



HIGHLANDS FIRE DISTRICT

BOARD OF DIRECTORS
REGULAR MEETING MINUTES • 04/18/23

A regular meeting of the Fire Board of Directors was held on **Tuesday, April 18, 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, Director Dirch Foreman, and Director Carl Nelson.

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

On-duty staff attended through video conferencing.

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.** Chairperson Hanecak welcomed Bryan Lundberg with Stifel, Nicolaus & Company, Inc and Paul Gales with Greenberg Traurig.

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

6. **Approval of Minutes**

A. MARCH 21, 2023 REGULAR MEETING – The Board reviewed the minutes of the March 21, 2023 Regular Meeting. **A MOTION was made by Director Nelson and was seconded by Director Smith to approve the minutes as presented;** the motion was unanimously **APPROVED**.

B. APRIL 4, 2023 SPECIAL MEETING – The Board reviewed the minutes of the April 4, 2023 Special Meeting. **A MOTION was made by Director Smith and was seconded by Director Foreman to approve the minutes as presented;** the motion was unanimously **APPROVED**.

7. **Finance**

A. WARRANTS – The Board reviewed the warrants and credit card purchases paid in March. **A MOTION was made by Director Smith and was seconded by Director Foreman to accept the warrants as presented.** After questions, the motion was unanimously **APPROVED**.

B. FINANCIAL REPORT – The Board reviewed 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 had nothing of significance to note.

C. COUNTY INTEREST REPORT. Mrs. Wilson presented the County Interest Report with 1.31% earnings last quarter.

HIGHLANDS FIRE DISTRICT

8. Summary Reports & Correspondence

- A. IAFF LOCAL CHAPTER 1505 SUMMARY REPORT – Chapter 1505 did not give a report.
- B. BATTALION FIRE CHIEF’S SUMMARY REPORT – Chief Lopez presented the Battalion Chief’s Activity Report. There were 61 calls for service in March. He congratulated Bryan Monreal for successfully passing the Captains’ testing process.
- C. FIRE CHIEF’S SUMMARY REPORT – Chief Miller presented the Fire Chief’s Report. Chief Miller congratulated Bryan Monreal for passing the Captains’ testing process, and he thanked Chief Lopez for his efforts to develop and coordinate the process. He also thanked Captains Blue, Modrell and C. Pond, and Superintendent Erickson for serving as evaluators.
- D. FIRE BOARD CHAIRPERSON’S SUMMARY REPORT – Chairperson Hanecak informed the Board that a lot of work has gone into the budgeting process; special thanks to Mrs. Wilson for her efforts. The analysis of compensation has become time consuming, but it is an important initiative, so he appreciates everyone’s efforts.
- E. CORRESPONDENCE. There was no correspondence presented.

9. Topics of Discussion and Possible Legal Action

- A. CONSIDERATION AND POSSIBLE ADOPTION OF A RESOLUTION ORDERING AND AUTHORIZING ALL MATTERS NECESSARY FOR A BOND ELECTION TO BE HELD ON NOVEMBER 7, 2023.
Chairperson Hanecak reminded the Board that bond funding was discussed at the Special Meeting April 4, 2023, and their intention is to move forward with a General Obligation Bond Election. He thanked Mr. Lundberg and Mr. Gales for coming in to answer questions. Chief Miller presented a Resolution to Call a Special Bond Election and Sample Ballot. He informed the Board that the not to exceed amount on the ballot question has been reevaluated, and he suggested increasing the limit to \$3.5 million. Director Smith suggested the language on the sample ballot question be revised to reflect the District’s priorities, which is purchasing apparatus. Mr. Lundberg said the item “to liquidate existing indebtedness” could be removed; however, the Board decided not to revise the language to avoid limiting the District from paying off a potential lease purchase.

Mr. Lundberg confirmed that authority be delegated to the Chief and Chair to confirm the ballot question. Mr. Gales explained that the resolution will “Call the Election” as well as delegate authority to staff to make necessary changes. The “Exhibit” is a separate requirement called the “Order of Election”, which will be posted and published. After the resolution is adopted, the County will be contacted for details about the election process, and the District will enter into an IGA with the County to administer the election. In addition, once the election is called, there are statutes relevant to the District’s use of resources to attempt to influence the outcome of the election.

