



Hellsgate Fire District Joint Operations Study

Reason for Study:

- To determine if it is fiscally and operationally feasible for Hellsgate Fire District to jointly operate with neighboring fire service providers to maintain or improve fire services.

Statutory Background

Arizona Revised Statutes Title
48.805.2. Fire district annual budget;
levy; requirements, has two
paragraphs pertinent to this study.

Arizona Revised Statutes

ARS§48.805.02. D.2. reads,

“For each of the items listed in the budget summary approved pursuant to subsection A of this section, the district shall estimate the revenue or expense for the next two fiscal years. Estimates shall be based on the average increase or decrease of the item for the previous two fiscal years unless more certain information is available to the district. Estimates shall include any applicable levy or rate limitations.”

ARS§48.805.02. D.3. and reads,

“If a district's total estimate of expenses exceeds its total estimate of revenues for any fiscal year, the district shall undertake a study of merger, consolidation or joint operating alternatives. The study required by this paragraph shall be presented to the fire district board in a special public meeting called for the sole purpose of evaluating the study. The study shall include an identification of districts available for merger, consolidation or joint operations, an analysis of the level of service and cost of service that may be provided to the residents of a merged, consolidated or jointly operated district as compared to the level and cost of service to the residents of the districts without any merger, consolidation or joint operations.”

Partners Identified

- Payson Fire Department
- Christopher Kohls Fire District
- Houston Mesa Fire District

Common Values

- Long history of serving their communities.
- Take pride in providing outstanding service.
- Highly value their employees and responders
- Each acting with sound fiduciary responsibility
- Committed to improving service when possible.

Regional Fire Service Issues

- Lack of available volunteer and reserve responders.
- Responders employed by multiple fire departments.
- Costs for common responders are multiplied.
- Lack of standardized training.
- No standardized operating procedures.
- Single department cannot deploy enough responders.
- Unable to replace aging equipment.
- Difficulty paying competitive wages.
- Difficulty absorbing major breakdowns.
- Difficulty maintaining services with sudden losses of key personnel.

Collaborative Options

- Merger
- Consolidation
- Joint Powers Authority (JPA)
- Intergovernmental Agreement (IGA).

District to District Options

MERGER

- Two or more fire district boards vote to join together, forming a single new fire district.
- New district name
- New board comprised of members of the original district boards.
- New district assumes all assets and liabilities of the original districts
- An example is Hellsgate Fire District is a result of Diamond Star Fire District and Tonto Village Fire District merging.

District to District Options

CONSOLIDATION

- One or more fire districts cease to exist by consolidating under another fire district, usually under the larger district.
- Fire district being consolidated under remains, as does board, with no name change necessary.
- Other district board/s end.
- District assumes all of the assets and liabilities of the districts that consolidated under it.
- Boundaries grow to assume all of the areas of the districts involved.

Town and Fire District Options

JOINT POWERS AUTHORITY (JPA)

- Not provided under statute like with fire districts.
- JPA, two or more legal entities, through a legal agreement known as a Intergovernmental Agreement (IGA), create a third legal entity.
- Town and fire districts divest all administrative and operational obligations into the new entity, or Fire Authority.
- Town and fire districts remain and retain their legal taxing authority. These revenues are used to fund the Fire Authority.
- Assets, Employees, operational responsibilities, etc. are transferred to the Fire Authority.

Town and Fire District Options

INTERGOVERNMENTAL AGREEMENT

- Town or fire district can agree under IGA to a variety of collaborative efforts.
- Hellsgate Fire District can IGA to have Payson Fire Department manage Hellsgate Fire Department.
- Similar to what Payson Fire Department currently does with Houston Mesa Fire Department.

Options Explored

- Merger
- Consolidation
- Joint Powers Authority
- Intergovernmental Agreement
- “Do Nothing”

Do Nothing Option

- Continue to face regional fire service issues alone.
- Potential decrease in services by fire districts.
- Potential decrease in fire district positions if non-tax revenues do not come in.
- Potential increase in response times.
- Potential increase in losses to all regional residents.
- Decrease in safety to responders.
- Continued duplication of efforts.
- Continued non-standardization
- Increase mutual aid requests from Payson.
- Forced changes vs. controlled choices.

Fiscal Concerns

Merger/Consolidation

- Hellsgate FD and Christopher Kohls FD
- Not Houston Mesa FD, Why?
- Negative Balance Sheet
- Relies on non-sustainable revenues, i.e. wildland revenues
- Loss of one or more positions, i.e. one Chief Officer.

Fiscal Concerns

JPA/Fire Authority

- Considers all study partners (HFD,PFD,CKFD,HMFD)
- Positive Balance Sheet
- Relies only on reliable income (taxes)
- No loss of positions anticipated

Conclusions

- We share common values.
- We face common challenges.
- We serve the same customers.
- We miss opportunities financially and operationally when we operate separately.
- We owe it to our customers to seek out take advantage of collaborative opportunities when they arise.
- Merger/Consolidation limited opportunity and challenges our principles of “no one gets hurt and maintaining service models”
- JPA/Fire Authority includes Payson, meets our principles and addresses our common challenges.

JPA, A Closer Look

- A Joint Powers Authority (JPA) two or more agencies agree to form a third through an IGA; a contractual relationship under Arizona Revised Statutes.

Fire Authority, A Closer Look

- Several agencies form one Fire Authority via IGA.
- All employees become employees of the Authority.
- Agencies maintain taxing and bonding authority.
- Agencies maintain responsibility for elections.
- Boards appoint members to the Authority board from those duly elected to the individual agency boards.
- Town of Payson and Districts become customers.

Recommendation

Pursue forming a Fire Authority

- Draft an IGA for consideration to form a Fire Authority.
- Complete all administrative steps necessary to operate a Fire Authority.

Next Steps

- Authorize Chief officers and other key staff to form a committee to develop an Intergovernmental Agreement establishing a Fire Authority.
- IGA Committee works closely together to gather information and address all concerns of involved parties.
- Boards/Council pass resolution approving IGA and forming Fire Authority and short term IGA.
- Fire Authority begins establishing itself with all of the legal and administrative requirements of an emergency service provider and employer.

Questions?