



HIGHLANDS FIRE DISTRICT

BOARD OF DIRECTORS
REGULAR MEETING MINUTES · 08/15/23

A regular meeting of the Fire Board of Directors was held on **Tuesday, August 15, 2023 at 5:00 PM** at Fire Station 23, Administration Board Room, 3350 Old Munds Hwy, Flagstaff, AZ. In addition, the meeting was also available through Zoom Video Conferencing.

1. **Call to Order.** Chairperson Hanecak called the meeting to order at 5:00 PM.

2. **Roll Call**

Board members present were Chairperson Tom Hanecak, Clerk Brad Bippus, Director Jay Smith, and Director Carl Nelson; Director Dirch Foreman joined the meeting on Zoom at 5:03 PM.

Administrative personnel present were Chief Todd Miller, Chief Mitch Lopez, and Ms. Jayme Jones.

3. **Pledge of Allegiance, Invocation, Mission and Vision Statements, and Board Responsibilities.** The Pledge of Allegiance was recited, a silent invocation was offered, and the district's mission, vision, and selected Board responsibilities were recited.

4. **Welcome Visitors.** There were no public visitors present.

5. **Call to the Public.** There were no public comments.

6. **Approval of Minutes**

A. JULY 18, 2023 REGULAR MEETING – The Board reviewed the minutes of the July 18, 2023 Regular Meeting. Director Smith noted that the meeting ended at 5:56 PM not 6:56 PM.

A **MOTION** was made by Director Nelson and was seconded by Director Bippus to approve the minutes as discussed; the motion was unanimously **APPROVED**.

7. **Finance**

A. WARRANTS – The Board reviewed the warrants and credit card purchases paid in July.

After questions, a **MOTION** was made by Director Smith and was seconded by Director Bippus to approve the warrants as presented; the motion was unanimously **APPROVED**.

B. FINANCIAL REPORT – Chief Miller presented the District's 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. Chief Miller noted that we received \$10,762 from the City of Flagstaff for the regional AFG grant for Blue Card participants.

8. **Summary Reports & Correspondence**

A. IAFF LOCAL CHAPTER 1505 SUMMARY REPORT – Firefighter Villa reported that the GFR Academy begins September 18th.

HIGHLANDS FIRE DISTRICT

- B. BATTALION FIRE CHIEF'S SUMMARY REPORT – Chief Lopez presented the Battalion Chief's Activity Report. Promoted personnel began fulfilling their role in their new positions. There were 104 calls for service in July, which is a significant increase in the average number reported. Most of the calls were from public assists and false alarms. The District hired Firefighters Carillo and Dunlap, and they will begin the GFR Academy on September 18th. Director Bippus asked that the Battalion Chief Report include the incident charts.

- C. FIRE CHIEF'S SUMMARY REPORT – Chief Miller presented the Fire Chief's Report. Chief Miller informed the Board of recent staffing changes; two firefighters were hired, and three firefighters have completed the GFR Academy. The District will be down two firefighters until December. Chief Miller, Chief Lopez, and Captain Howell explained the purpose and benefits of the GFR Academy. Chief Miller thanked staff for covering vacant shifts during this transitional period. Superintendent Erickson facilitated Coconino National Forest using the Hirsch Center as the Incident Command Post (ICP) to manage the Luke and Scott Fires, they could potentially use the facility again in the future. Chief Miller provided an update regarding the General Obligation Bond. The Board discussed various aspects of the bond election process. Chief Miller and Chief Lopez explained recent firefighter recruitment efforts. Chief Miller reviewed additional information as provided in his written report. Director Smith confirmed that Kachina Village has lost their credentials as a Firewise community. Chairperson Hanecak asked Chief Miller if residents appeared to be more responsible with fire during recent fire restrictions, which lead to a discussion about the Community Wildfire and Flood Information Survey.

- D. FIRE BOARD CHAIRPERSON'S SUMMARY REPORT – Chairperson Hanecak informed the Board that he had lunch with Peter Kloeber, former Board Chair, and he sent greetings. Chairperson Hanecak commented that 104 calls was a lot. He asked how many cats were stuck in trees, which lead to a discussion about various incidents, including a response to Director Smith's residence.

