

**Excelsior Fire District Board  
EFD Governing Board Meeting  
Wednesday, April 22, 2020**

**24100 Smithtown Road  
Shorewood, Minnesota  
6:34 P.M.**

## MINUTES

### **1. CALL TO ORDER**

Chair Jennings called the meeting to order at 6:34 P.M.

### **ROLL CALL**

Present: Excelsior Fire District (EFD) Boardmembers: Chair Jennings; Vice Chair Labadie; Boardmembers Dierking, Jennings, Erickson, Fletcher, and Miller.

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

Absent: None

### **2. APPROVAL OF AGENDA**

Boardmember Fletcher requested the Firefighter pay discussion be included in the agenda, even if it is not gotten to. Chair Jennings indicated he will add that to the 2020 budget for discussion.

**Fletcher moved, Erickson seconded, approving the EFD Governing Board meeting agenda as presented. Motion passed 5/0.**

### **3. APPROVAL OF MINUTES**

#### **A. January 22, 2020, EFD Board Work Session Minutes**

**Labadie moved, Erickson seconded, approving the EFD Board Work Session Minutes of January 22, 2020, as presented. Motion passed 5/0.**

### **4. CONSENT AGENDA**

#### **A. Monthly Fire District Administrative Reports – January - March 2020**

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

#### **B. Treasurer's Report**

**Fletcher moved, Erickson seconded, approving the motions contained on the consent agenda. Motion passed 5/0.**

### **5. EXCELSIOR FIRE DISTRICT BOARD CHAIR'S STATEMENT & DETERMINATION**

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**Labadie moved, Erickson seconded, approving Excelsior Fire District Board Chair's Statement and Determination. Motion passed 5/0.**

**6. ABDO, EICK & MEYERS, LLP. AUDIT PRESENTATIONS FOR EXCELSIOR FIRE DISTRICT AND EXCELSIOR FIRE RELIEF ASSOCIATION**

Chief Mackey indicated due to COVID-19 he received the hard copies of the audit and had planned to distribute them at the March meeting which was cancelled. He thought he electronically sent them out to all members but did not so he sent them out before the meeting and did not think a motion could be made accepting them until all members reviewed them.

Chief Mackey introduced Mr. Andrew Berg of Abdo, Eick & Meyers who would make a presentation to the Board. He indicated after the presentation the Board then can review the materials and the audit can be accepted at the next Board meeting.

Mr. Berg made the audit findings presentation to the Board.

Boardmember Fletcher asked if the collateral has been taken care of with the bank. Boardmember Young indicated it was an error on his part. He purchased a CD on behalf of the Fire District, it was a rollover CD at Bridgewater Bank for \$250,000. The insufficient collateral was really the interest income pertaining to that CD. When it was brought to his attention, he was able to obtain a letter of credit adding collateral to the interest income at Bridgewater Bank so it has been addressed. Boardmember Fletcher indicated he was not worried about it but preferred not to have an issue.

Boardmember Dierking wanted to verify the former Fire Chief has been removed from the credit card as an authorized user. Chief Mackey indicated he removed the former Fire Chief and he is now on the credit card as an authorized user.

Chair Jennings wanted to verify that the former chief did not make any credit card purchases after he left. Chief Mackey indicated the former chief did not make any purchases and left the credit card in the top drawer.

Chair Jennings inquired what the total amount was of the missing receipts. Mr. Berg indicated there were five of them which were around \$50 each, under \$300 total.

Mr. Berg continued with his presentation on the financial information and Fire Relief Fund.

The Board did not have any further questions for Mr. Berg. Chair Jennings thanked Mr. Berg for his time.

**Fletcher moved, Erickson seconded, tabling the acceptance of the Excelsior Fire District and Excelsior Fire Relief Association Audit until the May 27, 2020 meeting. Motion passed 5/0.**

**7. RELIEF ASSOCIATION – RESOLUTION #20-004 PENSION INCREASE**

Chief Mackey indicated the Relief Association met in February and approved these resolutions to go forward.

