



HIGHLANDS FIRE DISTRICT

BOARD OF DIRECTORS REGULAR MEETING MINUTES ○ 04/21/26

A regular meeting of the Fire Board was held on **Tuesday, April 21, 2026, 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 Smith called the meeting to order at 5:01 PM.
2. **Roll Call.** Chairperson Jay Smith, Clerk Carl Nelson, and Director Tom Hanecak were present. Director Brad Bippus and Director Ira Allen were absent.

Fire Chief Todd Miller, Battalion Chief Casey Modrell, Mrs. Erica Lyons, and Mr. Dominic Filosa* were present as well as several members of staff.

*Attendance through Video Conferencing.

3. **Pledge of Allegiance, Invocation, Mission and Vision Statements, and Board Responsibilities.**
The Pledge of Allegiance was recited, followed by a short invocation. The District's mission, vision, and Board responsibilities were reviewed.
4. **Welcome Visitors.** Dirch Foreman joined the meeting through video conferencing at 5:34pm.
5. **Call to the Public.** There were no comments from the public.
6. **Approval of Minutes.** MARCH 17, 2026 REGULAR MEETING. The Board reviewed the minutes of the March 17, 2026 meeting minutes. A **MOTION** was made by Clerk Nelson and was seconded by Director Hanecak to approve the minutes as presented. The motion was unanimously **APPROVED**.
7. **Approval of Financial Report presented by James Vincent Group.** Mr. Filosa presented the March Financial Report (see written report for full details). He reported that March revenue exceeded budget, driven by stronger than expected tax collections growth and interest earnings. He reported that March expenses came in under budget, primarily due to lower personnel costs, including regular and overtime wages. With respect to year-to-date revenue, Mr. Filosa stated it is slightly under budget, with tax revenue below expectations and non-tax revenue slightly above. He also stated year-to-date expenses are significantly under budget, driven primarily by lower personnel costs. A **MOTION** was made by Clerk Nelson and was seconded by Director Hanecak to approve the Monthly Financial Report as presented. The motion was unanimously **APPROVED**.
8. **Summary Reports & Correspondence**
 - A. IAFF LOCAL CHAPTER 1505 SUMMARY REPORT – Captain Clayton Ahrendt reported that crews completed their highway cleanup, collecting approximately 25 bags of debris. The adopted highway section will now require only routine maintenance moving forward. He also reported that Labor (the Union) collectively approved funding to host a board barbecue on B Shift at Station 23 as a gesture of appreciation for the Board's volunteer service and ongoing support of the Highlands Fire District.

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- B. BATTALION FIRE CHIEF'S SUMMARY REPORT – Battalion Chief Casey Modrell presented the Battalion Chief's Report. The District responded to 51 calls for service in March, with call volume trending on the lower end of historical averages. First quarter activity remained consistent, averaging approximately 50 calls per month and reflecting stable demand. Operational efforts were heavily focused on wildland fire preparedness, including regional coordination, training exercises, and readiness activities in advance of fire season. He recognized Firefighters Riley Darnell, Jesse Finney, and Ian Titcomb for successfully completing their nine-month GFR Academy Skills evaluation. He also reviewed a mutual aid response to assist Pinewood Fire District with a wildland fire incident. See written report for additional details.

- C. FIRE CHIEF'S SUMMARY REPORT – Fire Chief Miller presented the Fire Chief's Report. He recognized several staff anniversaries celebrated in March and April. He also shared that 34% of staff have achieved 18 years or more of service. He provided an update on budget preparation efforts, including ongoing committee meetings and a scheduled Board workshop, and noted the apparatus committee has ordered two command vehicles as part of the G.O. Bond process. He stated that the Bear Jaw community meeting was held on March 25th and that there have not been any subsequent requests from the public to meet. He stated the Wildfire Community Preparedness Day is scheduled for May 9th and encouraged the Board to attend. He discussed his participation in regional and professional meetings, including the Coconino Community College CTE Advisory Committee, FRFD Fire Board, AFCA Ambassador's Group, Coconino County Chiefs Consortium, and AFDA and PFAC meetings. He also reported participating in internal meetings, including Battalion meetings focused on wildland fire season preparation, a Command Staff/Admin meeting, and ongoing Labor-Management meetings. He discussed his continued attendance with the Flagstaff Leadership Program and reported no new injuries or accidents. See written report for additional details.

- D. FIRE BOARD CHAIRPERSON'S SUMMARY REPORT – Chairperson Smith thanked staff and leadership that attended the community meeting on March 25th. He also shared that the CWPP has a community meeting scheduled for Thursday from 5-8pm at the Aquaplex.

- E. CORRESPONDENCE – There was no correspondence presented.

9. Topics of Discussion and Possible Legal Action

- A. RECOMMENDATION ON CYBERSECURITY INSURANCE – Fire Chief Miller discussed the VFIS policy renewal presented in February, noting the policy has been renewed and that one remaining item to consider is whether to obtain a separate cybersecurity policy. He shared that he consulted with other districts and Executech, the District's IT provider, and provided a high-level overview of Executech's cybersecurity measures, including system protections, backup protocols, and disaster recovery capabilities. Chairperson Smith noted that Executech does not insure against ransomware. Captain True reviewed the District's data backup protocols, including onsite and offsite server backups, and clarified that patient care data is stored and managed by ESO, with no PII retained by the District. Firefighter Darnell added that medical records are protected through HIPAA-compliant encryption within ESO's system. Director Hanecak suggested evaluating the District's overall ransomware risk, noting that cybersecurity insurance is common among agencies. Fire Chief Miller asked Chairperson Smith to gather additional Board questions for

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follow-up with Executech before a decision is reached on a separate cybersecurity insurance policy.

