# HIGHLANDS FIRE DISTRICT

## BOARD OF DIRECTORS
## REGULAR MEETING MINUTES

A regular meeting of the Fire Board was held on **Tuesday, October 20th, 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**. Clerk Nelson presided over the board meeting and called the meeting to order at 5:00 PM.

2. **Roll Call.** Clerk Carl Nelson, Director Ira Allen, and Director Tom Hanacek were present. Chairperson Jay Smith and Director Brad Bippus were absent.

   Fire Chief Todd Miller, Battalion Chief Chris Pond, 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.** The board welcomed Mr. Mark Maciha to the board meeting who joined the meeting through video conferencing.

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

6. **Approval of Minutes**. SEPTEMBER 15, 2026 REGULAR MEETING. The board reviewed the minutes of the September 15th, 2026 meeting. A **MOTION** to approve the minutes was made by Director Allen and seconded by Director Hanacek. The motion was unanimously **APPROVED**.

7. **Approval of Financial Report presented by James Vincent Group.** Mr. Filosa presented the September Financial Report (see written report for full details). Revenue for the month and year-to-date was over budget, primarily due to tax collections and interest revenues. Expenditures for both the month and year-to-date remained below budget, largely due to personnel costs being lower than projected. Mr. Filosa noted on the *Summary of Reconciled Cash Accounts* that the funds within the Bear Jaw account will be moved to the newly established General Reserve Fund account and the Capital Fund per the board's decision at the August board meeting. A **MOTION** was made by Director Hanacek was seconded by Director Allen 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 Blue reported on recent community efforts, including its second annual cleanup of a one-mile section of I-17, collecting candy for Halloween treat bags with safety cards for community distribution, and making a donation to the Church family following a recent loss.

B. BATTALION FIRE CHIEF'S SUMMARY REPORT – Battalion Chief Chris Pond presented the Battalion Chief summary report. He reported that the district responded to 57 calls for service during September, including 26 EMS incidents, 3 fire incidents, and 28 other calls. Notable activity included two I-17 incidents. He reported on working with regional partners and preparations for the GFR Captains Promotional Assessment scheduled for April 2027, which is expected to establish a list for future vacancies. He reported the office continued supporting probationary employees, coordinating Bear Jaw asset processing, apparatus acquisition, and upcoming regional training initiatives. He concluded with reporting that four members of HFD attended the AZ State Fire School and that one HFD member attended the Women in Fire Conference.

C. FIRE CHIEF'S SUMMARY REPORT – Fire Chief Miller presented the Fire Chief summary report. He recognized Captain Chris Jeffers for completing his first-year probation, Firefighter Jaron Kirk for completing his probationary 6-month GFR skills test, and Engineer Matt Gross for being selected as the 2026 Exchange Club Firefighter of the Year. He reported that the financial audit was delayed and would be scheduled for the November meeting. He reported that he and Erica met with Nationwide and Security Benefit to review the district's 457 plans, and that Erica prepared a one-page overview for new employees and future administrators. He noted recent community and regional engagement which included attendance at the Ecological Restoration Institute's "From Fuels to Front Doors" workshop on homeowner and wildfire insurance challenges in Arizona, supporting with regional recruitment and hiring coordination, and meetings with labor-management. He concluded with reporting that there were no new workers' compensation claims or accidents during the reporting period. Director Hanacek asked for details surrounding Prop 404 and Prop 405 which are on the ballot for City of Flagstaff residents. Fire Chief Miller provided an overview of Prop 404, a temporary sales tax to support ongoing funding for police, fire, and emergency management within the city, and Prop 405, a bond measure to support improvements to existing facilities as well as the construction of a new fire station and wildland fire management facility. See written report for full details.

D. FIRE BOARD CHAIRPERSON'S SUMMARY REPORT – Clerk Nelson had no additional comments.

E. CORRESPONDENCE – Captain Blue presented a banner provided by City of Sedona which was signed by city personnel as a thank you to the district for its participation in the Pocket Fire.

**9. Topics of Discussion and Possible Legal Action**

A. CONSIDERATION TO APPROVE HR POLICY 40.03 VACATION – Mrs. Lyons presented proposed revisions to *HR Policy 40.03, Vacation*. She stated this item was brought forward separately from the budget process because of administrative challenges with manually tracking and auditing leave accruals. She also noted this topic was an ongoing labor-management discussion to improve staff benefits. The proposal would increase vacation accrual rates for all personnel to the 75th percentile of the district's 2023 compensation study. Mrs. Lyons said the revised rates would help the district maintain a competitive benefits package, would support automated accrual tracking through ESO or QuickBooks, and would address a benefit staff identified as a priority in their survey. Director Hanecak asked how the proposal was ranked in the staff survey, how increased

accruals could affect staffing, and whether vacation sellback and its budget impact would be considered. Director Allen asked whether the financial impact, including potential overtime costs to cover employee leave, had been calculated. Mrs. Lyons stated that the district is in the process of recruiting lateral firefighters and expects minimal staffing challenges once hiring is complete. She noted the district is considering other ways to manage overtime, including a Rover position, and that the compensation study identified Highlands as the only district that did not offer vacation sellback. Fire Chief Miller stated vacation accruals ranked second in the staff survey and that the upcoming budget process would include discussion of overtime impacts, maximum accrual limits, and a possible vacation sellback option.

A **MOTION** was made by Director Allen and seconded by Director Hanacek to approve revisions to the *HR Policy 40.03 Vacation*. The motion was unanimously **APPROVED**.

