

**Excelsior Fire District Board
EFD Governing Board Meeting
Wednesday, July 26, 2017**

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

MINUTES

1. CALL TO ORDER

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

ROLL CALL

Present: Excelsior Fire District (EFD) Boardmembers: Chair Erickson; Boardmembers Fletcher, Jennings, and Miller; and, EFD Chief Gerber

Also present: Deephaven Administrator/EFD Fiscal Agent Young; Tonka Bay Administrator Crawford; and, EFD Assistant Chief McCarthy

Absent: Boardmember Sundberg

2. AGENDA APPROVAL

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

3. APPROVAL OF MINUTES

A. May 24, 2017, EFD Board Meeting Minutes

Fletcher moved, Jennings seconded, approving the EFD Board Meeting Minutes of May 24, 2017, as presented. Motion passed 4/0.

B. June 28, 2017, EFD Board Work Session Minutes

Fletcher moved, Jennings seconded, approving the EFD Board and Member City Councils Joint Work Session Minutes of June 28, 2016, as presented. Motion passed 4/0.

4. CONSENT AGENDA

A. Monthly Fire District Administrative Reports – June 2017

- 1. Call Reports**
- 2. Firefighter Activity**
- 3. Firefighter Percentages**
- 4. Inspection Reports**

B. Operating Committee Report – May 17, 2017, and June 28, 2017

C. Treasurer's Report

Fletcher moved, Jennings seconded, approving the motions contained on the consent agenda. Motion passed 4/0.

5. MATTERS FROM THE FLOOR

There were no matters from the floor presented this evening.

6. REPORT AGENDA

A. Fire Chief / Fire District Report

- **Training**

Chief Gerber stated this is the time of the year when the firefighters are working on things like self contained breathing apparatus (SCBA), hose management skills, and trauma assessment. There was an incident recently where firefighters put to use some of the training they had recently participated in. He noted the goal is to do some more live burn training. Staff is working with the people who purchased the property located at 723 Water Street, Excelsior, to find out if it would be possible to do some live burn training on that site before the structure is taken down.

- **Fire Prevention**

Chief Gerber explained business and commercial inspections are on track. Staff continues planning for education the Department does with schools in the District and within the community. When Part-Time Fire Inspector Alex Altrichter is not busy with special event inspections he has been working on pre-plans. He noted that although the EFD community is relatively built out there is a lot of building going on; a lot of residential building, some commercial remodeling and some new construction. All of that requires plan review and inspections which are done by the Fire Marshall Murphy-Ringate.

- **Fire Suppression / Response**

Chief Gerber stated that there have been 441 suppression / response calls year-to-date in 2017; there were 402 for the same period in 2016. A significant portion of the increase was due to a weather event in June 2017. There were about 36 calls in a 24-hour period.

- **Special Events**

Gerber stated since the last EFD Board regular meeting firefighters participated in a number of events. They included: Memorial Day activities in the City of Excelsior on May 29; the Crossfit SISU Murph event on Memorial Day in the Excelsior Commons; Art on the Lake on June 10 and 11 (the area had to be evacuated on June 11 because of a storm event); the Lake Minnetonka Triathlon on June 17 (there were no major events); the July Fourth Celebration (the races in the morning, various member City parades, and the evening fireworks display where there fewer spectators than in some other years); and, the EFRA's annual fund raising dance on Friday, July 21, 5:00 P.M. – Midnight at Station 1 (the turnout was good). He thanked the EFD community for its support.

The Concourse d'Elegance will be held on July 30 in the Excelsior Commons. The EFD will co-host the Safety Camp on August 9. It will participate in the Lake Minnetonka Barbeque and Beer Fest in the City of Tonka Bay on August 12. The annual EFD VIP Event will be on August 16. The EFD Open House and Safety Fair is scheduled for October 5 from 5:30 P.M. – 8:00 P.M. Fire Marshall Murphy-Ringate coordinates the event and the rest of the Department participates in it. The Department could use more volunteers for that event.

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- **Emergency Management**

Chief Gerber stated there was severe weather that came through the area south of the EFD community the previous evening. Hennepin County Emergency Management (HCEM) did a great job of getting information out to people ahead of time and during the event.

