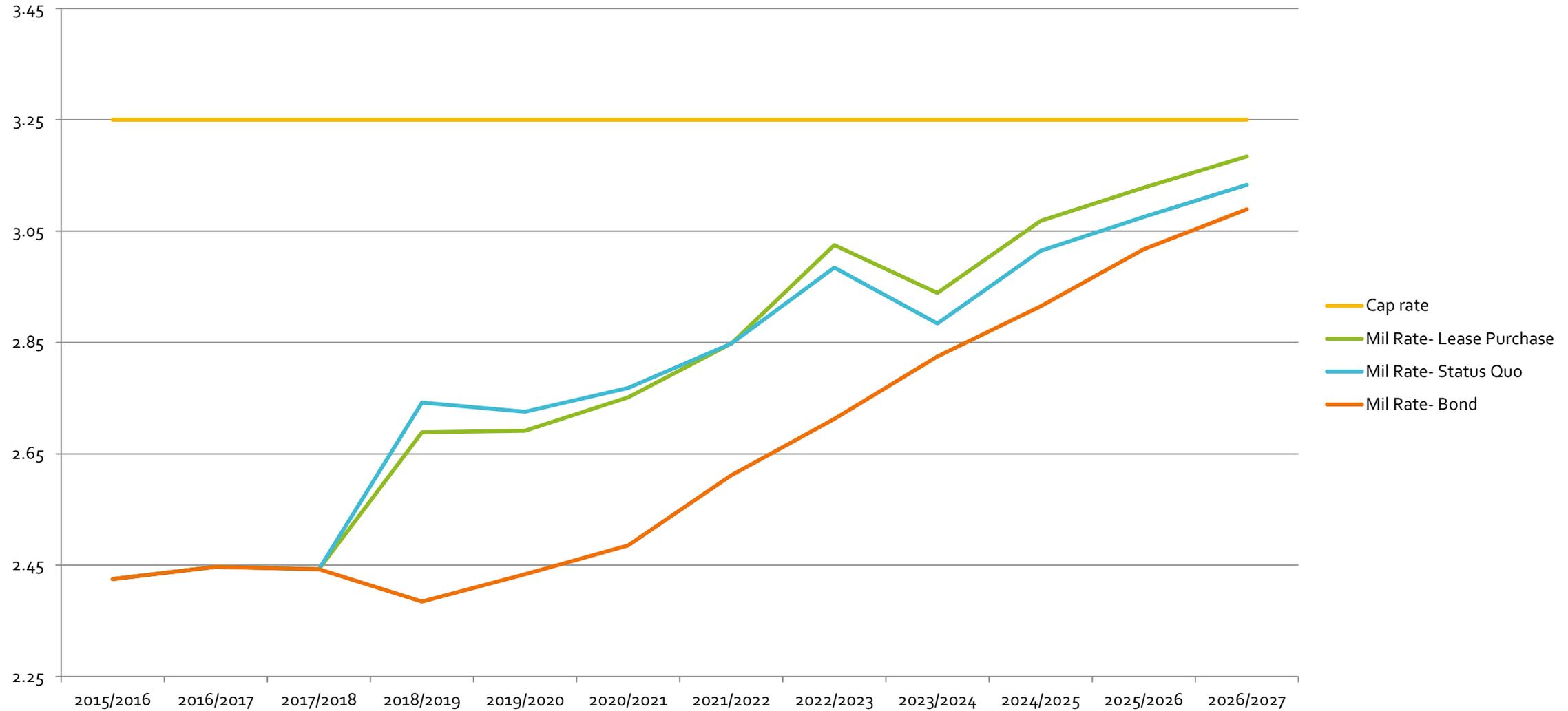
Budget Projections at \$400,000 Contingency

