

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

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

MINUTES

1. CALL TO ORDER

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

ROLL CALL

Present: Excelsior Fire District (EFD) Boardmembers: Chair Jennings (arrived at 6:26p.m.), Vice Chair Labadie; Boardmembers Dierking, and Fletcher.

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

Absent: Boardmembers Erickson, and Excelsior Operations Committee Wisdorf.

2. APPROVAL OF AGENDA

Dierking moved, Fletcher seconded, approving the EFD Governing Board meeting agenda as presented. Motion passed 3/0.

3. APPROVAL OF MINUTES

A. May 27, 2020, EFD Board Regular Meeting Minutes

Fletcher moved, Dierking seconded, approving the EFD Board Work Session Minutes of May 27, 2020, as presented. Motion passed 3/0.

B. June 24, 2020, EFD Board Regular Meeting Minutes

Tonka Bay representative Laur noted on page 3, third paragraph down there is typo with the word burden.

Fletcher moved, Dierking seconded, approving the EFD Board Regular Meeting Minutes of June 24, 2020, as amended. Motion passed 3/0.

4. CONSENT AGENDA

A. Monthly Fire District Administrative Reports – May and June 2020

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

B. Report of the Operating Committee – May 2020, and June 2020

C. Treasurer's Report

Dierking moved, Fletcher seconded, approving the motions contained on the consent agenda. Motion passed 3/0.

5. MATTERS FROM THE FLOOR

There were no matters from the floor presented this evening.

6. REPORT AGENDA

- A. Fire Chief Major "All Call" Reviews**
- B. Communications**
- C. Personnel/Staffing**

Fire Chief Mackey updated the Board on the call volume to date along with staffing. He noted he talked to Anna regarding changing her role and can take up to two weeks to decide what she wants to do. If she decides to leave then a new person will need to be found. He thought as far as the District is concerned they have met every aspect of what they told Anna they were going to do as well as a robust pay increase for her because of those added responsibilities. She just needs to make a decision as this point and let him know her decision. He indicated another Fire Fighter tested positive for COVID-19 and has been on quarantine for five days with nine more to go and information was transmitted to all personnel. He felt there will be more people being positive.

Boardmember Dierking indicated she was a little surprised with the comments about Anna and asked if there were any concerns with Anna saying yes to taking this new role. Chief Mackey indicated he did not and thought that was the intent. Anna has been with the Fire District since she was eighteen and has put a lot of time into the District and knows it really well. He thought there was a good comfort there but a little concern with the fiduciary responsibilities because it is a pretty big leap. He was pretty confident in her skills as well. He explained he is also going to get Anna support for setting up and using QuickBooks along with integrating some of the reports being used.

Boardmember Fletcher indicated as a QuickBooks user he thought getting it setup correctly and giving Anna support to begin with help a lot going down the road and make it easier for Anna. Chief Mackey agreed.

7. Unfinished Business

- A. 2021 Budget Update**

Acting Chair Labadie gave an overview of the 2021 Budget update and would like to get this approved tonight.

Boardmember Fletcher thought they needed to have two motions and both of them are to recommend to the Cities to approve the budget because he thought three out of five Cities needed to approve the Operating Budget and the District would be recommending approval. Chief Mackey indicated that was correct.

Acting Chair Labadie asked if there were any concerns or questions. There were none.

Fletcher moved, Dierking seconded, recommending adoption of the 2021 Operating Budget as presented to the Board to the Cities. Motion passed 3/0.

Fletcher moved, Dierking seconded, recommending approval of the 2021 Capital Budget to the Cities. Motion passed 3/0.

B. Concrete Project

Fire Chief Mackey updated the Board on the concrete project.

Acting Chair Labadie thanked Chief Mackey for the update.

Chair Jennings joined the meeting at 6:26 p.m. and agreed to have Acting Chair Labadie continue running the meeting. He apologized for being late to the meeting.

8. NEW BUSINESS

A. Cares Expenses Overview

Chief Mackey explained he was looking at the different opportunities, which was discussed at the Operating Committee meeting at length, for what that looks like. He explained it looks like there will be some reimbursable expenses that the Cities can use towards public safety staffing, which was considerable during the pandemic and would allow most of the Cities to receive their amount from Cares Act and apply it in that regard. For them, as a Fire District, it would require them to document those hours, what those hours were used for and how they were related to the COVID response, which was a lot for them. Shifts were added, which would be very much appropriate for that process. Those shifts have been maintained and will continue to maintain them as long as necessary. He noted the City of Excelsior has already earmarked most of their money, but he did believe the other four Cities would be willing to use if for public safety, both in Police and Fire budgets for staffing during the COVID pandemic.

