



HIGHLANDS FIRE DISTRICT

BOARD OF DIRECTORS
REGULAR MEETING MINUTES · 04/16/24

A regular meeting of the Fire Board of Directors was held on **Tuesday, April 16, 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.** Clerk Bippus called the meeting to order at 5:01 PM.

2. **Roll Call.**

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

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

*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 Dominic Filosa from JVG attending through Zoom.

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

6. **Approval of Minutes**

A. MARCH 19, 2024 REGULAR MEETING – The Board reviewed the minutes of the March 19, 2024, Regular Meeting. **A MOTION was made by Director Nelson and was seconded by Director Stoffel to approve the minutes as corrected.** Ms. Jones informed the Board of a correction made to the minutes that add Director Smith as the person that made the motion on Action Item 9. (F). Director Smith commented that Clerk Bippus did a great job running the meeting on March 19, 2024. The motion was unanimously **APPROVED**.

7. **Finance**

A. WARRANTS – **A MOTION was made by Director Nelson and was seconded by Director Stoffel to approve the warrants as presented.** The Board reviewed the District's warrants and credit card purchases paid in March; the motion was unanimously **APPROVED**.

B. FINANCIAL REPORT – Chief Miller informed the Board that Dominic Filosa will present the Financial Report. Mr. Filose explained that this report is similar to what Ms. Wilson provided.

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There is an additional report, “Summary of Reconciled Cash Balances”, which provides the reconciled balance of all the District’s accounts including Bond Proceeds and Debt Service. The Cash Flow Projection Report was changed to include just money that is not restricted and is called the Operational Cash Flow Projection & Bear Jaw Cash Flow Projections. In July a new report format will be utilized. Chief Miller had nothing to add to the financial report.

8. Summary Reports & Correspondence.

- A. IAFF LOCAL CHAPTER 1505 SUMMARY REPORT – Local 1505 did not present a report.
- B. BATTALION FIRE CHIEF’S SUMMARY REPORT – Chief Pond presented the Battalion Chief’s Report. There were 70 calls for service in March. Chief Pond described significant incidents, training events and general activity. See the written report for detailed information.
- C. FIRE CHIEF’S SUMMARY REPORT – Chief Miller presented the Fire Chief’s Report. Chief Miller noted that many hours have been spent working on the transition to JVG, FRFD IGA was renewed, we were awarded the Ft. Tuthill service contract, and several management activities. See the written report for detailed information.
- D. FIRE BOARD CHAIRPERSON’S SUMMARY REPORT – Chairperson Hanecak asked for information regarding the promotional ceremony so the Board may attend. Chief Miller told the Board that he would appreciate their attendance. Chairperson Hanecak spoke about attending the CCC event with Chief Miller, and the benefits of educational programing. Chairperson Hanecak is looking forward to the Pancake Breakfast on July 7. Chairperson Hanecak spoke about the Spring weather.
- E. CORRESPONDENCE – The Board reviewed three thank you letters from the public.

9. Topics of Discussion and Possible Legal Action.

- A. PRESENTATION OF FY 2025 DRAFT BUDGET. Chief Miller presented HFD Fiscal Year 2025 Budget Information PowerPoint. See attached presentation for details. Chief Miller reviewed the District’s Mission, Vision, and Strategic Plan Goals. Chief Miller reviewed the Budget Timeline with final approval on June 18, 2024. Budgetary goals are to set the Tax Levy, manage the Go Bond obligations and purchase apparatus, provide a COLA and uniform allowance, reassess the Capital Plan, and work on Strategic Planning with a consultant and update HR Policy. Chairperson Hanecak asked Chief Miller for details about the salary component. Chief Miller intends to raise uniform allowance from \$500 to \$750 and apply a 3.2% COLA based on the CPI and Social Security increase. Chairperson Hanecak has a lot of thoughts about salary, and reengaging with the compensation consultant about a more comprehensive compensation package. Director Stofel informed the Board that the committee talked about the mill rate and the COLA and wanted to emphasis the importance of informing our constitutes about increases to the mill rate and to make any increases gradually. In addition, we should let them know how long the mill rate has been static and that we are far below the legal limit.