	2 Year Budget					
	Draft	Projected	Projected	Projected	Projected	Projected
	<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>	<u>2022/2023</u>
Coconino	136,097,375	141,541,270	147,202,921	150,146,979	153,149,919	156,978,667
Yavapai	402,537,969	418,639,488	435,385,067	444,092,769	452,974,624	464,298,990
Net Assessed Valuation	538,635,344	560,180,758	582,587,988	594,239,748	606,124,543	621,277,656
Mil Rate	2.5873	2.7413	2.7463	2.8098	2.9096	3.0655
Coconino	5.48%	4.00%	4.00%	2.00%	2.00%	2.50%
Yavapai	5.40%	4.00%	4.00%	2.00%	2.00%	2.50%
Total % AV change	5.42%	4.00%	4.00%	2.00%	2.00%	2.50%
Property Tax:						
Coconino	3,521,310	3,880,118	4,042,698	4,218,789	4,456,072	4,812,234
Yavapai	10,415,049	11,476,303	11,957,171	12,477,999	13,179,815	14,233,242
Total Property Tax	13,936,358	15,356,421	15,999,869	16,696,788	17,635,887	19,045,476
FDAT	323,033	323,033	323,033	323,033	323,033	323,033
Non-Tax Revenues	2,256,485	2,273,409	2,290,459	2,307,638	2,324,945	2,342,382
Subtotal	16,515,876	17,952,862	18,613,361	19,327,459	20,283,865	21,710,891
C/O &/or Rsrvs to offset taxes	704,345	500,000	400,000	300,000	200,000	100,000
Total Revenue	17,220,221	18,452,862	19,013,361	19,627,459	20,483,865	21,810,891
Wages & Benefits	12,800,202	13,440,212	14,112,223	14,817,834	15,558,726	16,336,662
Operating Budget	2,963,205	3,111,365	3,266,933	3,430,280	3,601,794	3,781,883
Capital Budget	1,456,814	1,901,285	1,634,205	1,379,345	1,323,345	1,692,345
Total Budget	17,220,221	18,452,862	19,013,361	19,627,459	20,483,865	21,810,891
% of change	8.61%	7.16%	3.04%	3.23%	4.36%	6.48%

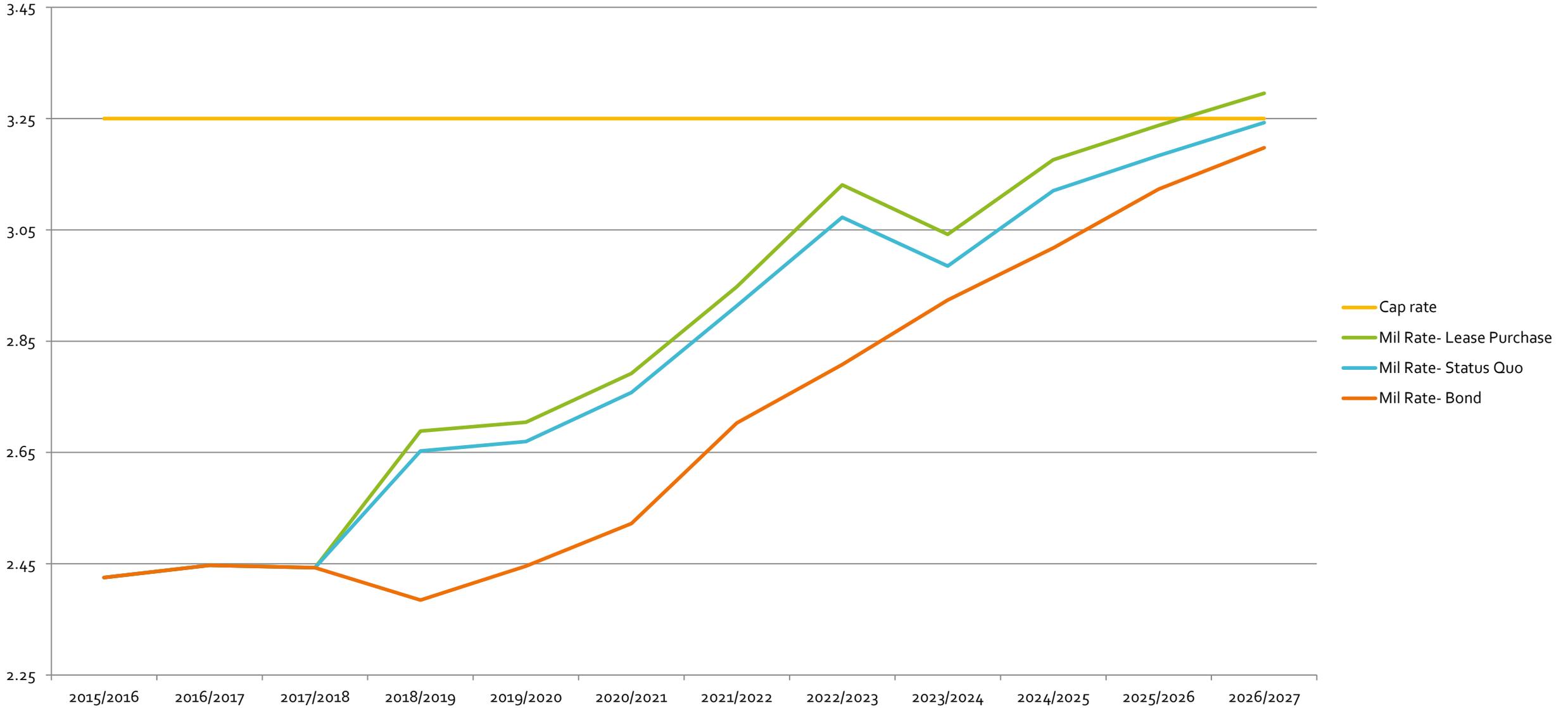
Budget Projections at \$100,000 Contingency

