

**JOINT MEETING
OF THE CAREFREE TOWN COUNCIL AND PUBLIC SAFETY
ADVISORY COMMITTEE**

WHEN: TUESDAY, FEBRUARY 15, 2022

WHERE: CAREFREE TOWN COUNCIL CHAMBERS
33 EASY STREET, CAREFREE, AZ 85377

LIVESTREAM: ZOOM

TIME: 5:00 P.M.

Town Council Attending:

Mayor Les Peterson None
Vice Mayor John Crane (Telephonic)
Vince D'Aliesio
Tony Geiger (Telephonic)
Stephen Hatcher
Mike Johnson
Cheryl Kroyer

Town Council Absent:

None

Public Safety Advisory Committee Attending:

Chairperson Leslie Hine
Vice Chairperson Philip Henn
Sheila Amoroso
Peter Burns
Scott Peterson
Kim Taha
Jerry Wetta
Anton Wilke

P.S.A.C Absent:

None

Staff Present:

Gary Neiss, Town Administrator; Kandace French-Contreras, Town Clerk/Treasurer; Samantha Gesell, Planning Clerk.

Mayor Peterson called the meeting to order at 5:00 p.m.

Mayor Peterson began by welcoming the Public Safety Advisory Committee to the Joint Work session and commended the Committee on the tremendous amount of hard work, research and dedication developing the Recommendation Report. Being a two-step process, there will be several open houses, at which time the Committee members will be available to discuss with the public, their findings pertinent to the Report.

Ralph Ferro led the Pledge of Allegiance.

AGENDA

ITEM #1 Chairperson and Committee members of the Public Safety Advisory Committee review and approval of the January 21, 2022, Minutes (No Council action).

Vice Chairperson Henn **MOVED TO APPROVE** the Public Safety Advisory Committee meeting minutes dated January 21, 2022. **SECONDED** by Committee Member Wetta. **CARRIED** Unanimously.

ITEM #2 Presentation of the Final Report & Recommendation of the Public Safety Advisory Committee dated January 21, 2022.

Chairperson Hine graciously commended the Public Safety Advisory Committee Members for their outstanding research, dedication, and multiple reviews, as it pertains to the Public Safety Recommendation Report. In addition, Ms. Hine thanked Town Administrator Gary Neiss for his excellent leadership throughout the process.

Chairperson Leslie Hine, Committee Members; Sheila Amoroso and Peter Burns, provided a formal presentation to Town Council, that summarized the research information, assessments and findings associated with the Public Safety Advisory Committee's Final Report and Recommendations. The group discussed the Recommendation Report and next steps of the process.

Ms. Hine began by providing background and context based on the report that the Committee has compiled. Encouraging anyone who hasn't read the Recommendation Report to please do so. Explaining that the Public Safety Advisory Committee was appointed by Town Council to review the fire and emergency services as well as and law enforcement services within the Town of Carefree and present their findings and final recommendations for Town Council consideration.

The Committee is comprised of members coming with diverse backgrounds, public policy, public administration, public finance, real estate, capital investments and business.

Chairperson Hine explained that the open citizen engagement process occurred between April 2021 and February 2022. All meetings were held under open meeting laws and minutes and meeting materials are available on the Town of Carefree's website.

Continuing, Ms. Hine outlined the reasons why the Town of Carefree is evaluating Public Safety Services at this time:

- Existing contract with Rural Metro the Town of Carefree has had for the last 15 years, is up for renewal and expires June 30, 2022
- Risk due to drought and wildfire
- Increased interest and effort to expand County-wide regional automatic aid fire service system; increased desire to add Carefree to that system

- Cave Creek is moving from subscription service with Rural Metro to a master contract with Daisy Mountain Fire Department. Cave Creeks decisions have made an impact on the Town of Carefree services
- Carefree has a persistent structural deficit in the fire fund
- Contract for Maricopa County Sheriffs Office, law enforcement services, can be augmented to refine the level of services

Mayor Peterson proclaimed that the need to evaluate these public services is in no way related to dissatisfaction with Rural Metro Fire Department. Carefree has been well served by Rural Metro for over 50 years. It has been a very positive, successful relationship with that organization. Ms. Hine added that the community of Carefree has been extremely well served by Rural Metro Fire Department.