Mr. Lundberg suggested the Board concentrate on reviewing the Sample Ballot. The Board discussed the “not to exceed” amount for the interest rate and decided to increase the rate to 10%. The Board discussed the “not to exceed” period for bonds to mature and decided 20

HIGHLANDS FIRE DISTRICT

years. The Board discussed new legislation that restrictions to bond capacity, but will not affect our election, except that language needs to be added to the order.

After further discussion, a **MOTION** was made by Director Foreman and was seconded by Director Nelson to adopt Resolution #2023-04-18 (9)(A) ordering and calling a special bond election to be held on November 7, 2023 in and for the District, to submit to the qualified electors thereof the question of selling and issuing general obligation bonds of the District. The motion was unanimously **APPROVED**.

Chairperson Hanecak thanked Mr. Lundberg and Mr. Gales for coming to the meeting and offering their assistance. Mr. Lundberg and Mr. Gales left the meeting at 5:50 PM.

- B. PRESENTATION OF PROPOSED FY 2024 BUDGET. Chief Miller presented revisions to *HFD FY 2024 Budget Information*. The Capital Replacement & Assets Protection Plan was updated to include \$3 million from the GO Bond in FY 2024. The Board discussed making \$150,000 contributions to meet future capital needs going forward. Chief Miller informed the Board that he has a back-up plan in case the Go Bond fails. Chief Miller pointed out increases to the proposed budget, and he noted that a compensation adjustment has not yet been determined.

Chief Miller informed the Board of the potential need for a mil rate increase. Chairperson Hanecak stated that he is not comfortable with raising the mil rate without notifying the public. Director Smith agreed; he believes the public will not appreciate an increase in both the mil rate and GO Bond. Director Nelson agreed with Director Smith that raising the mil rate could jeopardize passing the Go Bond. The Board agreed that raising the mil rate should be delayed as long as possible. Chief Miller provided several funding alternatives that would not raise the mil rate including use of general reserve funds. Director Smith isn't comfortable with maintaining general reserve funds. After questions about reserve funds, Mrs. Wilson explained the confusion with the "carryover" funds reflected in the budget. Director Foreman strongly believes that the District should not save funds for no intended purpose. Chief Miller suggested the Board determine an acceptable amount for the general reserve account; however, the account was established to be a variable account, which is dependent upon revenue vs expenses the prior fiscal year.

Chairperson Hanecak told the Board that the Budget Committee is looking at an ongoing strategy for compensation. The implications of the Compensation Study have not yet been determined; therefore, a placeholder of 10% was entered in the budget. Chief Miller explained cost increases relative to Healthcare and Worker's Compensation. Health benefits surveyed are well within benchmark agencies; other benefits areas were found to be below the standard. Director Smith commented that a compensation adjustment may not solve all the personnel issues.

Mrs. Wilson asked the Board for guidance to prepare the budget for approval to post and publish in May. She asked if the Board would like another budget work session before the May meeting; no additional meetings were requested.

- C. PRESENTATION OF NAU SURVEY – WILDFIRE IMPACTS & ADAPTATION STRATEGIES. Chief Miller reviewed several results from *Wildfire impacts and adaptation strategies among Highlands Fire*

HIGHLANDS FIRE DISTRICT

District residents: Results of a 2022 household survey. The Board Discussed the Benefits of the information provided in the survey.

D. REVIEW FIRE BOARD TASK CALENDAR – Ms. Jones reviewed items to be considered in May; Chief Miller reviewed items listed in April that still work.

10. **Board Member comments.** Chairperson Hanecak thanked the Board for their efforts. Director Smith provided information about fitness equipment donations.

11. **Adjournment.** A **MOTION** was made by Director Smith and was seconded Director Foreman to **adjourn**; the motion was unanimously **APPROVED**. The meeting adjourned at 7:00 PM.

Respectfully submitted,

Jayne Jones