

**Excelsior Fire District Board
EFD Governing Board Meeting
Wednesday, April 27, 2022**

**24100 Smithtown Road
Shorewood, Minnesota
6:00 P.M.**

MINUTES

1. CALL TO ORDER

Chair Dierking called the meeting to order at 6:00 P.M.

ROLL CALL

Present: Excelsior Fire District (EFD) Boardmembers: Erickson, Dierking, Fletcher, and Connelly.

Also present: Excelsior Fire District (EFD) Chief Mackey; Deephaven/Greenwood Administrator/EFD Fiscal Agent Young; Tonka Bay City Administrator Laur; Excelsior Operations Committee Wisdorf.

Absent: Boardmember Johnson

2. APPROVAL OF AGENDA

Boardmember Fletcher suggested rearranging the agenda and move item #7 before item #6. He stated that he would also like there to be a time on the agenda to discuss ambulance services and suggested it take place during Matters from the Floor.

Fletcher moved, Erickson seconded, approving the EFD Governing Board meeting agenda, as amended. Motion passed 4/0.

3. APPROVAL OF MINUTES

A. March 30, 2022, EFD Board Work Session Minutes

Chair Dierking asked that the attendance be changed to reflect that Paula Callies was there representing Shorewood.

Fletcher moved, Erickson seconded, approving the EFD Board Work Session Minutes of March 30, 2022, as amended. Motion passed 4/0.

4. CONSENT AGENDA

A. Monthly Fire District Administrative Reports – January – March 2022

- i. Call Reports**
- ii. Firefighter Activity**
- iii. Firefighter Percentages**
- iv. Inspection Reports**

B. Treasurer's Report

Fletcher moved, Erickson seconded, approving the Consent Agenda, as presented. Motion passed 4/0.

5. ABDO AUDIT PRESENTATION FOR EXCELSIOR FIRE DISTRICT AND EXCELSIOR FIRE RELIEF ASSOCIATION

Andy Berg, Abdo, presented the 2021 Fire District audit and noted that they had issued a clean opinion on the District. He that there were two internal control audit findings, which are very common with small organizations related to preparation of financial statements and limited segregation of duties. He reviewed the General Fund and Fund Balances, Budget to Actual; Revenues by Type; Expenditures by Type; Capital Project Fund Balances; and Fire District Cash Balances.

Fletcher moved, Erickson seconded to accept the 2021 Fire District Audit, as presented by Abdo. Motion passed 4/0.

Mr. Berg presented the 2021 Fire Relief Association audit, but noted that it is for informational purposes only because the Fire Relief Board will be the ones who official accept the audit. He stated that they received a clean opinion as well. He reviewed the rate of return information, peer group comparison, and the five year history of the funding level of the relief.

6. RELIEF ASSOCIATION – RESOLUTION #22-004 RELIEF VESTING CHANGE

President of the Relief Association, Lee Christopher gave an overview on the proposed vesting change and noted that they have been discussing this for over a year as a way to assist with recruiting and retention. He explained that this proposed change would allow for someone to be partially vested at five years of service and fully vested at fifteen years. He explained that this change would result in about a 3% reduction in vesting liability.

Boardmember Fletcher stated that he supports this change but urged the Board to be cognizant that because it does effect the percentage, the proposed amount for the increase was based on a 20 year schedule so the combination of these factors will increase it above the guidelines.

Relief Association President Christopher stated that this was correct and noted that this is the first year they have ever been above 150% funded, so this is the largest raise they will ask for.

Boardmember Erickson confirmed that it was currently funded at about 168%.

Relief Association President Christopher stated that they do everything based on year end, so it was 168% at that point in time.

Boardmember Erickson asked for a reminder of what happens when it is funded above 150%.

Chief Mackey displayed the formula on the screen.

Relief Association President Christopher explained that when you get above 160% you essentially have to reset to 150%.

Boardmember Fletcher stated that with the proposed increase and vesting change, it will get it down to roughly 147%.

EFD GOVERNING BOARD MEETING MINUTES

APRIL 27, 2022

Page 3 of 5

Boardmember Connelly noted that the goal is to help with recruiting and retention and asked how effective the Relief Association feels this will be.

Relief Association President Christopher stated that he has had conversations with members of a neighboring department that are going through a lot of changes and expects many in that department to leave. He explained that as soon as he mentions being able to have vesting at five years they perk up, so he felt it was definitely an attention grabber.

Chief Mackey stated that he feels there will definitely be value in this change related to both recruitment and retention.

Boardmember Erickson asked for a reminder of the minimum age the firefighters have to be in order to draw from their vesting.

Relief Association President Christopher explained that you cannot draw out of the account prior to age 50.

Fletcher moved, Connelly seconded, to approve Resolution #22-004 Relief Vesting Change, as presented. Motion carried 4/0.

