



HIGHLANDS FIRE DISTRICT

BOARD OF DIRECTORS
SPECIAL MEETING MINUTES • 01/24/24

A special meeting of the Fire Board of Directors was held on **Tuesday, January 24, 2024 at 5:00 PM** at Fire Station 23, Administration Board Room, 3350 Old Munds Hwy, Flagstaff, AZ. The meeting was also available through Zoom Video Conferencing.

1. **Call to Order.** Chairperson Hanecak called the meeting to order at 5:06 PM.
2. **Roll Call.**

Board members present were Chairperson Tom Hanecak, Clerk Brad Bippus*, Director Jay Smith, Director Carl Nelson, and Director Dan Stoffel.

Administrative personnel present were Chief Todd Miller, Battalion Chief Chris Pond, and Ms. Jayme Jones.

Visitors present were Bryan Lundberg* of Stifel, Nicolaus & Company and Paul Gales* of Greenberg Traurig, LLP.

* Attended through Zoom Video Conferencing

3. **Pledge of Allegiance, Invocation, Mission and Vision Statements, and Board Responsibilities.** The Pledge of Allegiance was recited, and a silent invocation was offered, and the district's mission, vision, and selected Board responsibilities were recited.
4. **Welcome Visitors.** Chairperson Hanecak welcomed Mr. Lundberg and Mr. Gales and asked them to introduce themselves to the Board. Chairperson Hanecak thanked them of their assistance navigation this important milestone for the District.
5. **Call to the Public.** There were no public comments.
6. **Approval of Minutes**
 - A. DECEMBER 12, 2023 SPECIAL MEETING – The Board reviewed the minutes of the December 12, 2023 Special Meeting. Director Smith noted that the date on the agenda should be December 12, 2023. **A MOTION was made by Director Stoffel and was seconded by Director Nelson to approve the minutes as corrected.** The motion was unanimously **APPROVED**.

7. Finance

- A. WARRANTS – **A MOTION was made by Director Nelson and was seconded by Director Smith to approve the warrants as presented.** The Board reviewed the District's warrants and credit card purchases paid in December. After questions, the motion was unanimously **APPROVED**.

HIGHLANDS FIRE DISTRICT

- B. FINANCIAL REPORT – Chief Miller presented Financial Report including the District’s General Fund, Capital Fund, and Bear Jaw Fund Financial Reports including the Profit/Loss Budget Overviews, Bank Reconciliation, County’s Fund Balance Summary, and Cash Flow Projection. He noted that revenues are tracking at 77% and expenses at 45%. In addition, he noted that the FDAT deposit will be delayed per the Chief Deputy Treasurer.

8. Summary Reports & Correspondence.

- A. IAFF LOCAL CHAPTER 1505 SUMMARY REPORT – Engineer Monreal reported that the Local took part in Toys for Tots and donated toys to three families.
- B. BATTALION FIRE CHIEF’S SUMMARY REPORT – Chief Chris Pond presented the Battalion Chief’s Report. There were 73 calls for service in December and 838 in 2023. See the written report for additional information.
- C. FIRE CHIEF’S SUMMARY REPORT – Chief Miller presented the Fire Chief’s Report. He noted that he is still working on replacing “Robyn’s position”, which will come more to the forefront in the next couple of weeks. In addition, he attended Matt Ryan’s last Board of Supervisor’s meeting before his retirement to thank him for 27 years of service to District 3 and HFD. See the written report for additional information.
- D. FIRE BOARD CHAIRPERSON’S SUMMARY REPORT – Chairperson Hanecak informed the Board that the most significant course of action is the Chief’s Evaluation and Goal setting, which will be discussed later on the agenda.
- E. CORRESPONDENCE – There was no correspondence presented.

9. Topics of Discussion and Possible Legal Action.

- A. (B.) REVIEW MESSAGE REGARDING PRELIMINARY OFFICIAL STATEMENT (POS) AND PRELIMINARY SUMMARY ASSEMBLED BY STIFEL, NICOLAUS & COMPANY. Chief Miller directed the Board to page 33 of the Board Packet, which provides information regarding the General Obligation Bond. He asked Mr. Lundberg to present the information. See Preliminary Sale Estimates Presentation for detailed information including contact information, roles and responsibilities, timeline of the sale process, sale estimates, bond yields, and associated fees. Mr. Lundberg answered Board member’s questions.
- B. (A.) REVIEW MESSAGE FROM MR. PAUL GALES, SHAREHOLDER WITH GREENBERG TRAUIG REGARDING GENERAL OBLIGATION BOND PROCESS. Chief Miller director to the message from Mr. Gales on page 31 of the Board Packet. Mr. Gales explained the purpose of the proposed Bond Resolution and supporting documents including Purchase Agreement and Preliminary Official Statement (POS).
- C. REVIEW DRAFT PRELIMINARY OFFICIAL STATEMENT (POS). See discussion below.

