

# Copper Canyon Fire & Medical Authority

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## **Additional Information about the Proposed Merger between Camp Verde and Montezuma Rimrock Fire Districts**

On July 1st 2016, the Montezuma Rimrock Fire District (MRFD) entered into a contractual agreement (Joint Powers of Authority) with the Camp Verde Fire District (CVFD) to form the Copper Canyon Fire and Medical Authority (CCFMA). This agreement created a common and more efficient organization to provide improved services to both communities and leverages the economies of scale of this larger entity to operate more efficiently, which in turn, ensures the continued and enhanced delivery of these emergency services. The proposed creation of CCFMA was well publicized and numerous community meetings were held prior to this change to explain how both communities would benefit and how the existing fire districts would remain as the taxation oversight for both communities.

Now, after two years of successfully operating as CCFMA, and following some recent legislative changes that removed some of the financial drawbacks to keep the current contract structure of the Authority in place, the Governing Boards of MRFD and CVFD have each individually approved resolutions to hold hearings on formally merging the two districts and dissolving the Fire Authority.

What this means to you the taxpayer is essentially no change. The operational staff currently employed by CCFMA will still respond in the same fire engines and ambulances to your requests for emergent and non-emergent services, just as before. They will continue to wear the same uniforms, and operate out of the same fire stations as before. The administrative staff and Fire Marshal will continue to provide support services, and under the same fire code as before. There will be no change to your tax rates, as both districts are currently operating at the statutory limit of \$3.25 per \$100 of net-limited property values. In effect we will evolve into Copper Canyon Fire and Medical District from the Authority, so this new entity will appear on your property tax bill instead of Camp Verde or Montezuma Rimrock Fire District.

Why are the Governing Boards pursuing this change? This change is being undertaken simply because of the procedural and administrative burdens that the Authority creates for a relatively small form of government. For example: each District and the Authority must develop and adopt a budget; account for revenues and expenditures within these budgets (three to four checking accounts for each entity that must be reconciled every month); and each must keep a separate set of financial books to document these transactions. Each entity must also individually contract with an outside auditor to review this accounting information on an annual basis, per Arizona State statute. As you can see, there is a tremendous amount of redundancy with this current form of government.

So why did we ever pursue the formation of the Authority in the first place? There are really two reasons: First, to preserve tax revenues that would have been lost by pursuing a merger prematurely; and second, to prove that the concept of becoming one agency was operationally the right thing to do for both communities.

When MRFD was operating underneath of its 2012 voter-approved property tax override (which expired at the end of June 2018), a merger between these two districts would have required MRFD to prematurely suspend its ability to tax its residents at a higher tax rate, since merged districts are required to have the same tax rates. These precious override tax revenues were used to help restore the capacity of MRFD that had been lost as a result of the great recession. Additionally, until a new law was passed by the State Legislature last year, merged districts could only receive up to \$400,000 of Fire District Assistance Tax

(FDAT) from the County (a small tax paid by every property across the state, and distributed by the Counties to help support predominately rural fire districts). Prior to this year, the FDAT total of a merged MRFD and CVFD would have exceeded this amount, and would have resulted in less money to support our operations. Under the new statute, merged districts can conduct a five-year average of their combined FDATs, which results in the new district being able to keep more than the cap for FDAT (which means we are in essence subsidized by other properties from across the county and where the cap puts a limit on what those fire districts receive), and thus this new statute removed this disincentive to merge.

Culturally, it is always a challenge to bring two separate organizations together and expect them to function well from the onset. The challenge was anticipated with the formation of CCFMA; but I am pleased to report that this transition occurred fairly seamlessly. There are now former Camp Verde employees working in the Montezuma Rimrock fire station and visa-versa. When a large incident, such as a fire occurs, there are now a common set of operational standards that all of our employees are trained on and which are overseen by our common battalion chiefs to ensure an efficient and effective solution to the incident. There is not more “us” and “them”, but rather, just “us” and how we now work together to serve all of members of our communities. This results in a greater sense of organizational pride and team work , as all of our employees recognize that, as a larger agency, we have a greater capacity to ensure the delivery of quality service to both communities than each could individually. The creation of CCFMA has also created the opportunity for promotional opportunities from a larger pool of employees, which ensures that the most qualified candidates are selected for any vacancies that we have at either fire station. Finally, via retirements and resignations, we have converted administrative salaries into additional full and part-time firefighters in order to better support our ability to address our ever increasing call volume. (Interesting fact: Camp Verde Fire Engine 811 is the busiest “engine company” in the Verde Valley.)

There is an old saying in the fire service that we often use to poke fun at ourselves: “200 years of tradition unimpeded by progress.” Internally, out of fear of the unknown, we all tend to resist change. But in reality, change occurs around us all of the time. At one point there were ten separate fire and EMS agencies across the Verde Valley; but over time, the Oak Creek and Red Rock Fire Districts merged to form the Sedona Fire District; the Verde Rural and Cornville-Page Springs Fire Districts merged to form the Verde Valley Fire District, which in turn absorbed via consolidation the Clarkdale Fire District. And of course, as outlined above Camp Verde and Montezuma Rimrock now function as one- the Copper Canyon Fire and Medical Authority.

Whether Copper Canyon remains an Authority or becomes a District is really up to the citizens who need to let their respective governing board know how they feel about this proposed change. Our goal is to provide you the best level of service at the possible cost (taxes), and this proposed merger will help us move forward in this regard. We hope you will be able to make the proposed hearing and let your voice be heard for your respective fire district.

Respectively,

Terry Keller  
Fire Chief