Chair Jennings indicated he was curious and was his understanding that the Operating Committee met to discuss this. He asked what came from that meeting and have there been any conversations or are they working in conjunction with the Police on this as well. Chief Mackey indicated he met with Chief Nehan and the Administrators for a Cares meeting and a lot of the meeting was going through the documents to see what is reimbursable and what is not. He did not want to speak for the Administrators but it looked pretty unanimously that public safety wages or salaries directly related to COVID-19 response were eligible and he thought for the perspective of this group from when COVID started until now, they have probably spent all of the monies from all of the Cities just in that regard itself. He noted if Cities have other items they need to expense, they certainly can but there is definitely and opportunity to utilize those funds under public safety wages and response to the epidemic, as well as they have supplies they have a lot of things that they had to purchase directly related to COVID.

Chair Jennings asked if there was anything that needed to be submitted or any deadlines for this. He indicated he did not know anything about this except that Tonka Bay has been allotted a certain amount of funds. He asked if this could be discussed more at the next meeting or did decisions need to be made before that. Fiscal Agent Young thought a lot of this was helpful having a Zoom meeting with the

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Administrators and Chief to discuss but one of the primary reasons for the meeting was to find out if they were eligible. He stated it seemed fairly clear from the language that an appropriate expense being public safety personnel costs, fire and police related, qualifies the Cities to receive Cares Funding. He thought over and above that he did not think, as far as Deephaven/Greenwood, that there has been a lot of discussion on that amount that they are slated to receive on how it will be utilized.

Boardmember Fletcher asked if that is something the Operating Committee should be discussing. He understood Boardmember Erickson had thrown out a possible formula where each City takes a month's contribution normally to fill the pot or some type of formula and he wondered if that made sense for the Operating Committee to look at or discuss or consider. Chair Jennings explained generally, where he is coming from on this is his last meeting was on July 8th, and it came up as a topic of conversation and he did bring it back to Council and threw it out there for possible future discussion. It was his understanding that the Operating Committee was going to meet to talk about it and from his standpoint, why not and then it would be brought to the Fire District Board to discuss as well for potential next steps. He noted he did not have a certain agenda but wanted to know what people are thinking from each City. He did not think there was any formula in the way the allocations are written, from his understanding they are quite broad and could be interpreted differently in each City and may have an impact to some degree on both Police and Fire in the Cities themselves. He thought ultimately it is something that needs to take place at the Board level.

Acting Chair Labadie thought this did need to take place at a Board level but with many steps down the road. She thought it needs to have large discussions at the City level first and each individual City needs to discuss it with their Council's and put it on their individual agendas. She noted that is her opinion. Shorewood City Administrator Lerud explained he would like to expand on Boardmember Erickson's point. What he is saying is that each City got allocation of Cares funds based on a per capita basis, it was his point that all of the Police and Fire salaries are eligible for reimbursement between March 15th and November 15th and any unexpended funds have to go back in the middle of December. The issue with Police and Fire Salaries is that they have already been paid and budgeted for on behalf of the Cities. Each City is already contributing for 2020 salaries and has already been factored into the budgets. What they are talking about here is the above expenditures that the PPE and some extra calls that were a bigger number. The complicated thing is that if Excelsior says that they have spent all of their Cares funds elsewhere, they still have the formula to worry about because he did not think the other five Cities should make up Excelsior's share if this is going to be reimbursed. To him, it seems to go back in next years budget if they get the increase and it gets levied across on the same percentage that each City always pays. Whether dollars get approved by each Council to reimburse themselves for expenditures that have already been budgeted for or if there are brand new COVID related expenditures for PPE, improvements done, those will be for each City to determine.

Chair Jennings thought that information was very helpful for him. He thought since the budgets have already been paid per capita, as part of the formulary as the Cities, they would essentially keep those funds as the Cities to reimburse themselves and then it sounds like, if anything, they need the above and beyond costs, a list from both Police and Fire and distribute it to all of the Cities so that the Cities can sit down and digest it and then they would apply the JPA to whatever those costs are and do a weighted average of whatever is left in the pot. He assumed that anything that is left over stays at the Cities, but he did not know to what degree the separate Cities have incurred for costs related to COVID. He indicated he did know enough about this to speak intelligently about it and was still in the process of learning about it and trying to make sense of it.