	2 Year Budget		Projected <u>2019/2020</u>	Projected <u>2020/2021</u>	Projected <u>2021/2022</u>	Projected <u>2022/2023</u>
	Draft <u>2017/2018</u>	Projected <u>2018/2019</u>				
Coconino	136,097,375	141,541,270	147,202,921	150,146,979	153,149,919	156,978,667
Yavapai	402,537,969	418,639,488	435,385,067	444,092,769	452,974,624	464,298,990
Net Assessed Valuation	538,635,344	560,180,758	582,587,988	594,239,748	606,124,543	621,277,656
Mil Rate	2.5316	2.6851	2.6896	2.7513	2.8495	3.0039
Coconino	5.48%	4.00%	4.00%	2.00%	2.00%	2.50%
Yavapai	5.40%	4.00%	4.00%	2.00%	2.00%	2.50%
Total % AV change	5.42%	4.00%	4.00%	2.00%	2.00%	2.50%
Property Tax:						
Coconino	3,445,508	3,800,526	3,959,127	4,131,040	4,363,935	4,715,490
Yavapai	10,190,850	11,240,894	11,709,992	12,218,461	12,907,300	13,947,101
Total Property Tax	13,636,358	15,041,421	15,669,119	16,349,501	17,271,235	18,662,591
FDAT	323,033	323,033	323,033	323,033	323,033	323,033
Non-Tax Revenues	2,256,485	2,273,409	2,290,459	2,307,638	2,324,945	2,342,382
Subtotal	16,215,876	17,637,862	18,282,611	18,980,171	19,919,213	21,328,006
C/O &/or Rsrvs to offset taxes	704,345	500,000	400,000	300,000	200,000	100,000
Total Revenue	16,920,221	18,137,862	18,682,611	19,280,171	20,119,213	21,428,006
Wages & Benefits	12,800,202	13,440,212	14,112,223	14,817,834	15,558,726	16,336,662
Operating Budget	2,663,205	2,796,365	2,936,183	3,082,992	3,237,142	3,398,999
Capital Budget	1,456,814	1,901,285	1,634,205	1,379,345	1,323,345	1,692,345
Total Budget	16,920,221	18,137,862	18,682,611	19,280,171	20,119,213	21,428,006
% of change	6.72%	7.20%	3.00%	3.20%	4.35%	6.51%