Mr. Lee Christopher, President of the Relief Association made a presentation regarding Resolution #20-004, Pension Increase.

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Boardmember Erickson explained there are two items coming before the Board, one is the approval of the five percent as well Board salaries and wondered if the votes were going to be separate or one vote. Mr. Christopher explained he would leave that to the Board to decide. He indicated that is also something that was voted before everything happened with COVID-19 and is a standard two to three-year item that is reviewed and evaluated.

Boardmember Erickson requested the vote be split because Deephaven is uncomfortable moving forward with the five percent with what is happening in the market. He indicated he intended to vote no on the five percent but did not want to vote no on the officer increases.

Chair Jennings thought these should be kept as separate items anyways so he was fine with having two motions.

Boardmember Erickson noted the formula has worked very well but his concern is in this market is he is not at all convinced the market will not continue to go down and if this was to be approved and it would go down further where the cities would have to start funding it, like was done eight or nine years ago, he thought that would greatly damage the credibility of the policy in place that has been working so well over the last six or seven years.

Chair Jennings explained he had a little different interpretation on it. He understood the market has had a turn but he thought it was important that by standing behind the formula as it sits, will put more strength and credibility behind the formula itself. He wanted to be mindful of the upcoming year but the funding of the Relief Association is robust still and ultimately, he sees those funds as Firefighter funds and even though the Board ratifies them, ultimately, to some degree it is not the Board's money.

Boardmember Erickson stated that was true until the fund drops below one hundred percent and then it is their money.

Chair Jennings wondered how much money would the fund have to lose to go below the one hundred percent mark. Mr. Christopher indicated the fund is at 6.2 million and the year end liability at the end of 2020 would be \$5,469,000 which mean the fund would have to lose over seven hundred dollars, not including the State Aid payment that will be received as well. He explained it would be over \$800,000 and then they do not submit the reports to the State until the end of July of 2021, which then if a City contribution would be needed it would not kick in until 2022.

Boardmember Fletcher stated he was in agreement with Chair Jennings. The five percent increase nets out to roughly \$260,000, which worse case if it went below would be \$26,000 a year for the Fire District to have to pay out to make up that part of the increase. He looked it up and Chanhassen's relief budget is around \$50,000 a year. 2018 was \$54,000 according to the State reports. Chaska apparently put in \$307,000 in 2018 which he did not know how Chaska spent that much community relief. Eden Prairie spent around \$600,000 a year in 2018. Mound was \$129,000 in 2018. He thought the formula has kind of worked against the Firefighters in past years and could have been more aggressive on their requests except for the formula and he did not think the Board should turn the tables now.

Chair Jennings added that if in fact the District is looking at a \$26,000 annual contribution, he knew that not all cities are created equal because each one has its own pro-rata share of that amount but if they were to just straight-line it to keep the math easy, certainly for Tonka Bay if they were required to pay a little bit more than \$5,000 there are roughly 650 households which is about \$10 per household for the entire year. He noted there is a really long timeline and a ten year ability for them to recover and in looking at

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history, even in 2008, when there was an unprecedented fall in the market things bounced back to such a degree that the cities did not need to pay in for the entire ten year period. He could see with just the substantial amount of Federal support that has been brought into the economy that from his standpoint is something that can be done and Tonka Bay would be comfortable with this.

Vice Chair Labadie explained Shorewood would also be comfortable going ahead. She explained she saw Boardmember Erickson's point but is leaning towards the other direction at this moment.

Boardmember Dierking asked they make the decision to approve, is this something that is reviewed on an annual basis. Boardmember Fletcher explained the formula was agreed to when the fund was under water and the Board agreed to a formula and does get reviewed and can be approved each year. Boardmember Dierking asked if there has ever been a decision to reduce the funds in years. Boardmember Fletcher explained once the District approved the number you cannot go back unless the Relief Association agrees to it.