Chairperson Hine presented an overview of Fire and Emergency Services as well as Law Enforcement services. There have been Mutual Aid agreements with the City of Scottsdale and the City of Phoenix for 15 years. Thankfully, the Town of Carefree has only had to draw mutual aid for response calls 9 times in those 15 years. Ms. Hine noted that the Town of Carefree does not govern ambulance service. This is overseen by the State of Arizona, which issues the Certificate of Necessity (CON).

Ms. Hine presented a chart exhibiting the Rural Metro calls for service for FY 2019, 2020, and 2021.

Committee Member Peter Burns presented. Outlining the key factors influencing the future of Public Safety Services in the Town of Carefree:

- Extended drought = increased wildfire risk
- Rising costs of fire and emergency services
- Changing circumstances in the Town of Cave Creek Fire Service
- Mutual Aid vs. Automatic Aid

Mr. Burns presented via PowerPoint an in-depth explanation of the difference between Mutual Aid and Automatic Aid and the associated estimated cost and service level comparisons. The reality of the situation is that the Town of Carefree is an island surrounded by Automatic Aid.

The City of Scottsdale has canceled the recently renewed Mutual Aid Agreement with Rural Metro.

The Town of Carefree applied to Automatic Aid, governed by the Life Safety Council, who makes the determination whether the entity applying will enhance the system.

Committee Member Burns explained that Carefree's Town Administrator, Gary Neiss made a solicitation to Automatic Aid, asking what it would take for the Town of Carefree to join Automatic Aid? The official response was:

1. Rural Metro's staffing model is not correct, staffing their fire engines with 3 fire fighters, Automatic Aid requires 4 fire fighters.
2. Rural Metro did not have appropriate training. Not that the fire fighters aren't certified, they weren't trained in the Automatic Aid system
3. Communications systems not in place

Mr. Burns added, these reasons can all be overcome.

The group discussed potential reasoning behind the City of Scottsdale's termination of the Mutual Aid agreement with Rural Metro and how this may impact response from them in the future.

Vice Mayor Crane asked Rural Metro's Chief Soule to reiterate the discussions he had with Scottsdale Fire Chief Shannon and wanted to understand if there is any hope of Rural Metro being able to renew an agreement with the City of Scottsdale. Chief Soule stated that Scottsdale represented that they were open to a new Mutual Agreement but had to define the conditions/terms.

The group discussed the differences between Mutual Aid and Automatic Aid. Carefree Town Administrator, Neiss provided an overview and information regarding Mutual Aid and why it's important. Explaining that Mutual Aid is about first responders helping first responders', public safety and working with each other to cultivate solutions. Further explaining, if the Town of Carefree is to join Automatic Aid, there are rules that apply. Adding, it is a good system, being that it is 'automatic', it is better than Mutual Aid especially when time is of the essence. Concluding, the level of service dictates higher costs, and this is a significant amount for a smaller community such as Carefree.

Committee Member Burns presented a chart displaying the estimated operating costs FY 2023 for Rural Metro contract renewal, Daisy Mountain Fire District and Scottsdale Fire Department. Mr. Burns also provided information regarding the Town of Carefree revenue and options for financing Carefree's Public Safety Services. Explaining, 80 % of the revenues are locally generated with the remaining 20% being state shared. Adding, sales tax is a very volatile revenue source and the Town of Carefree has no property tax. Mr. Burns concluded; this explains why Economic Development priorities within the Town of Carefree are focused on sales tax.

Outline from the review of the Town of Carefree's finances:

- The Town of Carefree does not know the full cost of joining automatic aid-potential partners have declined further detailing up front one time and ongoing costs until Carefree commits to Automatic Aid.
- Automatic Aid will cost more, with unknown escalators passed on from Scottsdale or Daisy Mountain.
- Town revenues are volatile, and state shared revenues are likely to decline.
- Existing fire fund has historically not fully funded costs.
- Capital fund may assist in one-time costs but is not likely the source for ongoing cost increases.

Committee Member, Sheila Amoroso provided information pertaining to options for additional funding. Explaining, there are two viable options to increase revenue in the Town of Carefree to pay the full cost of fire service:

1. Sales taxes
2. Property taxes

Each of these options has advantages and drawbacks.

Advantages of a Sales Tax:

- Sales tax is simple and straightforward and there is already a 1% sales tax dedicated to the fire fund.
- Sales taxes grow over time as economic activity grows.