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Chief Miller reviewed the NAV, FDAT, other revenue sources, and management of the Capital Plan. Chief Miller reviewed various expenses for consideration including benefits, staffing, consultant fees, and significant changes to Revenue and Expenses. Chief Miller reviewed the Capital Account balances and projections. He informed the Board that he does not intend to transfer money from the general fund to the capital account in FY 25, except the \$89,428 reimbursement from the Go Bond for the Type 6 Engine Build. Chairperson Hanecak commented that he likes the idea of building the Capital Account Fund. He asked, "What is the overall long-term goal for this?" He believes having reserves is very important; however, if we start discussing a mill rate increase to subsidize operational cost, and we accumulate reserves without a plan to spend it the public perception will not be taken well. He also recommended looking at station maintenance with a more critical eye, and he suggested having a consultant look at our assets and set-up a plan for the next 10 years. Chief Miller agreed, and he said we will get more detailed on this in the next year. Chairperson Hanecak offered his help and said, "He has a lot of ideas about a lot of things, obviously, and some legit experience." Chief Miller reviewed the GO Bond Account and Apparatus Replacement Plan. The District has three years to expend the funds; however, most of the funds will be spent in 2025. The staff vehicles and Type 6 will probably be purchased in FY 2026. Chairperson Hanecak asked the Board, "Any giant red flags anywhere?" There was no response. Chairperson Hanecak stated that the presentation format for the budget was awesome. Director Stiffel said that as a new board member serving on the Budget committee, he appreciates the efforts of Chief Miller and Mr. Filosa.

Mr. Filosa informed the Board that JVG came late into the process; next year they will send out budget sheets and restructure the chart of accounts. The budget looks different because the program budget requests have been rolled in to a master budget sheet. Mr. Filosa explained they separated Income into Tax Revenue and Non-tax revenue, and Expenses into Personnel Costs, Buildings and Land, Vehicles and Equipment, Communications/IT, Travel & Training, Managerial, and Other Expenses. The Budget Spread Sheet also compares FY 24 Budget to FY 25 Draft Budget and variance. Mr. Filosa reviewed tax revenue and non-tax revenue. Non-tax revenue is based on historical trends. Total Revenue equaled \$5,737,942. Mr. Filosa reviewed all expenses; there was a significant reduction in Employee Benefits and Employer Pension Contribution as compared to the current budget. Total Expenses equaled \$5,554,605 with \$183,337 surplus.

Mr. Filosa opened discussion to the Board to questions and comments. Director Smith said that Chief Miller and Mr. Filosa did a great job presenting the budget. Director Stoffel said that he appreciates the workable spread sheet. Director Nelson appreciated the presentation. Director Bippus had no comment. Chairperson Hanecak said that the budget was very easy to understand. He thanked Mr. Filosa for "breaking it down like that." He is curious to see some of the solutions that were talked about regarding the models. He spoke in length about hiring staff and the commitment to keep them employed. He also spoke about the reduction in the Training Budget and hopes that it was carefully considered. Chief Miller provided an explanation of the training expense.

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Mr. Filosa quickly showed the Board the Budget with two additional positions. Chairperson Hanecak recognizes the need for the additional positions, and “we have talked about them for years”, but he asked if there is a need to look at it from a strategic perspective considering benefits and compensation “before we pull the trigger.” Chief Miller said that regarding the Admin position, we need more time to see how things play out with the JVG transition; regarding the rover position, “we’ve tried it before and it’s worth trying again”. The long-term implications may include increasing the mill rate if necessary. Chief Miller explained that there are employees close to retirement, and he would like to be prepared. In the long term, he would like to add three more firefighters. Chairperson Hanecak believes that the strategic planning process will help determine a balance for the need for additional personnel. Chief Miller said, “...we want to take care and retain the folks we have now and that’s what we’ve done with the compensation study and with the COLA this year. Another way to take care of our people is to manage burnout to make sure we have people trained up to step into positions ahead of time, so thinking about hiring for the future, like this rover position, there are other benefits besides the dollars. I do agree with your comment and want to balance taking care of our current folks but also by hiring people, that’s an addition cost but also planning for the future.” Chairperson Hanecak thanked Mr. Filosa for the budget spread sheet.