7. RELIEF ASSOCIATION – RESOLUTION #22-003 PENSION INCREASE

Relief Association President Christopher explained that as he noted in the prior item this is the first time the Board will see such a significant increase. He explained that with the market and retention the way it has been, the fund has slowly grown over the last few years so it is getting to the point where they have to do this kind of reset. He reiterated that at year end the fund was at 168% and the formula requires it to be reset back to 150% which resulted in this increase.

Fletcher moved, Connelly seconded, to approve Resolution #220993 Pension Increase. Motion carried 4/0.

8. MATTERS FROM THE FLOOR

Boardmember Fletcher stated that ambulance coverage in the area is currently under State mandate with Hennepin Health. He stated that his sense is that their coverage has been lacking more and more lately and shared a recent example where an ambulance from Edina had to respond to a call in the Christmas Lake area. He stated that his understanding is that Hennepin Health is having trouble with staffing and recruiting. He stated that the League of Minnesota has a platform they are working on where cities can choose their own ambulance service as opposed to the State mandating it. He stated that he is sharing this with Board as food for thought that the cities should support these efforts and have discussions about the ability to designate their own ambulance providers.

Boardmember Erickson stated that this will end up as a long discussion because it will be an expensive move if the District houses its own ambulance service. He shared the example of Esko, in northern Minnesota, who contracts with Cloquet Fire which has paramedic services for a wide variety of the communities nearby, but Carlton County also has ambulance service. He explained that the problem is that paramedics cannot administer as much stuff and thinks part of this discussion will need to be ambulance service versus paramedic service because there is a huge difference. He stated that he thinks the District may want to be on the paramedic side of the question rather than the ambulance service side.

EFD GOVERNING BOARD MEETING MINUTES

APRIL 27, 2022

Page 4 of 5

Boardmember Fletcher stated that the first step will be to have the State legislature allow the District and the cities to have that conversation. He stated that he just want to get the thought out there to begin the efforts to have them support legislation next year to allow this possible change. He explained that he was just advocating that there be a choice and noted that having a choice does not necessarily mean that anything will change.

Boardmember Erickson noted that only the metro area is attached to hospitals and the rest of the State is attached to fire districts.

Chair Dierking suggested that the Board put this topic on a work session agenda.

Boardmember Connelly asked if this topic would be something for the District to decide or the member cities.

Chair Dierking stated that it would involve both the District and the cities.

9. REPORT AGENDA

A. Fire Chief / Fire District Report

Chief Mackey noted that there was a business fire at Shorewood Liquor that happened during overnight duty crew, so there were two crews on location quickly. He stated that both auto aid and all call showed up so there was good response and nobody got hurt. He expressed his appreciation to the Board for staffing the overnights and noted that this could have been a very different situation if that had not been in place. He reminded the Board that they will be moving into the weekend day duty crew model starting in June.

Boardmember Fletcher stated that in looking through the reports it appears as though there have been more medical calls.

Chief Mackey stated that he thinks that out of about 1,014 calls, he believes about 760 of them were medical calls. He stated he believes they are getting to the point where 60-70% of calls being medical related calls. He noted that this is another reason that they want to get work/life balance for their crews because the types of calls have changed. He gave a brief rundown on the vehicle rearrangement and sale of various rigs. He explained that the Engine 11 replacement was ordered in January and noted that there have been two price increases since that time, so the District ended up saving \$125,000 just because of when it was ordered. He stated that Marine 1 has been pushed to September and it appears as though it is completely based on the motors. He noted that it will begin fabricating in May, so after that he will attempt to really push them on the motors and see if it is possible to get it before September. He stated that if they do not get this boat, the District may not be going on water calls depending on what happens with the existing boat.

Boardmember Fletcher asked if it would be helpful to simply limit the use of the boat to try to preserve it through the summer.

EFD GOVERNING BOARD MEETING MINUTES

APRIL 27, 2022

Page 5 of 5

Chief Mackey stated that may help the situation and it could possibly be limped along through the summer.

B. Communications

Chief Mackey read aloud the communications that were included in the packet.

10. UNFINISHED BUSINESS

A. Long Term Planning/Succession Planning/CIP Lease

Chief Mackey stated that much of this was included in the staffing model. He noted that at the work session in May they will talk about salaries and the 2023 budget and explained that the first part of that discussion already happened tonight with the movement around the pension and vesting increase.

11. NEW BUSINESS

A. 2023 Budget (Staffing)

Chief Mackey noted that this will also be discussed at the May work session meeting.

Boardmember Fletcher stated that he had asked Chief Mackey to run some numbers with a \$15.05 hourly rate and then a 5% average increase for salaries which basically increased things just a bit under \$15,000. He asked the Board to start thinking about the possibility of taking this money off the capital fund to cover those changes because he thinks the District is at a critical point and needs to be solid on salaries. He asked the Board to be prepared to discuss some ideas at the May work session.

12. NEXT MEETING

A. Budget Work Session – May 25, 2022, 6:00 PM

13. ADJOURNMENT

Fletcher moved, Erickson seconded, Adjourning the EFD Governing Board Meeting of April 27, 2022, at 7:01 P.M. Motion passed 4/0.