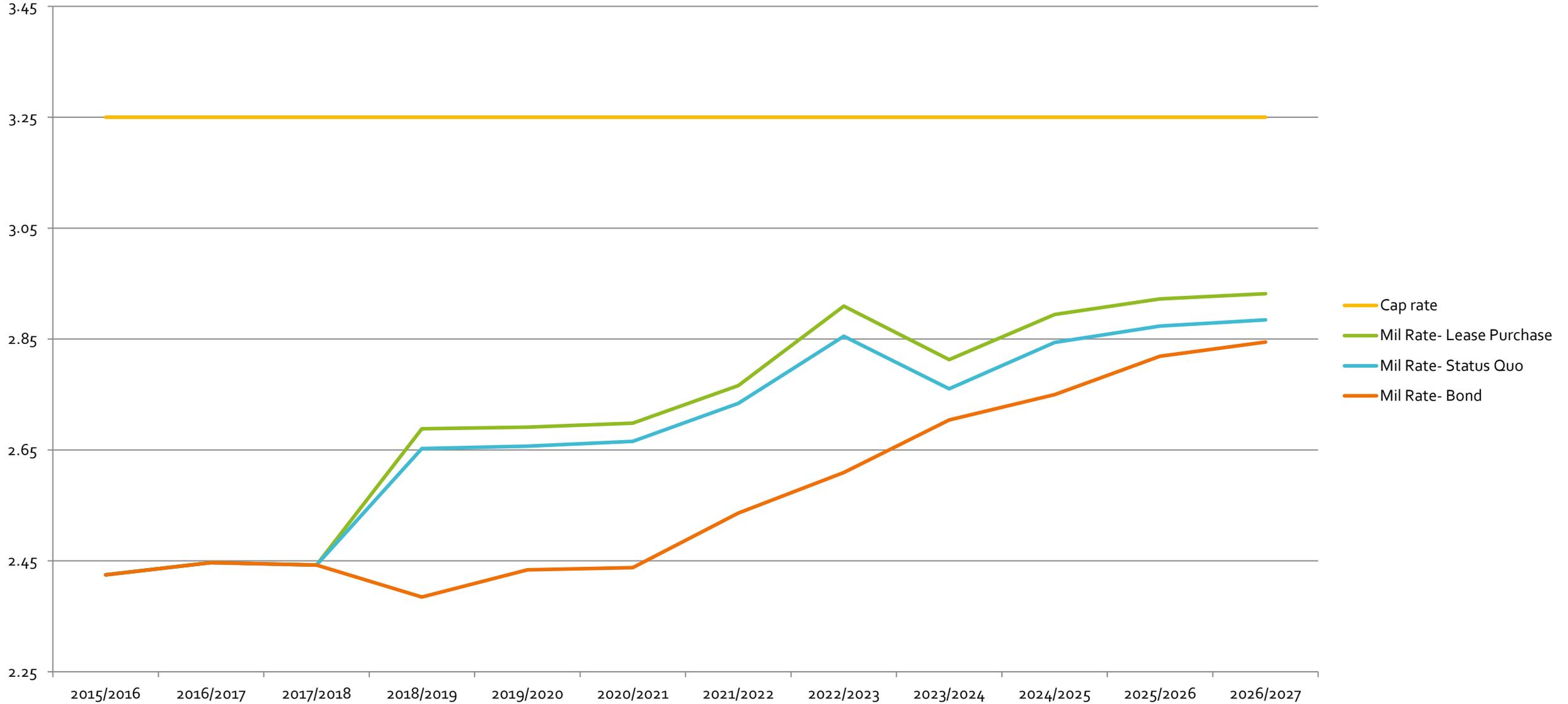
Moderate AV Growth Model



Recession AV Growth Model



Aggressive AV Growth Model



Do You See The Dilemma?

- We have long range capital needs
- We have concerns for pushing the Mil Rate cap
- We are concerned with uncertainty of the assessed values
- We want to provide the best funding option for long term sustainability

