



CITY COUNCIL AGENDA REPORT

February 21, 2023

TO: Mayor and Councilmembers
FROM: Lourdes Aguirre, Finance Director
SUBJECT: Fire Service Options

AFFECTED DEPARTMENTS: City-Wide

ITEM REQUEST: Study Session

TITLE OF AGENDA ITEM:

STUDY SESSION: FIRE DEPARTMENT SERVICE OPTIONS

EXECUTIVE SUMMARY:

During the regular meeting of December 20, 2022, Mayor & Council made a motion to “explore the enactment of invoking an emergency and address the crisis in the Fire Department”.

Staff has put together an outline and pertinent material to be reviewed and discussed with Mayor & Council.

RECOMMENDATION(S): None

Attachment(s): Outline & Supplemental Reports (4 pages)

City Manager Concurrence: _____

A handwritten signature in black ink, appearing to read "Jarvic Alden", written over a horizontal line.



OUTLINE: February 21, 2023

AGENDA ITEM TITLE - STUDY SESSION: FIRE DEPARTMENT SERVICE OPTIONS

1.) FIRE DEPT. BUDGET TO ACTUALS (10 YRS)

2.) GENERAL FUND REVENUE OPTIONS

3.) FIRE SERVICE OPTIONS

EXHIBIT 1
02/21/23 Presentation to Mayor & Council.

City of South Tucson
Budget to Actuals - 10 Years
Fire Department

FY23 Budget:
\$1,045,884

	(12 months) Fiscal Year 2013	(12 months) Fiscal Year 2014	(12 months) Fiscal Year 2015	(12 months) Fiscal Year 2016 *	(12 months) Fiscal Year 2017	(12 months) Fiscal Year 2018	(12 months) Fiscal Year 2019	(12 months) Fiscal Year 2020	(12 months) Fiscal Year 2021	(12 months) Fiscal Year 2022	(6 months) Fiscal Year 2023	(10 Yrs) Total FY13-23	(5 Yrs) Total FY19-23
Adopted Budget	\$575,889	\$557,748	\$773,730	\$846,350	\$820,914	\$677,103	\$650,635	\$714,132	\$755,940	\$933,799	\$522,942 <i>half year</i>	\$7,829,182	\$3,577,448
Permanent Fire Employees	235,307	247,573	292,505	311,867	228,619	264,331	305,265	407,275	319,072	331,036	284,063	\$3,226,913	\$1,646,711
Fire Reserves	328,060	363,248	403,211	387,394	387,673	321,424	294,070	308,781	239,363	376,020	203,233	\$3,612,478	\$1,421,467
Operating Expenses	19,115	30,996	15,047	84,411	83,161	93,268	89,102	90,510	96,715	97,423	47,436	\$747,184	\$421,187
Equipment	-	2,500	18,920	6,344	-	1,030	668	8,698	21,238	2,309	-	\$61,708	\$32,914
Fuel, Tires, Vehicle/Op Repairs	21,386	24,785	29,532	15,817	17,992	21,040	20,295	18,962	13,463	14,013	11,079	\$208,364	\$77,812
Total Actuals	603,868	669,102	759,215	805,832	717,446	701,093	709,400	834,227	689,851	820,801	545,810	7,856,647	3,600,090
Net savings / (deficit)	(27,979)	(111,354)	14,515	40,518	103,468	(23,990)	(58,765)	(120,095)	66,089	112,998	(22,868)	(27,465)	(22,642)

Cummulative Savings: (27,465)

Reserve Pension Eligibility, Payment to PSPRS: -\$2,311,553

(2,339,018)

* start of pension reform and new dispatch contract with COT

TABLE 2.1) SALES TAX COLLECTIONS - CALENDAR YEAR 2022 (12 Months)

Business Code	Business Code Title	Sales Tax Rate	Total	Pct	Amt Per 1%	Amt Per 0.02%	Amt Per 0.25%
Various	Transporting, Publication, Job Printing, Amusements, Advertising, Hotels and Hotel	5.50%	72,866	5.50	14,869	297	3,717
4	Utilities	5.50%	378,193	5.50	68,762	1,375	17,191
5	Communications	5.50%	37,239	5.50	6,771	135	1,693
11	Restaurant & Bars	5.50%	992,103	5.50	180,382	3,608	45,096
15	Contracting Prime	5.50%	107,495	5.50	19,545	391	4,886
17	Retail Sales	5.00%	1,662,086	5.00	332,417	6,648	83,104
62	Retail Sales Food For Home Consumption	1.50%	145,492	1.50	96,994	1,940	24,249
214	Rental, Leasing & Licensing	6.50%	131,456	6.50	20,224	404	5,056
213	Commercial Rental	2.50%	146,835	2.50	58,734	1,175	14,683
313	Commercial Lease (Additional Tax)	4.00%	133,499	4.00	33,375	667	8,344
Total			3,807,263		832,073	16,641	208,018