- **Administrative**

Chief Gerber stated there are currently 42 active paid-on-call (POC) firefighters. The Department can have a maximum of 50 firefighters. During his tenure the most the Department has ever had is 48. He would like the Department to get close to that number again. But, he thought the number would go down before that would happen.

With regard to recruitment, Chief Gerber stated the Department does not currently have any active applications from people who are interested in becoming a firefighter. He noted Captain Karl Narveson, the Special Projects Captain, has been tasked with focusing on recruitment. Boardmember Jennings asked what the minimum age is for a firefighter. Gerber responded 18.

Gerber noted Firefighter Joe Uran has retired since the last Board meeting. He stated Mr. Uran had been a firefighter for about 10 years. Many things have changed in Mr. Uran's life and he was no longer able to commit to being a firefighter any longer. Mr. Uran had been a captain in the organization at one time and he was an active firefighter in some areas. Mr. Uran and Firefighter Chris Pass own a landscaping and snow removal business. Both have been very supportive to the Department. Mr. Uran will be recognized during the 2018 recognition event.

Gerber explained since the last EFD Board meeting there have been a number of promotions. Former Captain Alex Stern was promoted to the vacant position of Battalion Chief. The Battalion Chief's primary responsibilities are to deal with both stations. The four captains report directly to Stern. Captain Karl Narveson has been moved to the special projects role. His primary responsibilities are to deal with recruitment, building projects and firefighter health and wellness. He had been a Captain at Station 2. Three firefighters were promoted to captains. They are Captain Joe Perez at Station 1 and Captain Mark Roufs and Captain Jessie Steinwand at Station.

Gerber recommended the Board spend some time during an upcoming meeting or during a work session talking about staffing. Staffing is the biggest item that needs to be addressed. Boardmember Fletcher and Chair Erickson both suggested that discussion occur during a work session.

Gerber stated effective January 1, 2017, there was a change to a participation points requirement from a call percentage/drill attendance requirement. The first six months was done on a trial basis. During the May 24, 2017, meeting he had told the Board that he had asked former Assistant Chief George and then Battalion Chief McCarthy to conduct a review of the system and determine what was and was not working. Based on that some changes were made to the points system and they went into effect July 1, 2017. All the chiefs and captains were involved in that process and the firefighters were able to weigh in on things. He noted there were some people that did not satisfy the points requirement during the first six months.

Boardmember Jennings stated he thought the Department was running a participation points system and a call percentage/drill attendance system at the same time. Chief Gerber clarified that only the participation points systems was used and noted comparisons could be made against the old percentage

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system. Jennings asked what changes were made to the points system for the second six-month period. Gerber explained it was primarily how points were calculated. For the first six months a firefighter had to earn at least 400 points to be considered a good, active participator. Leadership recommended changes to how point values were given; it was changed to be more of a quarter-hour basis. Clarifications were made about how points were earned for calls versus points earned for non-call activities. The required number of points was also changed. For Station 1 firefighters the requirement was changed to what amounts to 28 points per month (170 points in six months). For Station 2 firefighters the requirement was changed to be slightly less because they have less opportunity based on call volume. An officer is required to earn more points because of the activities they are involved with; they have an opportunity to earn more points because of the Duty Officer program.

With regard to the new Aerial 11 truck, Gerber explained there was a pre-construction meeting on July 23 - 25. He along with Assistant Chief McCarthy, Radio/Pagers Coordinator Hoo and Firefighter Schowengerdt went to Pierce located in Appleton, Wisconsin, to discuss pre-construction. He noted that both as part of the Chaska Fire Department and the EFD he has been involved with a number of truck builds. He was very impressed with Pierce in part because of how they were treated (they were treated like they were representing a big city that was purchasing multiple trucks at the same time). Also, Pierce had hundreds of trucks that were in the process of being built while they were there. He showed some pictures of various stages in the production process. It was clear that Pierce is truly a custom fire truck manufacturer. Pierce builds the trucks it manufactures from scratch; it starts with a piece of sheet metal. He highlighted the build process. He noted Pierce personnel were willing to answer questions no matter what they were doing.

He noted that while they were there, a crew from Maui was there going through its final inspection. Any issues the crew found were fixed before the truck was shipped to Maui.

