

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-first Legislature – First Regular Session

**COMMITTEE ON PUBLIC SAFETY, MILITARY
AND REGULATORY AFFAIRS**

Minutes of Special Meeting
Wednesday, October 15, 2013
House Hearing Room 3 -- 10:00 a.m.

Chairman Pierce called the meeting to order at 10:13 a.m. and attendance was noted by the secretary.

Members Present

Mr. Cardenas
Mr. Livingston

Ms. Peshlakai

Mr. Mitchell, Vice-Chairman
Mr. Pierce J, Chairman

Members Absent

Mr. Borrelli (excused)
Mr. Farnsworth (excused)

Mr. Gallego (excused)

Chairman Pierce stated that the purpose of this special meeting is to receive information from the Joint Legislative Budget Committee (JLBC) and charitable organizations, discuss proposed legislation for the memorial site in Yarnell and take public testimony.

PRESENTATIONS

Joint Legislative Budget Committee – Survivor Benefit Packages

Ben Henderson, Staff, Joint Legislative Budget Committee (JLBC), stated that on June 30, 2013, 19 firefighters died in the line of duty while fighting the Yarnell Hill fire: 6 were classified as permanent employees and 13 were classified as nonpermanent employees. He reviewed the spreadsheet on the Granite Mountain Hotshots – Public Benefits Summary (Attachment 1) detailing the survivor benefits as they pertain to the permanent and nonpermanent employees. An important factor in determining the eligibility of these benefits was whether the firefighters had dependents. He pointed out that the spreadsheet is also on page 3 of the Granite Mountain Hotshots Public Benefits Summary dated October 15, 2013 (Attachment 2). An explanation of each section of the Summary was presented in a slide presentation and included the following:

- Arizona State Retirement System (ASRS) Benefit
- Public Safety Personnel Retirement System (PSPRS) Benefit
- Life Insurance
- Workers' Compensation

- Health Insurance
- Federal Benefits
- Educational Benefits

Mr. Henderson said that the Summary concludes with a statement about private donations. He advised that the 100 Club provides a \$15,000 benefit to survivors of any Arizona officer or firefighter who dies in the line of duty.

Mr. Livingston asked about individual retirement accounts (IRAs).

Lesli Sorensen, Government Relations Officer, Arizona State Retirement System (ASRS), in response to Mr. Livingston's question, advised that all ASRS benefits are entitled to be rolled over into an IRA or other qualifying plans. In order to qualify for an annuity from the ASRS, the account balance must be at least \$5,000.

In reply to Chairman Pierce's query, Mr. Henderson replied that the Workers' Compensation benefit would be distributed to the spouse until death or remarriage, and to the child until age 18 or longer if a full-time student or disabled.

Mr. Henderson advised that in addition to the public benefits that the survivors will receive, they also will receive private donations. Those details have not been finalized; however, a survivor of any Arizona public officer who dies in the line of duty will receive a minimum benefit of \$15,000.

Chairman Pierce asked for information on benefit amounts for the nonpermanent employees who had spouses or children had they been a part of the Public Safety Personnel Retirement System (PSPRS). Mr. Henderson said that specific information can be provided.

Mr. Livingston asked about private donations: amounts raised and distributed. Mr. Henderson related that JLBC is working on that information. Mr. Livingston stated that he believes it is critical to have that information on a spreadsheet. The nonprofit organizations should be asked to provide that information to JLBC.

Donation Clubs and Discussions by Staff and Participants

Courtney McKinstry, Majority Research Analyst, advised that private donations have been raised for both the families and the community of Yarnell. Research was focused on three primary organizations that are handling the private donations: 100 Club, United Prescott [Phoenix] Firefighters Association and Prescott Firefighters Charities. United Prescott [Phoenix] Firefighters Association has raised just over \$3.1 million and Prescott Firefighters Charities has raised just over \$3.2 million. The Granite 19 Distribution Advisory Committee has been created to consider the tax ramifications and identify the appropriate recipients for the money accrued by these two charities. The Advisory Committee has indicated that it will not be ready to disburse any of the money until 2014. The 100 Club has raised approximately \$4 million; \$1 million of that has been given to the families.

Mr. Cardenas queried why disbursement will not occur until 2014. Ms. McKinstry replied that the organizations are looking at tax ramifications.