Kicking the Can

Simply creates a pile of cans



Red's Meeting March 14, 2017

Capital Improvement Plan

3/15/17

Debt Service and Apparatus and Vehicle

SEDONA FIRE DISTRICT 10 Year CAPITAL IMPROVEMENT PLAN											3/15/2017
Capital Improvement Plan	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
Debt Service											
Station #6 Debt Service	259,345	259,345	259,345	259,345	259,345	259,345	259,345				
Stryker Power-Pro XT Cots (6)	70,350	70,350	18,610								
Zoll X Series Monitor/Defib's (13)	146,920	146,920	146,920								
Subtotal Debt Service:	476,615	476,615	424,875	259,345	259,345	259,345	259,345	0	0	0	
<i>Capital items are scheduled on list and moved to Debt Service once under lease purchase contract</i>											
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
Stations New/Replacement											
Station 4											
Station 5											
Subtotal Station Replacement:	0	?	?	?	?	?	?	?	?	?	
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/27
Apparatus & Vehicles											
Ambulance Re-chassis 511					135,000						150,000
Ambulance Re-chassis 512				135,000						150,000	
Ambulance Re-chassis 531		130,000					140,000				
Ambulance Re-chassis 532							140,000				
Ambulance Re-chassis 542						140,000					
Ambulance Re-chassis 541					135,000						150,000
Ambulance Re-chassis 561			130,000					145,000			
Engine 531	590,000										
Engine 541					625,000						
Engine 551									650,000		
Engine 561			615,000								
Heavy Rescue 531 (Review Required)											700,000
Type 3 Engine 533*				400,000							
Type 3 Engine 563*(Review Required)								400,000			
Type 6** Engine 566				120,000							
Type 6** Engine 536							125,000				
WT 511						210,000					
WT 531								230,000			
WT 551										240,000	

Capital Improvement Plan

3/15/17

Apparatus and Vehicle (Cont.)

Rescue*				135,750							
Command Staff Vehicles** CRM504			42,000							52,000	
Command Staff Vehicles CRM505			42,000							52,000	
Command Staff Vehicles AC			48,000							52,000	
Command Staff Vehicles DC			48,000							52,000	
Command Staff Vehicles FC						48,000					
Command Staff Vehicles BC				60,000							65,000
Training Staff Vehicle	32,613							42,000			
Pool Vehicle* Van		35,000							49,000		
TeleCom #1				40,000						45,000	
TeleCom #2	32,613							49,000			
TeleCom #3	32,613							49,000			
TeleCom #4 (IT)		32,000							30,000		
Snow Cat				80,000							
Fleet Maint Vehicle				50,000						60,000	
Utility Vehicles* Wildland P/U			48,000							52,000	
Utility Vehicles* Wildland P/U						48,000					
Utility Vehicles* Wildland P/U			50,000							54,000	
Utility Vehicles* Wildland P/U				50,000							50,000
Utility Vehicles* Wildland P/U				48,000							48,000
*8.6 Sales tax added (all years)											
**8.6 Sales tax added (thru FY 2021)											
Subtotal Apparatus & Vehicles:	687,839	197,000	1,023,000	1,118,750	895,000	398,000	453,000	915,000	729,000	809,000	1,163,000

Capital Improvement Plan

3/15/17

Equipment / Projects

SEDONA FIRE DISTRICT 10 Year CAPITAL IMPROVEMENT PLAN											3/15/2017
Capital Improvement Plan	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
Equipment/Projects											
Channel 3 simulcast upgrade	60,000										
Channel 1 Simulcast upgrade		120,000									
Upgrade Telestaff		40,000									
CAD Mirror Server Partnership		125,000				100,000					
Station Alerting Update		150,000		250,000							
Microwave System Replacement	150,000	100,000									
Storage Server Backup		40,000									
Radio Infrastructure Phased Upgrade		80,000	30,000				30,000			30,000	
Portable Radios			350,000				350,000				
MDT Tablet Updates			60,000				60,000				
Door Lock System Upgrade			25,000					25,000			
LAN-WAN Up Speed Fiber			30,000								
Rectifier Replacement			30,000			30,000					
Phone System Upgrade			60,000			60,000					
Email System Upgrade			40,000				40,000				
Radio Traffic Logging				25,000				25,000			
5G LTE Vehicle Routers					25,000			25,000			
Records Management Upgrade		50,000				50,000				50,000	
WiFi Upgrade (Wireless LAN)				35,000							
Mobile Radios for Fire Units						70,000					
Network Switch and Router Upgrades						80,000					
Evacuation Siren Horns and Rotors						50,000					
Replace Tower Station 4(BOND?)											
Network Fault Monitoring			25,000				25,000				
Comm Analyzer for new TC Position		27,000									
First Net Devices						100,000		100,000			
Rescue Air Bags	8,500		8,500			8,500		8,500	8,500		
EPCR & RMS Upgrades			225,000								
Thermal Image Camera		12,500		12,500		12,500		12,500			
LDH 4" fire hose		15,000	15,000	15,000							
Rescue Tools - Hurst type			5,000	20,000		20,000		20,000			
Generator's											
SCBA's - L/P 3 years					225,000	225,000	225,000				
Breathing Air Compressor							55,000				
CRM Office Update		20,000									
Subtotal Equipment/Projects:	218,500	779,500	903,500	357,500	250,000	806,000	785,000	216,000	8,500	80,000	-