- B. PRESENTATION OF FLAGSTAFF RANCH FIRE DISTRICT OPERATIONAL REPORT – Fire Chief Miller presented the Flagstaff Ranch Fire District Operation Report for the calendar year of January 1, 2025, through December 31, 2025. Additionally, he stated the CPI adjustment was calculated into the renewal rate for FY 27 and that the signed FY27 renewal rate letter was delivered to Flagstaff Ranch Fire District. See written report for additional details.
- C. NEXT STEPS FOR BEAR JAW (FUELS MANAGEMENT PROGRAM) – Fire Chief Miller stated the guiding documents for Bear Jaw have been sent to the Deputy County Attorney to determine the distribution of assets.
- D. CONSIDERATION TO APPROVE MEDICAL INSURANCE PLAN WITH ELEVATE TRUST – Fire Chief Miller reported that the PFFA Trust renewal is projected at an 18% increase, resulting in a 36% increase in costs over the past two years. He engaged with Fendley & Associates to conduct a market review, including quotes through Elevate Trust and other options. He stated Labor & Management evaluated each insurance quote and recommended transitioning to Elevate Trust. Director Hanecak asked about any potential loss of benefits with the transition. Fire Chief Miller noted that while the PFFA Trust offered certain firefighter-specific benefits, such as coverage of cancer screenings, these have not been utilized by staff. He added that cost increases and customer service considerations were key factors in the recommendation to move to Elevate Trust. Additionally, he stated that cancer screening resources remain available to staff through a grant-supported program. A **MOTION** was made by Clerk Nelson and was seconded by Director Hanecak to approve the medical insurance plan with Elevate Trust. The motion was unanimously **APPROVED**.
- E. UPDATE REGARDING FY 2027 PROPOSED BUDGET – Fire Chief Miller reported that two budget committee meetings have been held, and that during the second meeting, Board members requested an overview of major revenue and expenditure impacts for the FY27 budget at the next regular Board meeting. He provided a summary of projected revenue changes, including an estimated \$259,000 increase based on assessed valuation, potential lost revenue from the Ft. Tuthill IGA, an estimated \$14,000 in anticipated revenue related to ongoing cell tower lease negotiations, and an increased revenue of \$5,000 from the Flagstaff Ranch Fire District IGA. He provided a summary of projected expense changes, including savings on medical insurance, continued discussions on salary and benefits for staff, and a \$22,000 decrease in workers' compensation costs. He also reported no major changes in the G.O. Bond or COP payments. He reviewed GFOA guidance recommending a 30% reserve fund and noted ongoing budget committee discussions about this recommendation. Regarding the Capital Fund, he noted there may be a transfer of carryover funds from this fiscal year, that the 10-year plan is being updated, and re-stated that the distribution of Bear Jaw assets is under review.
- F. CONSIDERATION TO APPROVE RESOLUTION TO MOVE FUNDS FROM CAPITAL TO THE GENERAL FUND – Fire Chief Miller presented a request to transfer \$21,383.62 from the Capital Fund to the General Fund to reconcile expenses related to the station landscaping project. The costs were initially charged to a General Fund credit card but were intended to be funded through the Capital Fund. A **MOTION** was made by Clerk Nelson and was seconded by Director Hanecak to approve

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the Resolution to Transfer Monies from the Capital Fund to the General Fund. The motion was unanimously **APPROVED**.

- G. CONSIDERATION TO APPROVE A RESOLUTION TO CALL FOR AN ELECTION TO FILL TWO VACANCIES ON THE FIRE BOARD. SEATS WITH TERMS EXPIRING ON DECEMBER 31, 2026, INCLUDE SEATS HELD BY CHAIRPERSON JAY SMITH AND CLERK CARL NELSON. Chairperson Smith noted that the resolution to call for an election listed the term expiration date as November 30, 2026; however, based on his records, the correct term expiration date is December 31, 2026, and should be revised accordingly. A **MOTION** was made by Clerk Nelson and was seconded by Director Hanecak to approve the Resolution to Call an Election with the revised date of terms expiring on December 31, 2026; the motion was unanimously **APPROVED**.
- H. UPDATE REGARDING MOU REVISION – LOCAL 1505 HIGHLANDS CHAPTER – Fire Chief Miller reported that the current MOU between Labor and Management has expired and asked the Board to review the document for familiarity. He noted that a revised version will be presented following completion of discussions between Labor and Management and a review from the County Attorney. Director Hanecak inquired about the term of the agreement, and Fire Chief Miller confirmed it is a two-year agreement.
- I. CONSIDERATION TO REAPPOINT SCOTT TALBOOM TO THE PSPRS LOCAL BOARD – Mrs. Lyons presented ARS 38-847 to the Board regarding the requirement to appoint a citizen member to the PSPRS Local Board. She reported that she contacted Mr. Talboom and confirmed his interest in continued service on the PSPRS Local Board following the expiration of his term on March 30, 2026. She further confirmed with legal counsel that the Board may reappoint Mr. Talboom with a retroactive effective date of April 1, 2026. Clerk Nelson **MOTIONED** to nominate Mr. Talboom to the PSPRS board with the retroactive effective date of April 1, 2026, and Director Hanecak seconded. The motion was unanimously **APPROVED**.
- J. REVIEW FIRE BOARD TASK CALENDAR – The Board reviewed the Board Task Calendar
- 10. Board Members Comment.** Director Hanecak expressed his appreciation with how the budget committee is executed in how discussions are tied to the strategic plan and long-range planning.
- 11. Adjournment.** A **MOTION** was made by Clerk Nelson and was seconded by Director Hanecak to adjourn; the motion was unanimously **APPROVED**. The meeting adjourned at 6:03 PM.

Respectfully submitted,

Erica Lyons
Administrative Assistant III