Boardmember Erickson indicated the Relief Association can do whatever it wants to do regardless of a Board vote. What the Board is agreeing to is backing the numbers, the cities are now backing the numbers. The Board can still go ahead with the five percent but then the cities do not have to back the funds.

Boardmember Dierking stated she wanted to continue to support the District and continue to support the Firefighters. She knew that her predecessor worked hard to try to develop this formula as a part of the group and it sounds like a good formula and has worked very well. At this point, while she is concerned about what is happening in the market and what that is going to mean she would state that Excelsior would support the recommendation at this point.

Mr. Greg Miller explained he would have liked for his Council to talk about this but all of the documents were not ready so could not be discussed. He reviewed some background regarding this with the Board. He indicated the Council has unanimously supported these increases in the past and if there is a further decline in the market, the losses that occur have to be amortized over ten years and lessens the burdens on cities. The reason why they have to wait so long to do the approval is because they had to wait to get the audit back and the association has to meet, otherwise this could have been completed after the approval of the report by the Relief Association. He thought it shows the support and trust. He thought it was important that this shows support for the Firefighters and have a great trust level going. He would like to see the Board approve this.

**Fletcher moved, Labadie seconded, adopting Resolution #20-004, a Resolution accepting the 2020 Pension Increase. Motion passed 4/1 (Erickson).**

### **8. RELIEF ASSOCIATION – RESOLUTION #20-005 RELIEF OFFICERS SALARY INCREASE**

Chief Mackey presented Resolution #20-005, Relief Officers Salary Increase with the Board.

Mr. Lee Christopher explained they are looking to raise the officer's positions for President, Treasurer and Secretary from \$1,800 to \$2,000 a year annually and the two trustee positions and Vice President from \$600 to \$900 annually. He noted this is reviewed every three years.

Chair Jennings asked if the amounts a total \$500 increase or is that per officer. Mr. Christopher explained it would be per officer. Chair Jennings thought if the District was obligated to pay an additional \$25,000

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total amongst the five of them, which is probably \$5,000 per City and approximately \$10 a house in Tonka Bay. He thought if it is \$1,500 total, it is a few dollars and he wanted to be supportive of the Firefighters. He stated in the wake of the Pandemic the Firefighters are truly on the front lines of this and he believed this is about recruitment and retention and Tonka Bay would be in support of this Resolution.

Vice Chair Labadie explained the City of Shorewood supports this Resolution.

Boardmember Lerud asked for a point of clarification, he believed the fees that are paid to the Relief Association Officers come out of the Relief Association funds. Chair Jennings agreed and should have clarified that earlier.

Boardmember Dierking indicated Excelsior supports this Resolution as well.

Boardmember Fletcher indicated Greenwood is fine with this as well.

Mr. Greg Miller asked for clarification on this item. He believed they do get aid and the aid covers more than the cost of the increase. Mr. Christopher explained annually they get State Aid payments from State Fire Aid which last year was around \$156,000 and goes to support the fund.

**Fletcher moved, Labadie seconded, adopting Resolution #20-005, a Resolution accepting 2020 Relief Officers Salary Increase. Motion passed 5/0.**

### **9. MATTERS FROM THE FLOOR**

There were no matters from the floor presented this evening.

### **10. REPORT AGENDA**

#### **A. Fire Chief / Fire District Report**

- **Training**
- **Fire Prevention**
- **Fire Suppression / Response**
- **Special Events**
- **Emergency Management**
- **Administrative**

Chief Mackey updated the Board on training, fire prevention, fire suppression/response, special events, emergency management and administrative items that have occurred in the Fire District.

Boardmember Dierking thanked Chief Mackey and the Firefighters for all they do and making birthdays special during this time because it has really made a difference.

#### **B. Fire Chief / Fire District Report**

Chief Mackey updated the Board on communications he has received.

#### **C. Overnight Duty Crew Staffing 7 Days Week**

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Chief Mackey updated the Board on the Overnight Duty Crew Staffing and indicated Sunday night was added and was not hard to add staffing. There have been more requests to add more overnight duty crews.