Excelsior representative Miller indicated presumably each City has qualified for the Cares funding and each City has its own needs. He stated based on the effects of COVID in their City they have taken the

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steps to, with their business partnerships, to reimburse and reduce fees that are not properly being used and are not being able to be used because businesses cannot operate. Presumably, each City could apply the Cares funding to its own portion of allocation from the Fire Board or Police Board against their commitment to wages, etc. from those JPA's. He did not understand if they are saying that there is going to be an additional charge based on the formula coming back to the Cities and if that is the direction it is going then he does not really understand that and would need to have that explained better. Another thing he was going to ask is if this has been investigated. The JPA is a Governmental entity onto itself and has a formula to spread costs to the member Cities, pay those and includes most of the line items in the budget. There is a certain portion, roughly \$350,000 of funds that are funded through other sources. He asked if the JPA qualify as a Government entity to receive their corresponding independent of the Cities to help cover some of the costs that are allocated to the Cities. He did not know if that has been looked at. Shoreview City Administrator Lerud explained they did research whether a JPA which provides public safety is eligible and it is through the Member Cities and is not eligible in and of themselves to receive Care funds.

Boardmember Fletcher indicated if there is a formula where all of the Cities voluntarily agree to chip in based on the existing formula or however, he thought Greenwood would be counted in to do whatever everybody else does. He thought if each City was able to decide what it wants to do then Greenwood may decide not to join in. Chair Jennings agreed and thought that is where Tonka Bay was coming from as well. It sounds to him, in theory, that each of the Cities can take the allocations and keep them. He thought that might be the simplest thing to do but he also knew that the Fire Department and likely the Police Department have incurred additional expenses but did not know if that materially impacted each Cities budget and whether they need to figure out a way to compensate themselves, as a Police and Fire Department for those additional costs. He thought this may be way to complicated and maybe they just do not try to figure out allocations. He explained he was not trying to make this complicated but was trying to get the sense for generally what the other Cities might be thinking and at some point in time somebody needs to throw out a proposed formula and he wanted to see if one has already been proposed and if not, is it incumbent on them to maybe discuss and come up with one.

Shoreview City Administrator Lerud did not think any City has received the funding yet and suggested this was still pretty early in the process. He thought the Operating Committee should meet and each City should meet with their Council's and then come back to the Board to talk a little more about what each City is able to do for the Fire Department and what they are going to do for their own City.

Acting Chair Labadie thought this has been a great discussion. She asked if there were any other comments or questions related to the Cares expense overview.

Boardmember Dierking explained in having the conversation with the Excelsior Council, it would be helpful for her if she had a better sense of the incremental expenses that were incurred over and above the wages and salaries. She indicated Excelsior has spent more than their allotment in supporting their businesses and making sure that they are able to succeed and that all of them have a downtown to go to. She indicated she was very concerned about the idea of having a redistribution, given the hit that Excelsior is taking on the budget for 2021 and she needs to better understand some of the financials that they would be talking about and she did not know how to get that. Deephaven representative Young explained he did not have anything salary related but thought Chief Mackey would have a better idea on that but on the operating fund budget there is a line item called COVID-19 and is a new line item that was added. He thought Chief Mackey was trying to track the additional costs related to COVID, not necessarily related to the salary because that would take more time and attention to try to pull that out but the salary is what it is and he did not think they were deviating greatly from what the salary has been in past years, pre COVID, but they are looking at, at least through June, close to \$5,700. This is not an extraordinary

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cost. Chair Jennings thought that was very helpful and really answered the question of materiality. Generally, if worse case scenario, they may take on an additional \$10,000 and to keep things simple it might just be easy for the Fire Department to absorb that and sidestep the hassle but he did not know where the Police Board was on this cost wise. Chief Mackey explained this is definitely something the Board should consider talking about at length because it is a substantial amount of resource for the Cities and the Fire Department would definitely want to be participants if it can help.

Excelsior representative Miller thought all of the Cities are going to try to use the funds for all COVID related expenses, just like Excelsior is probably going to spend its \$174,000 and then some. He would suggest to all of the Council's that if there is excess monies that a City does not qualify for then it would make sense for the Fire and Police Departments use it so it does not need to be returned and would make sense to reduce the overall budget for all Cities. He thought that was what Chief Mackey was getting at.

9. NEXT MEETING

A. EFD Governing Board Meeting September 23, 2020, 6:30 P.M.

Chair Jennings noted the next regular EFD Governing Board Meeting is scheduled for 6:30 P.M. on September 23, 2020.

10. ADJOURNMENT

Dierking moved, Jennings seconded, Adjourning the EFD Governing Board Meeting of July 22, 2020, at 7:05 P.M. Motion passed 4/0.