- E. CORRESPONDENCE – The Board reviewed correspondence including a thank you letter Daniel Kelly, Emergency Manager for City of Flagstaff; Chief Miller and Chief Lopez provided details about HFD's participation in July 4th Event sponsored by the City and held at Fort Tuthill; Chief Lopez very much enjoyed the laser show. Chairperson Hanecak asked if HFD assists in planning for the County Fair; Chief Miller answered that HFD is directly involved this year, similar to the July 4th event. The Board reviewed a letter from Linda Wadleigh, Mogollon Rim District Ranger recognizing the exceptional work of Superintendent Erickson. Chief Miller presented a press release about Senator Sinema's roundtable with local wildfire experts, including Director Smith and himself.

9. Topics of Discussion and Possible Legal Action

- A. CONSIDERATION TO APPROVE COCONINO COUNTY FACILITY USE AGREEMENT FOR THE NOVEMBER 7, 2023 ELECTION. Chief Miller presented the Coconino County Facility Use Agreement as a Ballot Replacement Site for the November 7, 2023 Election. A MOTION was made by Director Smith and was seconded by Director Nelson to approve the County Facility Use Agreement as presented; the motion was unanimously APPROVED.

HIGHLANDS FIRE DISTRICT

- B. CONSIDERATION TO RATIFY COCONINO COUNTY INTERGOVERNMENTAL AGREEMENT (IGA) FOR BALLOT-BY-MAIL ELECTION SERVICES. Chief Miller presented an IGA for Ballot-By -Mail Election Services for ratification considering subtle changes suggested by legal counsel. **A MOTION was made by Director Nelson and was seconded by Clerk Bippus to ratify Coconino County IGA for Ballot-by-Mail Election Services on November 7, 2023;** the motion was unanimously **APPROVED.**
- C. CONSIDERATION TO RATIFY COCONINO COUNTY INTERGOVERNMENTAL AGREEMENT (IGA) FOR FIRE AND EMERGENCY MEDICAL SERVICES IN FORT TUTHILL COUNTY PARK. Chief Miller informed the Board that no action is needed on this IGA. The Board signed the agreement at the July meeting, and it was present to the County Board of Supervisor for approval. During the approval process, changes were discussed; however, no apparent changes were made. Therefore, the approved agreement stands.
- D. DISCUSS GUIDANCE FOR CARRYOVER FUNDS AND RESERVE ACCOUNTS. Chief Miller presented a report recommending an adjustment to the Administrative Reserve Account. In consideration of next budget cycle, the continuance of talks regarding the compensation study, and the General Obligation Bond; Chief Miller wanted “to provide the Board with information to get a general idea of what the Board might be thinking as we move into the next budget cycle”. Chief Miller and Mrs. Wilson recommend that the Board consider adjusting the Administrative Reserve Account to \$1.5 million as well as opening discussion about carryover funds and reserve account options. Chief Miller provided historical information about the District’s Carryover amounts, and explained the Administrative Reserve Fund, General Reserve Fund, Capital Replacement Fund, Capital Improvement Fund, and Grant Fund. Chief Miller does not believe money should be moved until unknown variables are resolved, such as the Go Bond, compensation and benefits, facility maintenance, etc.

Director Smith said, “Going from \$1.2 to \$1.5 is a 25% increase, which fits with the cost of inflation; I support of making that adjustment.” Regarding the carryover, he believed the funds should be kept available for necessary or planned expenditures.

Director Nelson agreed with Director Smith’s comment.

Director Foreman fully supports increasing the Administrative Reserve threshold to \$1.5 million. He also stated, “I also think first, we should adjust the wages of the six employees that were left in the dark by the last salary compensation situation. \$2 million in carryover is a lot of money for carryover.”

Director Bippus said, “he likes what everyone is saying, for now, just hold steady. I like bumping it up to \$1.5 million, and essentially, I don’t really think we should have carryover. That’s what the \$1.5 is for, emergencies right?” Ms. Jones informed Director Bippus that the Administrative Reserve fund is to cover costs until tax revenues are received.

Director Smith said, “I am in support of looking at the reserve above \$1.5 to see what we can do on the payroll stuff. I think it’s worth looking at.”