TABLE 2.2) REGIONAL COMPARISON - SALES TAX RATES

Business Code	Business Code Title	SOUTH TUCSON	MARANA	ORO VALLEY	SAHUARITA	TUCSON	(PLUS) PIMA COUNTY
4	Utilities	5.50%	4.00%	4.00%	2.00%	2.60%	6.10%
5	Communications	5.50%	4.00%		2.00%	2.60%	6.10%
6	Transporting	5.50%	2.50%	2.50%	2.00%	2.60%	6.10%
9	Publication	5.50%	2.50%	2.50%	2.00%	2.60%	6.10%
10	Job Printing	5.50%	2.50%	2.50%	2.00%	2.60%	6.10%
11	Restaurant & Bars	5.50%	2.50%	2.50%	2.00%	2.60%	6.10%
12	Amusements	5.50%	2.50%	2.50%	2.00%	2.60%	6.10%
15	Contracting Prime	5.50%	4.00%	4.00%	4.00%	2.60%	6.10%
17	Retail Sales	5.00%	2.50%	2.50%	2.00%	2.60%	6.10%
18	Advertising	5.50%		2.50%			
44	Hotels	3.50%	2.50%	2.50%	2.00%	6.00%	
144	Hotel / Motel (Additional Tax)	2.00%	6.00%	6.00%	2.00%		
45	Residential Rental	2.50%			2.00%		
62	Retail Sales Food For Home Consumption	1.50%					
213	Commercial Rental	2.50%	2.50%		2.00%	2.60%	
214	Rental, Leasing & Licensing	6.50%	2.50%	2.50%	2.00%	2.60%	
313	Commercial Lease (Additional Tax)	4.00%					
315	MRRR Amount	5.00%	2.50%	2.50%	2.00%	2.60%	6.10%

https://azdor.gov/sites/default/files/media/TPT_RATE_TABLE_03012023.pdf

TABLE 2.3) REGIONAL COMPARISON - PROPERTY TAX

Rates reflected are per hundred dollar valuation.

Property Tax Type	SOUTH TUCSON	MARANA	ORO VALLEY	SAHUARITA	TUCSON	PIMA COUNTY
Primary	0.23				0.43	3.88
Secondary	0.00				0.90	0.32

<https://www.to.pima.gov/taxRates/>

Not listed: tax rates for education, special taxing districts, etc...

Please note: Tax rates subject to constitutional limits.

City of South Tucson		Service Option (1.) In-House		Service Option (2.)		Service Option (3.)		Service Option (4.)		Service Option (5.)	
Fire / Medical Service Options		Optimal Staffing: 4 FTE/Shift		Fire District (Separate Taxing Entity)		Rural Metro RFP		Contract Out AMR/Medical Only		IGA	
		Min Staffing: 3 FTE/Shift									
Starting Budget (GF)		\$1M	\$1M	\$0	\$1M	\$1M	\$1M	\$1M	\$1M	\$1M	\$1M
Increase to Budget		\$1M	\$2M	\$3M-\$4M	\$2M	\$2M-\$3M	\$2M-\$3M	\$2M-\$3M	\$2M-\$3M	\$0.6M	\$0.6M
Total Budget		\$2M	\$3M	\$3M-\$4M	\$3M	\$3M-\$4M	\$3M-\$4M	\$3M-\$4M	\$3M-\$4M	\$1.6M	\$1.6M
Cost of Equipment, lump sum *		\$1.8M	\$1.8M	YES	YES	YES	YES	YES	YES	YES	YES
Estimated All-in Budget		\$3.8M	\$4.8M								
Cost of Financing Equipment		\$656,851	\$656,851								
Services											
NFPA Standards Met:		X	✓	✓	✓	✓	✓	X	X	✓	✓
Optimal Fire / Medical Service Levels:		X	X	X	X	X	X	X	X	✓	✓
			Does not provide for medical /fire shift or call coverage. Does not include equipment for multi-level living structures.	To include for additional medical/fire coverage would come at higher cost.	Does not provide for medical / fire shift or call coverage.	Does not provide for medical / fire shift or call coverage.	Does not provide for medical / fire shift or call coverage.	Does not provide for medical / fire shift or call coverage. Does not include fire service.			
Catastrophic Event:		X	X	X	X	X	X	X	X	✓	✓
Implementation											
Voter Approved:		X	X	✓	X	X	X	X	X	X	X
Council Approved:		✓	✓	X	✓	✓	✓	✓	✓	✓	✓
Pros / Cons											
First Responder Coverage:		SUB-STANDARD	STANDARD	STANDARD	STANDARD	STANDARD	STANDARD	STANDARD	STANDARD	ABOVE STANDARD	ABOVE STANDARD
Adds Long-Term Pension Debt to City:		YES	YES	NO	NO	NO	NO	NO	NO	NO	NO
Budgetary Expense Increase Greater than 100%		YES (200%)	YES (300%)	EXPENSIVE : REDUCED TAXABLE VOLUME	YES (300%)	YES (300%)	YES (300%)	YES (300%)	YES (300%)	NO	NO
Budgetary Expense Increase Less than 100%		NO	NO	NO	NO	NO	NO	NO	NO	YES (60%)	YES (60%)
Cost to Property Owners / Businesses:		YES	YES	Special District Tax	YES	YES	YES	YES	YES	NO	NO
Additional Benefits:										Property Insurance Rates will drop.	Property Insurance Rates will drop.
* If equipment needs are financed at an estimated interest rate of 5%, with 14% downpayment = \$250K, over 10 years, the annual payment would be \$201K. Total cost = \$2.3 M with almost \$0.5M in interest.											