10 Year Capital Improvement Plan – Totals Summary

Summary	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
Debt Service	476,615	476,615	424,875	259,345	259,345	259,345	259,345	0	0	0	-
Stations New/Replacement	0	?	?	?	?	?	?	?	?	?	-
Apparatus & Vehicles	687,839	197,000	1,023,000	1,118,750	895,000	398,000	453,000	915,000	729,000	809,000	1,163,000
Equipment/Projects	218,500	779,500	903,500	357,500	250,000	806,000	785,000	216,000	8,500	80,000	-
Total Capital Expenditures	1,382,954	1,453,115	2,351,375	1,735,595	1,404,345	1,463,345	1,497,345	1,131,000	737,500	889,000	1,163,000

IV. PUBLIC FINANCE PRESENTATION.

Mr. Shook said he would give a “Public Finance 101” lesson, and stated the basic concept is those who benefit from capital improvements should share in the payment. In the past, smaller districts have used “pay as you go” capital financing, but as districts grow and take on more responsibility, the movement is towards more traditional financing methods. Bonds are a recognized, traditional method of financing public improvements. They provide a method of addressing capital needs immediately to respond to growth where current revenue cannot afford large ticket items. New facilities are paid over time for their useful life by taxpayers who use the system and current taxpayers do not pick up the entire cost. It is a method of having growth pay for itself and acquiring necessary facilities and equipment now. Bonding establishes a strong financial reporting system and credit worthiness as a key to low interest borrowing.

For “big ticket items”, such as what SFD is considering on the list of capital improvements, the district cannot pay for those in a short period of time, as it would use all its capital and if the assessed valuation (AV) did not continue to grow, there would be no funds left in a few years. Mr. Shook recommends a measured approach to paying for long term debt over the useful life of the facility/equipment.

**SFD – CITIZENS STRATEGIC PLANNING TASK FORCE
PUBLIC MEETING**

Station #1 – 2860 Southwest Drive – West Sedona

Thursday, June 7, 2007 / 6:00 PM

Mountain is at \$600 million, but Mr. Harr said you must divide that by 40,000 homes. Chief Shobert said SFD could have cut the mil levy by a number of cents, but instead, we have earmarked those extra dollars for a capital improvement plan, knowing there are large projects on the horizon. Peacock, Hislip gathered the information, and Ms. Gibbs pointed out the five year average for the district has been well over 11% and the ten year average has been over 9%, so she believes the 7% projections are conservative. Mr. Harr again cautioned that a “Prop 13” type law would change everything for the district; he said he did not bring it up to other districts, but the chiefs and administrators mentioned it to him. Mr. White asked if the projected figures

Open Meeting Law

Arbinger Team Concepts

History of SFD

How Taxes Are Made

Formulas Used & Legislative Impacts

How We Develop The Budget

Forecasting of Budget and Mil Rate

The Capital Improvement Plan (3/15/17)



Deciding what we need to do as an agency and how to best fund it



Foundation For Understanding the Finances Is Set How Do We Move Forward

- Tour the fire stations
 - SFD has had a 3rd party- Architect and will be having a Structural Engineer provide a report to review before the April 11, 2017 meeting
 - Get first hand look at facilities, functionality and challenges
- See the apparatus
 - No real in depth analysis planned for the group- Annual report gives an overview of age and mileage of fleet
 - Happy to provide if valuable
- Telecom- Meet to understand the challenges facing an aging system



WHAT IS NOT STARTED
TODAY IS NEVER
FINISHED TOMORROW...