Sharon Knutson-Felix, Executive Director, 100 Club, stated that the 100 Club provides financial assistance to survivors of any Arizona officer or firefighter who dies in the line of duty. She said that the 100 Club has already made a disbursement of \$15,000 to each family, which is the normal line-of-duty death benefit. She related that the 100 Club also helps law enforcement officers or firefighters when they are injured, provides scholarship benefits, safety enhancements benefits and a variety of other programs to assist families. She referred Members to Attachment 3 and offered to answer questions.

In response to Vice-Chairman Mitchell's question relating to the \$1.3 million that was disbursed, Mrs. Knutson-Felix stated that a \$15,000 benefit was initially paid to each family. Other disbursements included the expenses for the individual funerals, including the out-of-state funerals, honor guard, hot shot travel and the memorial service in Prescott.

Mr. Livingston said it would be helpful to receive a breakdown of the costs that were paid. He maintained that it is important that each charity be very open on the subject.

Chairman Pierce asked for a description of the financial support for this tragedy involving the 19 firefighters as opposed to the death of a single individual. Mrs. Knutson-Felix responded that some deaths appear to be more significant than the deaths of others. The response from the community is very different in each incident. She said she wishes the response was the same; however, some people are more moved by certain tragedies.

Vice-Chairman Mitchell wondered whether some of the money donated will be retained by the 100 Club for future events or will all the money be disbursed to the families of this tragedy. Mrs. Knutson-Felix replied that all monies donated for this tragedy will be used for this specific purpose.

Mr. Livingston asked whether any monies are being set aside for families who lost property in Yarnell. Mrs. Knutson-Felix answered that the mission of the 100 Club is to address the loss of Arizona public safety officers and firefighters.

Ms. McKinstry advised that in addition to the public education benefits, there also are organizations that have created education funds or endowment scholarships for the children and families of the fallen firefighters. The Prescott Granite Mountain Hotshots Memorial Education Fund has collected \$13,000 to provide assistance for education-related expenses. The Arizona Community Foundation has raised \$456,000 for the Yarnell Memorial Scholarship Endowment for the surviving children, and also raised about \$728,000, referred to as the Yarnell Disaster Relief Fund, for long-term community rebuilding efforts.

Mr. Livingston again commented that he would like to see a worksheet from those organizations on the charitable donations.

Jacky Alling, Chief Philanthropic Services Officer, Arizona Community Foundation, stated that the Foundation is a 35-year-old public charity and operates statewide. Two funds were

established in response to the Yarnell fire disaster. The Yarnell Disaster Relief Fund has raised \$749,000 to address mid-term and long-term needs for the Yarnell community. She mentioned that one need involves the water system in Yarnell which was destroyed by the fire. The other fund is the Yarnell Memorial Scholarship Endowment which has raised \$459,000 to date to benefit the children of the fallen firefighters when they are ready to enroll in higher education institutions.

Mr. Cardenas queried whether there has been outreach to the surviving spouses relating to vocational training. Ms. Alling answered that certified letters have been sent to each of the spouses, advising them that this benefit exists.

Vice-Chairman Mitchell asked about the destroyed water system in Yarnell and wondered whether the private firm assisting in that endeavor is donating its time and service. Ms. Alling said she does not have those details. Vice-Chairman Mitchell asked whether funds will be used for assistance in homebuilding. Ms. Alling advised that those involved in this process are volunteers and her organization is considering providing assistance to professionals as well as the volunteers once a plan is formulated.

Mr. Livingston asked for more detailed information about the Arizona Community Foundation, such as the board of directors, who is managing the money and average expenses. He queried whether the Foundation is involved with the Yarnell Memorial. Ms. Alling stated that the Foundation has no plans to establish funds for the Memorial at this time.

Claude Mattox, representing Yarnell Fire District and Yarnell Water Improvement Association, addressed the Committee on the following:

- The Yarnell Hill Recovery Group - a not-for-profit group whose focus is on housing and social programs and ensuring that those who lost their homes are being taken care of. He related that 129 homes were totally destroyed and 150 homes had some damage. The Recovery Group has raised approximately \$700,000.
- The Yarnell Fire District - a governmental agency that collects its funds on an assessment on property. The County Assessor's Office has already depreciated the values on the properties that were affected by the fire, and that has had a direct impact on the revenue for the fire department on whether the community will have a full-time fire force. The fire department has received some donations and is working with the U.S. Department of Agriculture on grant opportunities.
- The Yarnell Water Improvement Association – a not-for-profit private organization that is working with the U.S. Department of Agriculture on available grants for rural water companies. The community has reached out to the state and to private companies to assist the water company; discussions are ongoing. 750 leaks in the system have been identified to date.