HIGHLANDS FIRE DISTRICT

D. REVIEW DRAFT BOND PURCHASE AGREEMENT FROM SQUIRE PATTON BOGGS.

Chief Miller informed the Board that the POS will be published and available for investors. Mr. Lundberg explained the reason for the Board's review of the POS is beyond its legal aspects. He gave an example of a Board's knowledge of a major financial change.

Chairperson Hanecak asked if the District is set up to be in compliance with the terms of the bond for future years. Chief Miller informed him that there are reporting requirements similar to the Certificates of Participation (CIP) were issued a couple years ago. There will be separate accounts opened for bond tax collection and bond proceeds, which will be used to purchase the apparatus and equipment. The District will make two payments each year of around \$270,000.

Director Smith asked how devastating fire of several homes in the District would affect everyone's tax rate. Chief Miller explained that the Board is required to set the needed tax rate each year. Director Smith asked about when interest begins accruing. Chief Miller explained the interest begins accruing when fund become available.

- E. CONSIDERATION AND POSSIBLE ADOPTION OF A RESOLUTION #2024-01-24 (9) (3) PROVIDING FOR ALL MATTERS RELATING TO THE SALE AND ISSUANCE OF GENERAL OBLIGATION BONDS OF THE DISTRICT, INCLUDING DELEGATION TO THE FIRE CHIEF OF THE DISTRICT OR HIS DESIGNEE TO DETERMINE CERTAIN MATTERS RELATED THERETO. Chairperson Hanecak called for a motion to approve Resolution #2024-01-24 (9)(E). A **MOTION** was made by Director Nelson and seconded by Director Stoffel to approve Resolution #2024-01-24 (9)(E). There was no further discussion. The motion was unanimously **APPROVED**. Chairperson Hanecak thanked Mr. Lundberg and Mr. Gales for their help and efforts with the bond process. Mr. Lundberg and Mr. Gales left the meeting.

- F. CONSIDERATION TO APPROVE GENERAL OBLIGATION BOND PURCHASING PLAN. Chief Miller presented a purchasing plan that best serves the District and community by limiting costs and delivery time in compliance with the District's Fiscal Policy. He suggested the Board grant him the authority to work with the Apparatus Committee to make purchasing decisions that may be time sensitive. Chairperson Hanecak said he doesn't think the Board needs details about the purchase; although, as a Board member he is curious about it. The use of the money aligns with the Strategic Plan. He believes an update of the purchasing process would be sufficient. Chief Miller informed the Board that within the next couple of weeks, we will be ready to sign a purchase order (PO) for a Type 3 Engine. The Type 1 Engines may take longer but will be ready soon. Director Stofel asked if he must wait until after closing. Chief Miller said that a signed PO will lock-in the price for the Type 3. Purchase requirements for a Type 1 are dependent upon the vendor. If they require a down payment, we could use District's General Fund and reimburse later with Bond Funds. Chief Miller explained the District Purchasing

HIGHLANDS FIRE DISTRICT

Policy and benefit to using a group purchasing organization (GPO). Chairperson Hanecak commented that he is very comfortable utilizing a GPO; he expects Chief Miller to do his due diligence to validate pricing. Chairperson Hanecak said that the Board's concerns are two-fold, 1) that the District gets what is needed to perform the necessary functions and, 2) that you are financially responsible with General Obligation Funds. He said, "The Board will not get involved in how you do it." Board members agreed. Chairperson Hanecak confirmed that there is no requirement of the General Obligation Bonds in Arizona to use a competitive process.