Assistant Chief McCarthy explained he had been to another manufacture when the EFD was purchasing a tanker truck and also Engine 21. He was quite involved in the Engine 21 process about 10 years ago. That manufacture does five to ten trucks at a time and they basically assemble a truck. He thought there were close to 300 trucks at Pierce in various stages of the build process.

Chief Gerber stated EFD's Engine 11 was also built by Pierce in 2002. Pierce pulled up its files for Engine 11 and determined the color red used on Engine 11 was slightly different than what EFD staff had selected for the new Ladder truck. Pierce changed the color for the new Ladder truck to be the same as that for Engine 11.

Gerber explained EFD personnel determined while they were there that they wanted some changes (e.g.; adding hand rails and steps, changing the layout of some things). He thought the EFD would get that information back from the sale representative by the end of the following week. He estimated the cost of the changes would be about \$7,000; they were dollar for dollar changes. The new truck is still scheduled to arrive at the EFD in March 2018. There will be another trip to Pierce in late January or early February of next year and another trip to do the final inspection before the truck is delivered.

Assistant Chief McCarthy commented they had a couple of long, full days when they were at Pierce.

With regard to station issues and projects, Gerber explained the conversion to the new phone and data provider, Consolidated Communications, at Station 1 and Station 2 is scheduled to happen on July 28. He noted he had nothing new to report on concrete repairs. Lights in the Station bays that were burnt out have been replaced with LED lights for a cost of about \$5,000 (including contractor costs). As other lights burn out they will also be changed to LED lights. He stated the plan is to do a version of

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sealcoating of the Station parking lots over the next month or so. The process will require that vehicles be taken out of certain areas while that is done. The Station 1 sealcoat project will be done as part of Shorewood's project. The Station 2 sealcoat project will be done as part of Deephaven's project.

With regard to firefighter wellness and chaplain program, EFD staff has worked with the Deephaven Police Department and the South Lake Minnetonka Police Department to better connect the chaplain program. Dan Carlson, who lives in the area and a former police chief for Eden Prairie, is connected with the chaplain program and he will be the primary contact for the Department going forward.

With regard to the Minnesota Fallen Firefighter Memorial Dedication, Gerber explained the last Sunday in September is dedicated as Minnesota Fallen Firefighter Day and it's an opportunity to recognize firefighters who have fallen in the line of duty. It falls on September 24 this year. It is held at the Firefighters Memorial at the State Capital. He encouraged people to attend.

- **Other**

Boardmember Fletcher asked if other fire departments would be invited to participate in the live burn training that is going to happen at the 723 Water Street, Excelsior, location. Chief Gerber explained the window for that to happen is very small. Fire Marshall Murphy-Ringate has some connections from an investigation standpoint with people throughout the State that would like to do some arson investigation training. The hope is to make that a part of the live burn training and to open it up to regions around the EFD community.

7. Unfinished Business

A. Excelsior Firefighters Relief Association Report / Update

i. Review and Certification of the SC Form

Chief Gerber noted the meeting packet contained a copy of a memorandum from Excelsior Firefighters Relief Association (EFRA) President Duncan explaining the EFRA's fund for pensions is about 123 percent funded. That will change a little when the per-year-of-service benefit increases to \$7,250 effective August 1. Each year the SC form needs to be certified by the EFD Board mainly so the Board knows if the District needs to make a mandatory contribution. Because the fund is more than 100 percent funded there is no need for a mandatory contribution.

Fletcher moved, Miller seconded, certifying the EFRA's SC-17 form indicating the EFRA's liability for firefighters' pensions is fully funded. Motion passed 4/0.

B. 2018 Budget Updates

Chair Erickson noted that the Deephaven City Council wants the 2016 year-end balance of \$93,188 in the Fire Facilities Fund returned to the EFD member cities. The surplus was generated by savings from the bond refunding done in 2016.

He explained there is a need for an additional \$30,000 in the Building Improvement Fund to help cover the EFD's share of cost of the concrete repairs at Station 1. The total cost of the repairs is now estimated to be about \$160,000 with the cost being shared equally by the EFD and the South Lake Minnetonka Police Department (SLMPD). The Fund has a balance of \$70,642. Of that \$50,000 is slated

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for the concrete repairs with the rest being slated for other building projects in the 2018 Building Projects Improvement Program (BPIP). That leaves a shortage of \$30,000 for the concrete repairs.

