



# HIGHLANDS FIRE DISTRICT

## FIRE BOARD OF DIRECTORS SPECIAL MEETING MINUTES · 05/04/22

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A special meeting of the Fire Board of Directors was held on Thursday, May 4, 2022 at 5:00 PM. Members attended in-person at District Administration at 3350 Old Munds Hwy and through video conferencing.

1. CALL TO ORDER. The meeting was called to order at 5:05 PM.
2. ROLL CALL: Board members present were Chairperson Hanecak, Director Smith, Director Foreman, and Director Nelson. Board member absent was Clerk Brad Bippus.

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

3. DISCUSSION AND POSSIBLE LEGAL ACTION REGARDING THE FY 2023 BUDGET, INCLUDING DISCUSSION ABOUT THE MIL RATE FOR TAX ASSESSMENTS.

Chairperson Hanecak asked staff if the FY 2023 Budget is functional as presented; Chief Miller said that it is functional. Chief Miller informed the Board that this year's budget is manageable; however, he is concerned about future capital expenses and the "unknown," referring to inflation, fuel prices, housing market, etc. Raising the MIL rate could bolster funds to make planned capital purchases without having to finance or could provide necessary funding if recession depletes revenues. In addition, compensation will be reviewed in the coming year, which could have a significant impact.

Chairperson Hanecak asked the Board, based on the information presented, is there a need for a MIL rate increase this budget year and moving forward?

Director Smith commented that a rate increase would need to be justified. Flagstaff Fire raising compensation considerably. The Community Wildland Defense Grant Program may require in-kind or matching funds. An additional \$140,000 could help purchase apparatus down the road, but it would take years to reserve enough money. On the other hand, the Flood Control District and other taxing entities will be increasing assessments to taxpayers.

Director Nelson commented that a tax increase may not be warranted this year, but it may have to be seriously considered next year. We do not want to get "behind the ball." Chairperson Hanecak confirmed that the MIL rate limit next year will be 3.5.

Director Foreman agreed that apparently a rate increase this year is not needed. In addition, there is potential revenue from "Safe and Smart" that is not included in the budget as well as Transaction Privilege Tax (TPT), ARPA funding, State funding for cancer expenses, and the ability to raise to 3.5 next year. Knowledge about these potential funding sources will be known next year. Director Foreman is not opposed to raising the MIL rate; however, "it needs to be smart," there needs to be plan, and it needs to be communicated to staff to justify it.

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Chairperson Hanecak believes that compensation is going to be a big consideration, which will probably be a substantial amount. Competition is a real factor when it comes to labor resources, especially in Flagstaff due to the high cost of living. He believes that price for commodities may not go down. The County has hired consultants to analyze the work force, and we will be able to see those results over the next year. We will have a better indication of what is appropriate compensation.

The Board discussed revenue, the budget, implications of raising taxes, and compensation in further detail. Chairperson Hanecak thanked the Board for attending.

4. ADJOURNMENT. A MOTION was made by Director Foreman and was seconded by Director Smith to adjourn; the motion was unanimously APPROVED. The meeting adjourned at 6:00 PM.

Respectfully submitted,

Jayme Jones  
Administrative Specialist