Regarding purchasing logistics, Chief Miller asked how the Board would like to process with delegation of authority to sign purchase orders, etc. Chief Miller suggested delegating either Board member or him to avoid having to call a special meeting of the Board. The Board discussed their responsibility with making purchasing decisions. The Board decided it would be suitable for Chief Miller to take appropriate action and report to the Board; the Board agreed. Chief Miller said he would inform the Board of any purchasing agreements by email, and if questions or concerns arise, involve the Board. In addition, Chief Miller will consult with legal counsel to be sure agreements are implemented properly. **A MOTION was made by Director Stoffel and was seconded by Director Nelson to authorize Chief Miller to sign purchase orders for any apparatus purchase with the General Obligation Funding.** The motion was unanimously **APPROVED.**

- G. (H.) CONSIDERATION TO APPROVE ANNUAL NOTICE OF REGULAR MEETINGS. Ms. Jones informed the Board that the Clerk of the Board of Supervisors provided recommendations related to scheduled meetings. It was recommended that if a meeting needs to be rescheduled the Board should take action to cancel the meeting and call a special meeting. The Clerk also suggested the Board renew the Notice of Regular Meetings annually. The Board reviewed the revised notice. Director Stoffel suggested language be added about video conferencing. Ms. Jones suggested she add language about video conferencing, and access to public meetings and bring the notice back to the Board for approval in February.
- H. (I.) CONSIDERATION TO APPROVE FIRE CHIEF'S ANNUAL EVALUATION AND IDENTIFY CHIEF'S GOALS FOR 2024. Chairperson Hanecak thanked the Board for their input. He noted that the rating scale was changed to 5 levels from 3. Chairperson Hanecak reviewed Chief Miller's Evaluation results. See written evaluation for details. Chairperson Hanecak was very complimentary in his description of Chief Miller's performance, especially for his Leadership. He believes that Chief Miller "supports his staff and the District and he wants everybody to grow and develop." Chairperson Hanecak thinks that it is "amazing," and would like to see it continue. Chief Miller thanked Chairperson Hanecak for his feedback.

Regarding Chief's goals, Chairperson Hanecak is not in favor of rating goals, and he believes the goal rating scale should be altered next year to reflect multi-year goals since some goals cannot be accomplished in one year. The rating for Goal Accomplishment was 4.25, which was lower than his Performance Criteria at 4.7.

HIGHLANDS FIRE DISTRICT

Chairperson Hanecak believes Chief Miller “did a fantastic job” achieving his goals this year; “the ones he had control over.”

Regarding Overall Rating of 4.6, Chairperson Hanecak and Chief Miller used a weighted scale with Goals at 30% and Core Competencies at 70%, and Chairperson Hanecak believes it is a fair assessment.

Chairperson Hanecak thanked Chief Miller for establishing his own goals, which will save the Board “a lot of time and effort.” The Board discussed the goals provided.

Director Smith believes the Board should set goals that are tough to achieve, which should not hurt him in an evaluation if they are difficult to accomplish. Director Smith commented on the goal to revamp the website and integrate easier accessibility and automation to support our community, our partners, and District business will be very helpful to keep the public informed. Chief Miller gave Ms. Jones and Chief C. Pond credit for working on the website.

Director Nelson agreed with evaluation, and he appreciates Chief Miller hard work and dedication to the District. He also believes improving communication and accessibility to the community is good.

Director Stoffel is impressed with what he has seen, especially compared to fire agencies he faced at AFDA. He believes “we are in very good shape.” He believes engaging the public is a very important beyond the website, possibly more public outreach. Goals should have a matrix to show achievement, perhaps identify a timespan for accomplishment.

Clerk Bippus asked about District doctrine. Chief Miller explained that policies need to be updated. He suggested the goals be more specific to include dates.

The Board suggested revision the goal per the Board suggestions. After additional discussion about the evaluation process, Chairperson Hanecak suggested the Board consider looking at improving the evaluation process to include a 360 evaluation. Chairperson Hanecak commented that Chief Miller “is excited to get feedback on performance and growth, and the direction of the District, and it’s nice to see.” Chief Miller thanked the Board for the evaluation and feedback; he thanked staff for their contribution to his success.

A **MOTION** was made by Director Smith and was seconded by Director Stoffel to approve Chief Miller’s 2023 Performance Evaluation with suggested revisions to the goals. The motion unanimously **APPROVED**.

- I. (G.) CONSIDERATION TO APPROVE THE FIRE BOARD HANDBOOK & BYLAWS. Chairperson Hanecak tabled Handbook & Bylaws until next month.

HIGHLANDS FIRE DISTRICT

J. REVIEW BOARD TASK CALENDAR. The Board reviewed the Task Calendar. After discussion, Director Stoffel and Director Smith volunteered to serve on the Budget Committee.

10. **Board Member comments.** There were no further comments.

11. **Adjournment.** A **MOTION** was made by Director Stoffel and was seconded Director Smith to **adjourn**; the motion was unanimously **APPROVED**. The meeting adjourned at 7:05 PM.

Respectfully submitted,

Jayne Jones