Drawbacks of a Sales Tax:

- The tax is not well aligned with the benefits received for fire protection. Part time residents of Carefree benefit from fire protection while they are not in residence, and when not in residence they are not contributing to the sales tax.
- While sales taxes grow with a growing economy, they also follow the downward path when recessions occur. For a fixed cost such as fire protection, this is not a desirable characteristic.
- If the sales tax rate for Carefree were to significantly exceed the rate of surrounding communities, economic activity may migrate to lower rate jurisdictions.

Ms. Amoroso presented a chart illustrating how much a dedicated sales tax will have to be raised to cover the entire costs of the fire and emergency services contract. Noting, even though sales tax and property tax together create a more balanced budget, property taxes are a traditional source of revenue for local governments to pay for critical services.

Advantages of a Property Tax:

- Closely aligned with the general perception that the cost for fire protection should be correlated with the size and value of the structures being protected.
- Property taxes are generally a stable source of revenue well suited to funding fixed costs.
- It is largely immune to the free rider problem with the sales tax part time residents will pay their share of fire protection costs regardless as to their presence in Carefree.
- Legislature has placed limits and transparency requirements on the tax that prevent "runaway" property tax bills.
- Property Tax requires voter approval.

Chairperson Hine summarized the Public Safety Advisory Committees recommendation process:

- The Committee adopted four recommendations in early January of 2022. These were modified on January 21st. The original set of recommendations is included as Appendix E

of the Committee *Report and Recommendations* because the Committee believes unanimously that its original recommendations represent a prudent course of interim action for the Town, however nearby Automatic Aid providers terminated past Mutual Aid agreements and stated Carefree may not have backup they may need in the future. As a result of these actions and potential risks to the community the Committee consolidated the timeline originally suggested. As a result of this expedited timeline the Town's economic development initiatives (potential new revenue) no longer will align with the demands by the Automatic Aid partners to join the system sooner rather than the previous 3-5 year period.

- Subsequent communication between the Town of Carefree and the Life Safety Council and the City of Scottsdale prompted the Committee to revise its original recommendations on January 21st as it was made clear that neighboring fire departments and districts would not sign a mutual aid agreement with Rural Metro – an important basis for the original recommendations.
- As a citizen advisory committee, the Public Safety Advisory Committee believes that the question of Carefree's future fire service has become a highly politicized issue. The Committee's task has been to gather and assess data, to document the story, and to provide citizen input to the Town Council – not negotiate or resolve politics. The Committee believes it has accomplished its charge and respectfully makes the following recommendations for Town Council consideration.

The Public Safety Advisory Committee's Final Recommendations to Town Council are as follows:

Recommendation 1:

The Public Safety Advisory Committee recommends that the Town contract as soon as possible with a Fire and Emergency Service professional who can assist the Town in its transition to Automatic Aid, understands the Town's fire risk profile, current investments in Fire and Emergency services, the ancillary services provided under the current Rural Metro contract, and understands and has relationships with adjacent Automatic Aid partners.

Recommendation 2:

The Public Safety Advisory Committee recommends that the Town contract as soon as possible with a reputable financial analyst to model the Town's financial capacity for the next 5 to 10 years, evaluate the Town's expenses and revenues (including but not limited to a potential loss in State Shared Revenues, and potential gains with the Town's economic development initiatives and potential property tax), project potential increases in fire and emergency services cost based upon fire agency budgets and/or CAFRs, evaluate the use of the Town's capital reserve fund, and design option(s) to cover costs (both operating and capital) for providing fire and emergency services under an Automatic Aid model.

Recommendation 3:

APPROVED:
March 01, 2022

The Public Safety Advisory Committee recommends that the Town continue with the current level of contracted MCSO services. By the numbers, Carefree is a low-risk community with respect to crime. We have been served well by our existing relationship with MCSO. We will continue to have access to the full continuum of services offered through MCSO which sufficiently meets the law enforcement security needs of Carefree.

Additionally, the Committee recommends that Town should consider re-establishing license requirements and penalties for repeated residential and commercial fire and security false alarms. This would reduce law enforcement false alarm calls which are significant.

Traffic calming solutions, a significant citizen concern, are currently being studied and developed by the Town which may help alleviate traffic related law enforcement activities and reduce traffic issues without necessitating additional law enforcement personnel. The Public Safety Advisory Committee did not review nor discuss these solutions and makes no recommendation regarding them other than to note that if implemented they should result in a reduction of law enforcement demand within the Town.

The Committee responded to questions and comments.