HIGHLANDS FIRE DISTRICT

Chairperson Hanecak said, "I agree with everybody. Dirch, thanks for your thoughts on those other six District employees...I am very supportive in creating a compensation fund that allows us to continually address compensation or benefit deficiencies... If the General Obligation Fund passes and we solve our capital issues, the apparatus issues, our next focus would be these reserve monies or extra money in the budget each year, putting it into an account specific for compensation, is what I would like to see. And that is very high level, we are not voting, we are just giving our opinion." Chief Miller said that he appreciated the Board's comments. In addition, Chairperson Hanecak said, "I think \$800,000 carryover, or adjusted carryover, that's a lot of money. I think we've talked about this before with the General Obligation Bond and mil rate increase, that we as a Board can't support increasing taxes as we have with a surplus of this amount each year. It's something from a strategic financial planning standpoint that we need to address. So, whether or not we say that any of the money over the \$1.5 goes into this account to deal with this issue that our strategic planning says we need to put money into, I'm okay with that, even if it builds up over the course of two, three or four years. We need to have a plan for it, because we are asking the taxpayers to fund it more, and if we have a surplus of almost \$834,000...somebody is going to start asking questions."

Director Smith said, "It could add up pretty quickly. We could get into a revenue smoothing type thing that we would still have to look at, but I think there's immediate revenue needs that we can look at for this year."

Chairperson Hanecak said, "What the Chief is proposing here is that we have an average amount of \$400,000 a year, and if we go from \$1.2 to \$1.5, which leaves an average of \$100,000 based on the numbers, which isn't significant." The board discussed the calculation of the statement.

Chief Miller thanked the Board for the discussion.

Director Smith said, "If we are trying to do something with the payroll, how does that happen? We need to reevaluate those six employees based on this, does that have to go to through another budget cycle?"

Chairperson Hanecak said, "Can do a mid -year adjustment anytime we want." Chief miller responded, "As long as it fits within our budget." Director Foreman responded, "We will likely have to repost the budget." Chief Miller does not believe we would have to repost the budget but will verify."

Chief Miller stated, "I would like to clarify verbiage as far as six employees that didn't get raises, that was a decision made by the compensation study committee with input from a consultant on market value, not based on merit, not based on if those employees are good employees or not, it was the market value comparison that we saw in the study. On the fuels crew side, there are some new job descriptions that were brought up in the past that were never approved and put in place, which might have been part of the discrepancy, our consultant being able to compare accurately. There is a representative from labor, and Shelby, with my direction, working with the consultant to revisit those new approved job descriptions and to make sure

HIGHLANDS FIRE DISTRICT

the numbers that were compared, verify them, or show that it was incorrect and there should have been an adjustment with those employees.” Director Smith asked about consideration of the increase in the Federal firefighter rate. Chief Miller explained that there may have been a mismatch of job descriptions, and we want to be sure that job responsibilities match.

After making an insulting comment, Director Foreman left the meeting at approximately 6:15 PM.

- E. DISCUSS CHANGE OF TIMELINE FOR STRATEGIC PLANNING. Chief Miller suggested the Board consider postponing work on the Strategic Plan until the Go Bond, and compensation study are decided and different approach to the Strategic Planning process. He believes it would be prudent to take a break and take a “deep dive” into next year to produce a plan January 2025. Chairperson Hanecak believes that producing a plan every year is too much, and he is fine to push the timeline forward on a five-year cycle. The Board agreed to the revised timeline.
 - F. COMMUNITY SURVEY RESULTS. The Board reviewed the Community Survey results. Chairperson Hanecak asked about a comment, “Fire Dept. saved my house.” Since no one was familiar with the call, Chief Miller asked that it be researched.
 - G. REVIEW BOARD TASK CALENDAR. The Board reviewed the Boards Task Calendar. Since we are postponing the Strategic Planning process, there is nothing specific scheduled next month.
- 10. Board Member comments.** Director Smith mentioned a Daily Sun article about Prop. 310 failing, and the County having discussions about trying to help Fire Districts.
- 11. Adjournment.** A **MOTION** was made by Director Nelson and was seconded Director Smith to **adjourn**; the motion was unanimously **APPROVED**. The meeting adjourned at 6:27 PM.

Respectfully submitted,

Jayne Jones