- goethe

the
PHONE Co.

organisemyhouse.com

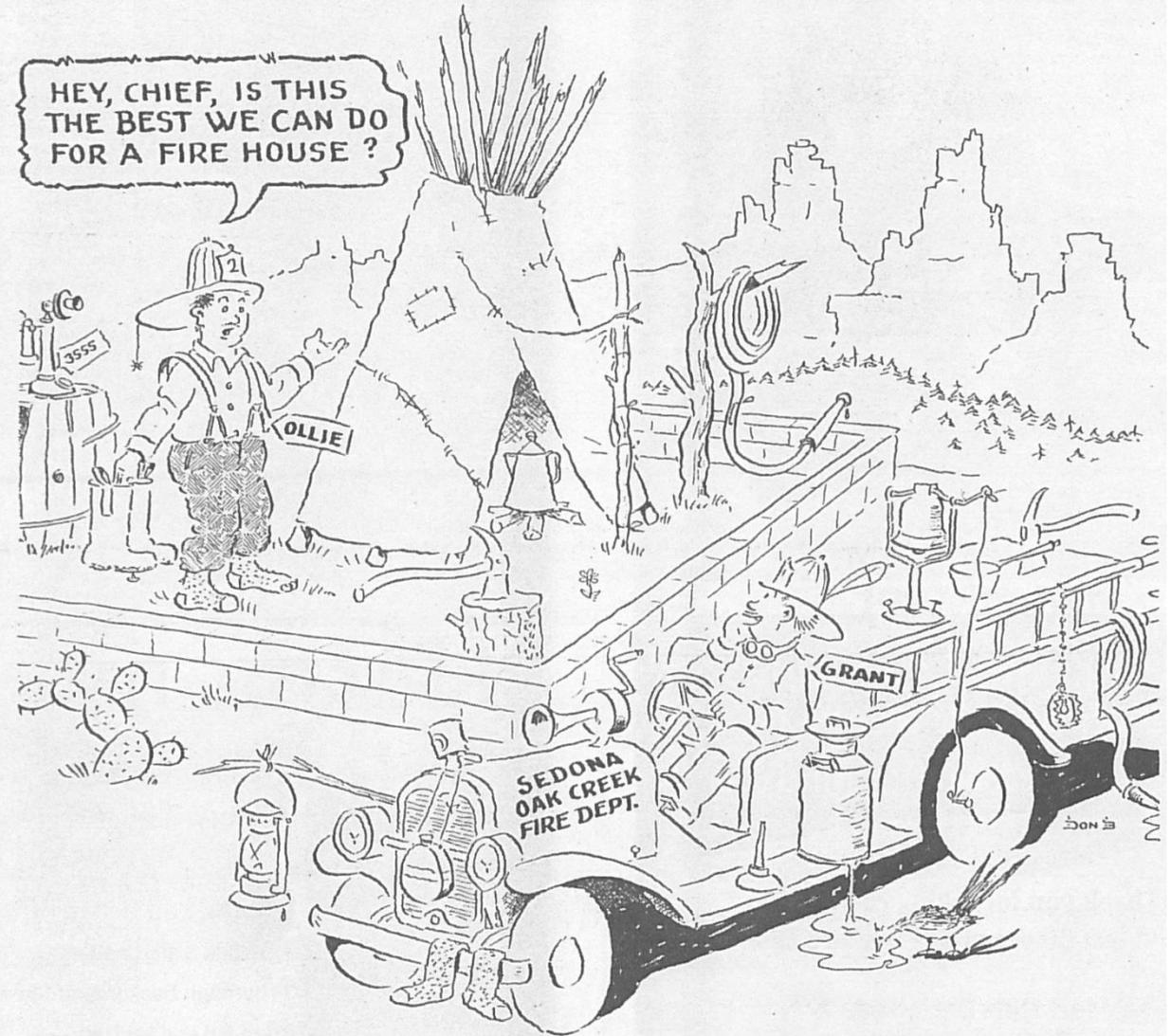
Foundation For Understanding the Finances Is Set How Do We Move Forward

- SFD Finance Presentation By SFD Finance Director
- General Obligation Bond Presentation
 - Stifel
- Process of How to Proceed if a Bond is Recommended

1971 Cartoon

**THE FIRE DEPARTMENT NEED YOU
YOU NEED THE FIRE DEPARTMENT**

.....PLEASE HELP!



Red's Meeting March 14, 2017

Next Meeting

March 27, 2017
1:00 PM

- Station visits (1, 3, 4, 5, 6)
- Starting at Station 1 for a Tour of the Fire Stations
- Could be a longer meeting just so we can get through all the stations and the travel time it takes to get there





Thank you for your time and dedication to this important topic