Public Comment was heard from Carefree resident Mr. Bowlen suggested he would be in favor of a property tax to support the fire and emergency service program. Mr. Bowlen stated he was very impressed with the recommendation report and thanked the Committee.

Ms. Hine graciously acknowledges, Town Administrator Gary Neiss for his leadership throughout the PSAC's recommendation process. Stating, it was Mr. Neiss's ensuring it meets the Town of Carefree standards in terms of what is a publishable product.

Commending the Public Safety Advisory Committee, Town Administrator, Neiss explained that citizen participation is a cornerstone to this process. Here are 8 citizens, (PSAC) who undertook a deep dive into these issues. Mr. Neiss thanked each member of the Committee for their many hours of commitment, research and dedication put forth preparing these recommendations and looks forward to more citizens participation in the process to discuss options and share solutions.

Rural Metro Fire Department, Chief Soule thanked the Committee for their diligence and considering the needs of the citizens and the impact both from public safety and finance perspectives. Chief Soule wanted to ensure that he represented the men and women who have provided a great service for many many years.

Chief Soule informed that he has only been with Carefree Rural Metro 3 months and has stepped into a fairly tense situation one that surprised him after 30-year career in fire service.

Chief Soule explained that he protects 240,000 residents in the unincorporated areas of Maricopa and Pinal counties. Emphasizing, if Rural Metro can't maintain this funding stream, they will not be able to maintain services to a lot of other people. Rural Metro might be a private business, but it is a Public Safety Organization founded by a gentleman long ago in Scottsdale who was taking care of his neighbor. Chief Soule expressed that is what they are doing...*taking care of their neighbors*. The people who nobody else is taking care of. Concluding, the decision that Carefree

Town Council makes will have a dramatic impact on a lot of people outside of Carefree. Chief Soule feels that this is unfair. Unfair for him to have to bring that to Council's attention and unfair that Council needs to make this decision. Chief Soule affirmed the Automatic Aid system is the "Cadillac" of public safety and best in the country. It is what many aspire to emulate within their governments, protecting fire fighters, protecting citizens. What Automatic Aid does not provide is customer care or citizen service. Chief Soule encouraged looking into the number of times the Daisy Mountain engine in Cave Creek is no longer in Cave Creek. The Automatic Aid system, big utilizers get a lot of services from the smaller utilizers.

Concluding, Public Safety is one piece, but the service, care, and ownership to the community by the public service agencies is something Chief Soule asked Carefree Town Council to consider as well.

Mayor Peterson thanked Chief Soule. as he touched upon some very deep, meaningful issues to the Carefree Town Council, to the citizens of Carefree, for Rural Metro Fire Department and those people outside of the Town of Carefree.

Town Administrator reiterated that the letter he sent to the Life Safety Council back in early October 2021 talked about the Town of Carefree's investment. Having built an award-winning fire station, with an emergency operations center and state of the art equipment. Mr. Neiss clarified that in that letter he asked, "what would be the process" to joining Automatic Aid. He wasn't asking for a denial; he was asking for what the process would be as the Town of Carefree being a sister municipality. The Town of Carefree is a municipal organization, a subdivision of the State and part of the Phoenix metropolitan area. Noting, if they preach uniformity in their standards, why shouldn't that uniformity also apply to the Town of Carefree? Why does it matter what contract the Town has for private labor that we place in that firehouse and on that equipment? Mr. Neiss said this is about first responders helping first responders. Why can't we all work together in the name of public safety?

Concluding, in the name of public safety, uniformity, working together in a collaborative fashion to help one another is what it is about.

Over two months after his initial request, Town Administrator Neiss received a response from the Life Safety Council. The response was not about the process in joining Automatic Aid, it was about denial and as Committee Member Burns articulated, denial was achievable i.e.: staffing requirements, radio equipment, and training. It is all achievable. Mr. Neiss feels the Town of Carefree is being forced into this. We are not arguing about the merits of Automatic Aid, but the Town of Carefree has to have a financial model that is married with the Towns financial capacity. Right now, it doesn't support that. Asking, can the town of Carefree achieve this more economically, such as, by preserving the existing contract with Rural Metro by them meeting the Automatic Aid requirements and getting qualified? The Life Safety Council did not respond for more than two months; however, more recently the Chairperson of the Life Safety Council stated in a local newspaper that as long as the Town of Carefree contracts with Rural Metro the Town will not qualify for Automatic Aid. Town Administrator Neiss stated that fighting Automatic Aid is a battle that the Town of Carefree will not win. Relationships need to be cultivated, and we need to realize, good bad or indifferent, this is the landscape we are presented with and n need to move

on in the name of public safety and seek solutions to join Automatic Aid that will be financially sustainable.