B. CONSIDERATION TO APPROVE HR POLICY 40.04 SICK LEAVE – Mrs. Lyons presented proposed revisions to *HR Policy 40.04, Sick Leave*, and noted that the policy has similar tracking and benefit considerations to those discussed for *HR Policy 40.03, Vacation*. Under the current policy, employees accrue 0.0474 hours of sick leave for each hour worked. Because ESO and QuickBooks cannot automate accruals under the current method, the district manually updates and audits accruals each pay period. The proposal would adjust sick leave accruals for all personnel to a flat biweekly accrual rate, regardless of tenure, at the 75th percentile of the district's 2023 compensation study. She stated the proposed rates would support a competitive benefits package, automated tracking through ESO or QuickBooks, and address a benefit staff identified as a priority in the survey. The proposal also modified sick leave in that personnel will accrue during paid leave but will not accrue during unpaid leave. Director Allen asked about the financial impact and Director Hanacek asked if there are any sick leave payout policies at other fire districts. Fire Chief Miller said the district would continue evaluating creative solutions such as additional staffing and a Rover position to support staffing requirements and mitigate overtime costs. Mrs. Lyons stated the compensation study found that the other entities surveyed offered some form of sick leave payout, generally tied to years of service and subject to a cap. Fire Chief Miller stated that the district does not currently offer either sick leave payout or sick leave sellback, but does offer vacation payout upon separation from service subject to a cap. In regard to these benefits, he stated any new proposals would first be discussed through labor-management negotiations, then presented to the Budget Committee with supporting financial analyses before being brought to the Board as proposed policy changes.

A **MOTION** was made by Director Allen and seconded by Director Hanacek to approve revisions to the *HR Policy 40.04 Sick Leave*. The motion was unanimously **APPROVED**.

C. CONSIDERATION TO APPROVE INTERGOVERNMENTAL AGREEMENT WITH ARIZONA DEPARTMENT OF FORESTRY AND FIRE MANAGEMENT FOR PURCHASE OF TWO INTERNATIONAL CREW CARRIER BUGGIES AND ONE MORBARK CHIPPER – Fire Chief Miller stated that this item was being brought before the Board for discussion because it represents a departure from the original approved process for the disposal of surplus property. He stated that certain surplus apparatus jointly owned by the district and Pinewood Fire District, as well as apparatus owned by Bear Jaw, had been declared surplus and approved for disposal through the district's established procedures. The apparatus were

subsequently listed for public auction. He reported that the Department of Forestry and Fire Management (DFFM) contacted the district regarding the surplus buggies and chipper, noting that the specialized apparatus meet DFFM's operational needs and that DFFM is unable to purchase equipment through the public auction process. Fire Chief Miller referenced the district's fiscal policy, which allows the Board to utilize an alternative method of sale when it is more advantageous to the district. He recommended that a direct sale of the buggies and chipper to DFFM would be the most advantageous option and presented an Intergovernmental Agreement (IGA), list of equipment, bill of sale, and resolution for Board consideration. He noted that the documents had been reviewed by the County Attorney, who recommended only minor revisions related to statutory references and terminology, with no concerns regarding the terms of the agreement. The documents have since been returned to DFFM for legal review. Fire Chief Miller added that because the documents were originally drafted by DFFM, he anticipated only minimal revisions. Director Allen and Director Hanacek commented on the unique capabilities of the buggies for wildfire response and inquired about the agreed-upon sale price. Fire Chief Miller stated that the apparatus were built in 2021 and remain in excellent condition. He also stated that the purchase would provide DFFM with the equipment at a favorable cost compared to the expense and lead time required to procure new apparatus. He advised that the Board could either review the documents in greater detail before taking action or approve the IGA and resolution subject to completion of legal review, while delegating authority to the Board Chair or Clerk to execute the final documents. Director Allen recommended that the Board approve the IGA and resolution as presented in the Board packet, contingent upon the absence of substantial changes following legal review, and delegate signing authority to the Clerk.

A **MOTION** was made by Director Allen and was seconded by Director Hanacek to approve the board resolution and intergovernmental agreement with Arizona Department of Forestry and Fire management for purchase of two international crew carrier buggies and one Morbark chipper. The motion was unanimously **APPROVED**.

D. DISCUSSION REGARDING 2027 ELECTION; CONSIDERATION TO APPROVE AFFIDAVIT OF COMPLIANCE FOR THE GENERAL ELECTION – Mrs. Lyons presented the Affidavit of Compliance and stated that the district had received the standard affidavit template required by statute for special districts to submit to the County Board of Supervisors. She reported that she had confirmed with the Elections Office that the district complied with the requirements to publish both the Call for Election and the Notice of Election. Mrs. Lyons recommended that the Board approve the Affidavit of Compliance.

A **MOTION** was made by Director Hanacek and was seconded by Director Allen to approve the affidavit of compliance for the general election. The motion was unanimously **APPROVED**.

E. REVIEW FIRE BOARD TASK CALENDAR - The board reviewed the Board Task Calendar. Director Allen noted that the calendar should reflect his assignment to approve the financials for October, rather than Chairperson Smith's.

**F. Board Members Comment.** Director Hanacek, Director Allen, and Clerk Nelson expressed their congratulations and appreciation to the crew with completing probationary milestones.

**G. Adjournment.** A **MOTION** was made by Director Hanacek and was seconded by Director Allen to adjourn; the motion was unanimously **APPROVED.** The meeting adjourned at 6:05 PM.

Respectfully submitted,

Erica Lyons
Administrative Assistant III