There had been previous discussion about possibly transferring \$30,000 of the \$93,188 surplus that was in the Fire Facilities Fund at 2016 year-end into the Building Maintenance Fund. He and the Deephaven City Council do not support making that transfer. The Deephaven Council proposes returning the \$93,188 to the EFD member cities at the 2016 joint powers agreement (JPA) funding contribution rate and transferring \$30,000 from the unassigned Operating Fund reserves to the Building Maintenance Fund. He has reviewed that with Administrator/Fiscal Agent Young. The EFD's Operating Fund Balance Policy stipulates the EFD will maintain an unassigned fund balance of between 20 percent and 30 percent of the next year's budgeted expenditures of the Operating Fund. Transferring \$30,000 out of reserves still leaves the unassigned reserve balance above 30 percent.

Boardmember Miller stated when Chair Erickson referred to the Building Maintenance Fund he actually meant the Building Improvement Fund. Erickson confirmed that.

Chief Gerber distributed a copy of a memorandum the EFD Board discussed during its May 24 meeting regarding options for the use of the \$93,188 Fire Facilities Fund surplus. He noted the last option shows what the 2016 JPA contribution rate was and how much each member city would get back out of the \$93,188 if it were to be returned in its entirety

Boardmember Jennings noted the Tonka Bay City Council supports what the Deephaven Council has proposed because the unassigned reserves would continue to be adequately funded.

Chair Erickson stated he did not think there was a reason not to at least maintain or possibly add to the proposed 2018 Operating Fund Budget. He noted he had not made any recommends to Chief Gerber to reduce the proposed Budget had been proposed nor had the Deephaven Council. He stated his Council supports the Duty Crew model while noting a significant portion of the firefighters salaries increase was because of the increase in the number of weekly Duty Crew hours.

Boardmember Jennings asked if the SLMPD has funding for its half of the cost for concrete repairs. Chair Erickson stated that is what he has been told.

Boardmember Fletcher recommended keeping \$25,000 of the \$93,188 with the EFD and returning the remainder to the member cities. He stated if Deephaven and Tonka Bay feels strongly about returning all of it he will support that.

Chair Erickson stated the Deephaven strongly believes all of the \$93,188 should be returned to the member cities. If there is a need for an additional \$25,000 next year Deephaven will take care of its share of that. Boardmember Jennings stated he thought that was Tonka Bay's position as well. Boardmember Fletcher noted when there are financial struggles for the EFD generally the member cities are having financial struggles as well.

Erickson moved, Jennings seconded, authorizing the return of the \$93,188 surplus in the Fire Facilities Fund to the EFD member cities at the 2016 joint powers agreement funding contribution rate and the transfer of \$30,000 from the unassigned Operating Fund reserves to the Building Improvement Fund.

Boardmember Miller asked why the 2016 contribution rate is going to be used and not the 2017 rate. Chair Erickson stated because the bond refunding was done in 2016.

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Boardmember Fletcher asked Administrator/Fiscal Agent Young, from the fiscal agent perspective, if he was comfortable with what has been proposed. Young stated he was. Fletcher asked Chief Gerber if he was comfortable with it. Gerber confirmed he was.

Administrator/Fiscal Agent Young noted the \$93,188 surplus in bond funds was verified through the 2016 audit. He stated that currently the unassigned reserve level is 34 percent. He then stated that sometimes in the past when unassigned Operating Fund reserves exceeded 30 percent some of that excess was returned to the member cities.

Motion passed 4/0.

Chief Gerber highlighted the 2017 budget process that has occurred to date.

Fletcher moved, Jennings seconded, endorsing the Excelsior Fire District 2018 Operating Budget, the Excelsior Fire District 2018 – 2038 Capital Improvement Program, and the 2018 – 2038 Building Projects Improvements Program as presented and authorizing that they be forwarded to the EFD member City Councils for their review and approval. Motion passed 4/0.

Chief Gerber stated on behalf of all of the EFD firefighters he thanked the EFD Board for its confidence.

Chief Gerber noted that he will change the third draft budget documents into the final recommended budgets the following day and email them out to the EFD Board members and the City Administrators/Manager.