Director Stoffel asked for Board comments prior to the next Budget Committee meeting. Chairperson Hanecak said he believes our budget process works well, and “he doesn’t see this trending in any direction that would throw a red flag on the table.” There were no additional comments. Chairperson Hanecak thanked Director Smith and Director Stoffel for working on the Budget Committee. Mr. Filosa left the meeting.

- B. CONSIDERATION TO APPROVE A RESOLUTION TO CALL FOR AN ELECTION TO FILL THREE VACANCIES ON THE FIRE BOARD. SEATS WITH TERMS EXPIRING ON NOVEMBER 30, 2024, INCLUDE SEATS HELD BY TOM HANECAK, BRAD BIPPUS, AND DAN STOFFEL. A **MOTION** was made by Director Stoffel and was seconded by Director Nelson to approve the Resolution to Call an Election; the motion was Unanimously **APPROVED**.
- C. CONSIDERATION TO APPROVE COOPERATIVE INTERGOVERNMENTAL AGREEMENT WITH ARIZONA DEPARTMENT OF FORESTRY. Chief Miller requested to table this item because it is pending legal review; the Board agreed.
- D. CONSIDERATION TO APPROVE SECURIS FY 2025 WORKERS’ COMPENSATION RENEWAL. A **MOTION** was made by Director Stoffel and was seconded by Director Nelson to approve the Securis FY 2025 Workers’ Compensation Renewal. Chief Miller informed the Board that the COVID related rates were reduced slightly. The motion was unanimously **APPROVED**.
- E. CONSIDERATION TO APPROVE SECOND AMENDMENT TO SECURIS INSURANCE POOL, INC. PARTICIPATION AGREEMENT. A **MOTION** was made by Director Nelson and was seconded by Clerk Bippus to approve the amendment to the Securis Participation Agreement; the motion was unanimously **APPROVED**.

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- F. CONSIDERATION TO APPROVE DISPOSAL OF SURPLUS PROPERTY TO INCLUDE 2005 ARCTIC CAT ATV AND 2008 HONDA FOREMAN ATV. A **MOTION** was made by Director Nelson and was seconded by Clerk Bippus to approve disposal of surplus property. Chief Miller requested Board approval to dispose of two ATV via internal bid process. Chairperson Hanecak asked if Board members could bid on them. Chief Miller replied, "I don't see why not." Director Stoffel asked how they determine value. Chief Miller explained that Sup. Erickson utilized a specialized "bluebook" for recreational vehicles. The motion was unanimously **APPROVED**.
- G. CONSIDERTION TO APPROVE REVISION TO FISCAL POLICY #160 SURPLUS PROPERTY. A **MOTION** was made by Director Stoffel and was seconded by Clerk Bippus to approve the revision to Fiscal Policy #160 Surplus Property. Chief Miller informed the Board that revision includes an increase in the threshold requiring approval from the Board from \$1000 to \$5000. Chairperson Hanecak asked if the policy had been reviewed by counsel. The Board agreed that it should be reviewed by counsel. A revised MOTION was made by Director Stoffel and was seconded by Clerk Bippus to table this item pending legal review; the motion was unanimously **APPROVED**.
- H. REVIEW BOARD TASK CALENDAR. The Board reviewed the Boad Task Calendar.
10. **Board Member comments.** Chairperson Hanecak thanked everyone for withstanding this very long meeting.
11. **Adjournment.** A **MOTION** was made by Director Bippus and was seconded Director Nelson to adjourn; the motion was unanimously **APPROVED**. The meeting adjourned at 7:12 PM.

Respectfully submitted,

Jayne Jones