Councilperson Johnson requested that the financial assessment not only evaluate Carefree's financial capacity and options to pay but also evaluate the financial health of the Daisy Mountain Fire District.

Vice Mayor Crane recognized that the Mutual Aid agreement was not terminated until the course of action, direction of the Public Safety Advisory Committee was clear. Then at the last hour, the agreement was terminated. Vice Mayor Crane feels it is all very political and at the end of the day, if the Town of Carefree becomes overextended financially, they won't care, they will just pack up and leave. Concluding, it is important we come up with good solutions.

Town Administrator Neiss reminded that this is a citizen driven process. The next steps will be:

- Engage with Consultants to take a deeper dive into the recommendations and define potential paths (90 days).
- Consultants present their findings to Town Council.
- Public open houses will be held summer and early fall 2022 to provide "all in costs" and revenue options to cover additional costs.

Councilperson Hatcher expressed great concern regarding the costs associated with joining Automatic Aid. Adding, relative to the costs the Town of Carefree is facing, for the quality of services the Town is already receiving from Rural Metro Fire Department, this would be a big jump.

Councilperson Geiger feels the Town has been put in a corner and doesn't like it and feels Rural Metro who has taken care of the Town of Carefree for over 50 years is being squeezed out. Mr. Geiger also expressed concern regarding the unknown costs associated with joining Automatic Aid.

ITEM #3 Review, discussion and possible action to approve and adopt Resolution #2022-03 accepting into public record the Public Safety Advisory Committee Report and Recommendations dated January 21, 2022 and dissolving the Public Safety Advisory Committee.

Councilperson D'Alesio **MOVED TO APPROVE** Resolution #2022-03. **SECONDED** by Councilperson Kroyer. **CARRIED**, 7-0.

ITEM #4 Review, discussion, and possible action to approve and adopt Resolution #2022-04 to implement the recommendations of the Public Safety Advisory Committee as outlined in its January 21, 2022, Report and directing staff to secure qualified consultants to assist in the transition to the regional Automatic Aid dispatch system. Findings of consultants will be shared in future public open houses and Town Council meetings so community and Town Council can consider the "all in" costs and options to fund the Automatic Aid system.

Councilperson Kroyer **MOVED TO APPROVE** Resolution #2022-04. **SECONDED** by Councilperson Hatcher.

Town Administrator Neiss responded to question from Councilperson D'Alesio regarding the cost associated with the securing of consultants.

DENIED 6-1.

Mayor Peterson provided the following amended language for Resolution #2022-04:

WHEREAS to ensure this goal is met, one or more fire service emergency professionals will be retained to assist in negotiating a short-term extension of the Rural Metro contract and/or a future Intergovernmental Agreement (IGA) with an Automatic Aid partner and also look at both of these relative to Carefree having its own independent Fire Department.

Councilperson Kroyer **MOVED TO APPROVE** Resolution #2022-04 **AS AMENDED**. **SECONDED** by Councilperson Geiger. **CARRIED**, 7-0.


ITEM #5 Adjournment.

The meeting was adjourned at 5:54 p.m.

DATED this 15th day of February 2022.

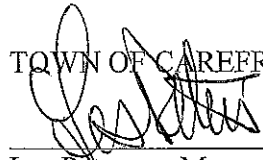
TOWN OF CAREFREE

BY:



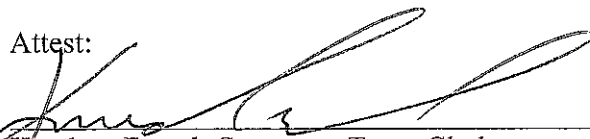
for Samantha J. Gesell, Planning Clerk

TOWN OF CAREFREE



Les Peterson, Mayor

Attest:



Kandace French Contreras, Town Clerk

CERTIFICATION

APPROVED:
March 01, 2022

I hereby certify that the foregoing minutes are a true and correct copy of the Joint Meeting of the Town of Carefree Town Council and the Public Safety Advisory Committee held February 15, 2022. I further certify that the meeting was duly called and held and that a quorum was present.


For Samantha J. Gesell, Planning Clerk