C. Building Improvement Fund Policy

Chief Gerber stated Administrator/Fiscal Agent Young drafted the initial draft of the Building Improvement Fund Policy and then the EFD Operating Committee discussed the Policy a few times. He noted the meeting packet contains a copy of the proposed Policy. He explained each year \$24,000 will be transferred out of the Operating Fund into the Building Improvement Fund (BIF). If all of that \$24,000 is not spent in a year because, for example, a project gets done under budget the unspent funds would stay in the BIF. If in future years there is not a need to transfer in the total \$24,000 that transfer amount would be adjusted down during the budget process. Funds from the BIF would not be used to pay for building maintenance items included in the Operating Budget. The BIF would be used to pay for items that cost more than \$1,000 that are included in the Building Projects Improvements Program (BPIP).

Boardmember Miller asked if the items included in the BPIP are considered capital expenditures or maintenance expenditures. Chair Erickson and Boardmember Fletcher stated they could be either. Erickson explained that, for example, he considers carpet replacement to be a maintenance item but rather than budgeting for the entire cost of replacement in one year the EFD will set aside a portion of the replacement cost (which will come out of the \$24,000 transfer) for each of four years and then do the actual replacement once there are enough funds accrued.

Miller noted the treasurer's report includes a budget for a fund titled *Building Management Fund – Fund 250*. He asked if the Policy applies to that Fund. Administrator/Fiscal Agent Young confirmed that and stated the BIF would operate similar to the Capital Equipment Fund.

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Miller suggested the Policy should indicate the Policy applies to the Building Management Fund – Fund 250.

Miller asked if there will be a way to distinguish capital improvements from non-capital improvements. Chief Gerber stated there is no plan to separate those expenditures.

Chair Erickson explained the BIF provides a way to accrue funds for building improvements without having them be included in the unassigned Operating Fund reserves.

There was ensuring discussion about whether or not there was a need for accounting purposes to separate out larger capital building improvement expenditures from maintenance expenditures. There was also discussion about what is considered a fixed asset.

There was consensus to group what could be considered capital projects in the BPIP together and separate them with a subtotal from the maintenance projects which would also be subtotaled.

Boardmember Miller suggested the Policy refer to the Building Improvement Fund – Fund 250 to clarify that the Policy applies to that Fund.

Chief Gerber noted during that during the May 24, 2017, Board meeting the Board adopted Resolution No. 17-004 which authorized establishing the Building Improvement Fund. He stated Fund 250 could be added to the Policy to clarify things.

There was consensus to add Fund 250 to the Policy purpose statement and to change the name of the Building Management Fund – Fund 250 to the Building Improvement Fund – Fund 250 in the treasurer’s report.

There was ensuing discussion about whether or not the \$1,000 lower limit for expenditures that the Policy applies to was too small. The Operating Committee had set that lower limit. There was consensus to leave it at \$1,000.

After discussion, there was consensus to in the Policy change “... *All Plan repair and replacement costs in excess ...*” to “... *All Plan repair, replacement and project costs in excess ...*”.

Fletcher moved, Miller seconded, adopting the Excelsior Fire District Building Improvement Fund Policy subject to changing in the Purpose statement “... *the appropriate procedures for implementing the Building Improvement Fund.*” to “... *the appropriate procedures for implementing the Building Improvement Fund – Fund 250*” and in the Building Improvement Fund Expenditures changing “... *All Plan repair and replacement costs in excess ...*” to “... *All Plan repair, replacement and project costs in excess ...*”. Motion passed 4/0.

8. NEW BUSINESS

9. OTHER BUSINESS

10. NEXT MEETING

A. EFD Governing Board Work Session September 27, 2017, 5:00 P.M. Station 1

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After lengthy discussion there was Board consensus to schedule a work session to discuss staffing from 5:00 P.M. – 7:00 P.M. on September 27, 2017, prior to the regular Board meeting.

B. EFD Governing Board Meeting September 27, 2017, 7:00 P.M. Station 1

The next regular EFD Governing Board Meeting is scheduled for 7:00 P.M. on September 27, 2017, at Station 1.

11. ADJOURNMENT

Fletcher moved, Jennings seconded, Adjourning the EFD Governing Board Meeting of July 26, 2017, at 7:30 P.M. Motion passed 4/0.

**RESPECTULLY SUBMITTED,
Christine Freeman, Recorder**