



# HIGHLANDS FIRE DISTRICT

BOARD OF DIRECTORS  
SPECIAL MEETING MINUTES • 05/05/25

---

A special meeting of the Fire Board of Directors was held on **Monday, May 5, 2025 at 2:00 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 2:00 PM.
- 2. Roll Call.**

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

Administrative personnel present were Fire Chief Todd Miller, Battalion Chief Chris Pond, Ms. Jayme Jones, Mr. Dominic Filosa\*, and Mr. Ben Acher-Clowes\*.

Visitor present was Retired Fire Chief Dirch Foreman\*

\* Attended through Zoom Video Conferencing

- 3. Topics of Discussion and Possible Legal Action.**

- A. WORK SESSION TO DISCUSS THE FY 2026 BUDGET, INCLUDING CONSIDERATION OF THE TAX RATE.** Chairperson Smith informed the Board the meeting was called to discuss the FY 2026 Budget and tax rate. Fire Chief Miller noted that at the last Regular Meeting two Board members were absent; the Work Session was called to provide all Board members with financial information, a 5-year projection, the NAV, and the mill rate. Chairperson Smith briefly explained the County's tax assessment.

Retired Fire Chief Foreman joined the meeting at 2:04 PM.

Mr. Filosa presented the Detailed Budget, FY 2026 Tentative Budget Detail. He noted that the Board discussed increasing the mill rate from 3.25 to 3.50 at the last meeting, which would increase tax revenue \$565,776. The expenses include a rover and admin positions, and increased healthcare costs. Budgeted amounts have been entered for PSPRS rates, program requests, overtime, and reserve funds. Mr. Filosa showed the Board differences in outcomes with various mill rates.

Director Bippus asked about the reserve funds; Mr. Filosa explained how the operational reserve funds are determined. Mr. Archer-Clowes explained that the GFOA recommendations two months of operating expenses at a minimum for unrestricted reserves. JVG typically uses 25% – 30% for fire districts, since they have limited control of revenue and expenses. Operational reserve funds prevent the district from having to use a line-of-credit. Mr. Archer-Clowes showed the Twelve-Month Cash Flow spreadsheet that compares monthly revenue and

# HIGHLANDS FIRE DISTRICT

---

expenses. Director Hanecak believes that the District should have about \$1.6 million in operational reserve

Mr. Archer-Clowes noted that it is important to address the capital reserve fund. Director Hanecak explained that the capital fund will be depleted if the mill rate is not increased. The Board reviewed a 5-year projection of Capital Funds. Mr. Acher-Clowes explained that Capital replacement costs are an exposure for fire districts because of the large expense for fire apparatus and their long delivery times. Mr. Filosa informed the Board that the Budget Committee has looked at moving \$400,000 to the Capital Account. Fire Chief Miller suggests transferring the fund to Capital to cover the cost of facility upkeep and to begin saving for future apparatus replacement. Mr. Filosa reviewed the Capital Replacement Plan, which needs to be funded at \$250,000 per year going forward to ensure funds are available when needed.

Mr. Acher-Clowes explained the NAV assumptions (4% increase in FY 2027 and 3.75% going forward). Director Stoffel informed the Board that the Budget Committee recommends implementing a \$3.50 mill rate. Fire Chief Miller agreed since there are financial unknowns and potential for an economic downturn. Director Hanecak reiterated the Budget Committee's consensus of applying a \$3.50 mill rate.

Fire Chief Miller presented a slide with NAV/Tax Levy History. He pointed out that the District has held the \$3.25 mill rate for ten years. He also showed slides of Coconino County Fire Districts Historical Tax Rates, which showed the majority of tax rates at \$3.50 or \$3.75. The Board discussed inflation. Director Hanecak commented that if the Board decides to increase the mill rate, he would like to see "good documentation that is available and publicized." Fire Chief Miller suggested the Board think it over. He told the Board that the mill rate will be approved as part of the budget. Mr. Archer-Clowes asked for direction from the Board regarding the mill rate so he can prepare a tentative budget for the May Fire Board Meeting. A consensus from the Board was to apply a \$3.5 mill rate.

Mr. Filosa and Mr. Acher-Clowes left the meeting at 3:00 PM. All recording devices were turned off prior to the Executive Session.

#### 4. Executive Session.

- A. DISCUSSION REGARDING SALARIES PER A.R.S. § 38-431.03. A MOTION was made by Director Stoffel and was seconded Director Bippus to adjourn to Executive Session to discuss salaries; the motion was unanimously APPROVED. The Board adjourned to Executive Session at 3:01PM.

The Board reconvened the Regular Meeting at 3:42 PM.

5. **Adjournment.** A MOTION was made by Director Stoffel and was seconded Director Bippus to adjourn; the motion was unanimously APPROVED. The meeting adjourned at 3:43 PM.

Respectfully submitted,

Jayme Jones