Mr. Cardenas asked whether there has been a lapse in service. Mr. Maddox replied that the service has been strained but there has been no lapse in service. The system has been shut down

several times and the quality of the water has been questioned; however, all federal and state requirements have been met.

Mr. Cardenas wondered whether the community has worked with the Arizona Department of Environmental Quality (ADEQ) in trying to clear up the water. Mr. Maddox answered that he believes ADEQ has only been involved in testing the water. He mentioned that the community has received little support from state agencies. Because this was not identified as a federal disaster, it limits what government can do. Since this is a private not-for-profit company, the state cannot benefit this group.

In response to Mr. Livingston's questions, Mr. Mattox stated that the fire department had four or five full-time employees and up to 20 volunteers and since the employees are not city employees, they are not members of PSPRS. Mr. Livingston stated that he believes it would be beneficial to the Committee to have more detailed information on fund-raising efforts and financial needs.

In reply to Mr. Cardenas's query relating to assistance that might be helped by legislation next session, Mr. Mattox stated that any available funds, both state and federal, will help the community.

Ms. Peshlakai commented that it would be helpful to tour the area. She wondered whether any other infrastructure, beside water, or any industry has been impacted by the fire. Mr. Mattox related that industry is predominately tourist- and mining-related. He stated that roads have been hugely impacted. Historically, roads have not been maintained properly for the last 30 years. Yavapai County has been helping to maintain the streets and eliminating a lot of the damage that was done during the fire. Additionally, a lot of the streets are being dug up because of broken water pipes.

Lori Lustig, Legislative Liaison, Arizona Corporation Commission, testified that the Commission has been working side by side with Yarnell Water Company since the fire started. The water company has received some federal funds. It has received some help in federal grants and has also applied for federal loans. She stated that the Commission is there to partner with the Yarnell Water Company as they move through this difficult time.

Memorial Site Draft Legislation – Granite Mountain Hotshot Memorial

Ms. McKinstry reviewed the draft legislation which establishes a memorial at the site and related that the legislation is still evolving and discussion is welcome (Attachment 4). The legislation is an emergency measure that authorizes a memorial dedicated to the Granite Mountain Hotshots who lost their lives fighting the Yarnell Hill fire. It requires the memorial to be located on land that is purchased according to statute and outlines the procedures for the establishment of the memorial. The draft requires the memorial to be completed within two years after the effective date of the Act.

In response to questions, Ms. McKinstry said the size of the land for the memorial is rather small and the legislative appropriation will also include a road going to the site.

Tami Stowe, Director of Operations, Arizona House of Representatives, advised that the actual site will be half of a parcel but she does not have the exact acreage.

Mr. Livingston noted that he does not see language in the bill to set up a foundation for the management of the memorial. Ms. McKinstry stated that information will be included. Chairman Pierce said this memorial will be patterned after other memorial legislation.

Public Testimony

Tim Hill, President, Professional Fire Fighters of Arizona, reminded Members that a bill was passed last session creating the Fire Fighters and Paramedics Memorial in Wesley Bolin Plaza, which created the Fire Fighters and Paramedics Memorial Commission. He suggested that the Commission be authorized to do the work on the proposed memorial to avoid duplication of effort. He also suggested looking at the disparity in benefits for the full-time and part-time fallen firefighters. He urged Members to develop a policy on an appropriate way to address benefits for seasonal firefighters regardless of private donations received.

Chairman Pierce commented that it is no less tragic for the family who loses a family member in a one-death incident than it is for the 19. He stated that the relevant consideration in making policy decisions is the equity issue.

Mr. Cardenas said the issue for him is righting a wrong.

Chairman Pierce commented that he wants to look at the issues, weigh the equities and make an informed decision. The question in his mind is what is appropriate for the state to do in implementing a future policy.

Without objection, the meeting adjourned at 12:02 p.m.

Joanne Bell, Committee Secretary
October 28, 2013

(Original minutes, attachments and audio on file in the Chief Clerk's Office; video archives available at <http://www.azleg.gov>)