Chair Jennings reiterated the overall impact on the budget by expanding to the seven-day schedule and does not put them out of bounds on anything that was decided from last year and well within the spending limits. Chief Mackey concurred.

Boardmember Erickson explained Deephaven is glad this got to seven and is in support of the overnight duty crews. The other Boardmembers concurred.

**11. Unfinished Business**

**A. Long Term Planning/Succession Planning/CIP Lease**

Chief Mackey updated the Board on long term planning, succession planning and the CIP lease. He noted a lot of these items have been put on hold due to COVID-19.

**12. NEW BUSINESS**

**A. 2021 Budget**

Chief Mackey reviewed the 2021 budget with the Board.

**B. Anna's Position**

Chief Mackey indicated with Anna's position they were looking at not contracting with her, half a day with Chanhassen and not utilizing Deephaven as a fiduciary agency and bringing that in house so Anna would do more of the payroll and insurance. With those increased responsibilities he was looking at changing that position to an officer/management position and paying Anna accordingly. He hoped to have the job description ready in time for the next meeting along with pay and the budget.

Vice Chair Labadie stated when they get to that point it might be helpful to include comparisons of salaries for similar positions in neighboring fire districts as well as similar sized districts. Chair Jennings agreed but thought it could get a little tricky depending on the size of the Department.

Boardmember Erickson asked if Chief Mackey could resend the study from 2019.

Boardmember Dierking asked if there was a plan to offset some of Anna's salary by reducing the amount paid to Deephaven. Chief Mackey explained the District would not pay Deephaven, Anna would pick up the responsibilities that Deephaven is currently doing.

**C. Firefighter Pay**

Chief Mackey indicated this was another pay study that went out. The Board requested this at the end of 2019.

Boardmember Fletcher explained at the January meeting the Board asked for the pay study and this is the first meeting since then. He did receive the pay study after requesting it but he was not sure if the entire Board received it.

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Boardmember Fletcher reviewed the pay study with the Board.

Boardmember Erickson stated there were several interesting things with Eden Prairie which make it a hard comparison. Boardmember Fletcher stated through March \$64,000 was spent on personnel and the budget was for \$84,000 in the first quarter. He thought there is room on the Firefighter side to take a look at pay and he would rather do that sooner than later. He noted right now the pay is at \$12 per hour and he would like to raise it to \$15 per hour for the second half of 2020 and would actually love to go higher for that.

Chair Jennings asked how much higher would he want to go. He thought it is important for them to just model it out. What is going to make 2020 tricky is that this is going to be an A-typical year and in an effort to be prudent, if the Chief is making steps to not do particular leases and other things that will be picked up in later years, he would propose that multiple scenarios should be done and it should be pushed out multiple years. Boardmember Fletcher thought this should be more in the \$25 per hour range because he looks at the cost of the full-time firefighter and they are getting a really good value out of it but he was trying to be realistic and go in a direction that the majority would go along with.

Chair Jennings asked how many firefighters are set to retire because he saw that as the bottleneck to this. Chief Mackey stated there is probably three to five drivers over the next two to three years. Chair Jennings asked if a report could be put together and disbursed for the Board for the next meeting. Chief Mackey indicated he would work on the Firefighter Pay and Anna's position for the next meeting.

### **13. NEXT MEETING**

- A. Excelsior Fire District Board Meeting and Budget Worksession – May 27, 2020, 6:30 P.M., Electronic Video Format (Zoom)**

**Chair Jennings noted the next meeting is the Excelsior Fire District Board Meeting and Budget Worksession scheduled for 6:30 P.M. on May 27, 2020, via Electronic Video Format (Zoom).**

### **14. ADJOURNMENT**

**Labadie moved, Dierking seconded, Adjourning the EFD Governing Board Meeting of April 22, 2020, at 8:15 P.M. Motion passed 5/0.**