

Excelsior Fire District Board  
EFD Governing Board Meeting  
Wednesday, June 29, 2004

24100 Smithtown Rd.  
Upper Conference Room  
6:00 P.M.

## MINUTES

### 1. CALL TO ORDER

Chair Skrede called the Board meeting to order at 6:03 P.M.

### ROLL CALL

Present: Excelsior Fire District (EFD) Boardmembers: Chair Skrede; Boardmembers Bauman, Bolles Hill (arrived 6:15 P.M.) and Love

Also: Excelsior Fire District Chief DuCharme; Deputy Fire Chief George; and Firefighter Hoo

Also present: Excelsior Acting Administrator Johnson and Fiscal Agent Olds; Deephaven Administrator Young; Tonka Bay Administrator Irvine

Absent: Shorewood Administrator Dawson

### 2. AGENDA APPROVAL

Bolles moved, Love seconded, approving the EFD Board Meeting Agenda as presented. Motion passed 4/0.

### 3. APPROVAL OF MINUTES

#### A. June 23, 2004 EFD Board Meeting Minutes

Bauman moved, Bolles seconded, Approving the June 23, 2004, EFD Governing Board Meeting Minutes as amended on Page 1, Motion for May 19, 2004, EFD Board Minutes, change "Bauman seconded" to "Bolles seconded," and change "Bauman dissenting" to Bauman abstaining," and on Page 2, Item 4B1, in the motion, change "Approving the two" to "Acknowledging Receipt of two page" and on the same page, Item 4B2, Paragraph 1, Sentence 2, change "change order #7" to "regarding the East water shield double billing", and on the same page and item, Paragraph 2, after the last sentence, add "The \$18,583.00 shown in Change Order #1 does not appear to be the correct credit double billing ice and water shield stated in the EDA letter. The correct credit amount should be \$20,687.00, as stated in Kraus-Anderson Change Order #3. Also, it was important to verify if credits for related charges, specifically insurance and 2% fee, etc., had been credited." And on the Same page, same item, Paragraph 3, Sentence 4, change "All repairs were completed without expense to Kraus-Anderson and the EFD as well." to "All corrections were made without expense to City of Deephaven and the EFD as well. And on Page 3, Item 4B3, Paragraph 2, Sentence 1, change "all efforts had been made regarding" to "all efforts had been made at the staff level regarding," and same page Item 4E, Sentence 1, omit "documentation of potential." Motion passed 4/0.

### 4. FY 2005 BUDGETS

#### A. Capital Equipment

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Chair Skrede explained a discussion had taken place at the most recent EFD Board meeting regarding the Capital Equipment Plan (CEP). Firefighter Hoo had requested further discussion this evening with regard to the budgeted equipment benchmarks.

Firefighter Hoo stated he was concerned for the permanence of the benchmarks set for service equipment as specified in the CEP. He stated past history dictated the reality of equipment purchases to be in excess of what was planned in the current CEP, and he hoped that the current plan would be realistic for future Boards and firefighters. He stated he knew the intent of the current Board was to review equipment needs on a yearly basis and make purchases based on need, however, he was concerned that the Board needed to budget for expenses of equipment prior to actual benchmarks.

Boardmember Hill arrived at 6:15 P.M.

In response to Chair Skrede's statement regarding the intention of the Board with regard to the proposed CEP, Boardmember Hill stated it was a dramatic change in the CEP to purchase apparatus in the proposed fashion. He stated future Boards would review performance and maintenance logs to provide information at the time of the benchmark. Also, equipment of the past was not a good basis for future life use, as he believed the equipment of today would last longer into the future. Further he stated it was important to establish a process to review factors specified in the maintenance/performance logs at the time of purchase and consider the dollar value of future equipment as well.

Boardmember Love stated he was concerned for burdening future Boards to move up equipment purchases, and wanted to create a process whereby equipment could be deferred if it was deemed suitable in the future.

Chair Skrede stated for these reasons, it would also be helpful in the EFD Chief could document fleet vehicles usage and repairs in the minutes of the EFD Board meetings.

Deputy Fire Chief George stated he was concerned for the proposed CEP because the equipment purchases were already extended to establish these benchmarks. He also expressed concern for cities wishing to hold the budget to specified historic percentages, rather than deal with actual need. For this reason, he thought it important not to leave low fund balances in the equipment budget.

A brief discussion ensued regarding how to best clarify and reflect the concerns of the current Board and Firefighters in the CEP. The Board agreed to include benchmarks for future equipment on the CEP and to include a 25 year cycle on the CEP overall. The Board also agreed an explanation of intent should be included for future Boards with regard to the plans proposed.

Boardmember Bauman stated he liked the approach presented in the CEP and he thought it the responsibility of the Board to communicate effectively to and with member City Councils and area residents. He stated equipment life expectancies were difficult to predict, and a process was needed in the form of a yearly report, or other formal process to evaluate the equipment on an annual basis to avoid problems with trying to secure funding at the time of a necessary equipment purchase irregardless of benchmark.

The Board requested draft documentation of the process for establishing benchmarks, including maintenance and functionality of equipment, be reported at the next meeting. Chief DuCharme stated it was the intent to have this report made semi-annually to help to guide future purchases.

### **B. Debt Service**

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Chief DuCharme reviewed the debt service payments to be paid by the EFD member cities to the Shorewood Economic Development Authority (EDA). Chair Skrede explained cities make payments to the EDA quarterly and with the proposed fund accounting philosophy, contributions were made in effort to minimize fund balances.

In response to Boardmember Bolles' question, Fiscal Agent Olds stated as long as additional funding was available, there was nothing wrong philosophically with exercising loans between funds as long as these loans were supported by assets. Discussion ensued regarding how the Orono contract would impact the budget allocations. Chief DuCharme stated the Board had indicated that the Orono contract should be reviewed at year end and allocated at that time.

Fiscal Agent Olds stated it would be helpful to include additional narrative in the budget regarding current proposed actions and rationale for choices made in the current budget.

### **C. Operating**

Chair Skrede shared the FY 2005 Operating Budget. Chief DuCharme stated Fiscal Agent Olds had been very helpful in preparing the Operating Budget, noting the proposed budget included the most recent cities' allocations figures. He also stated the budget proposed began to implement a gradual change to a tax capacity formula for each City in the Joint Powers Agreement (JPA). He then reviewed the formula in detail for the Board.

Chief DuCharme then reviewed the proposed Operating budget for the Year 2005, noting this budget included a 1.15% increase overall from the current budget. The current overall budget totaled \$1,112,413.00, making the proposed overall Operating budget total \$1,125,163.00. He noted changes to the personnel services, supplies, professional services, and other services and charges, such as utilities and other operating costs for two buildings. With regard to personal services, he explained additional health insurance rates and increased personnel for two stations provided an increase in the budget in this area for the upcoming year. Chair Skrede requested development of job descriptions and a process for professional review be developed in order to justify expenses each year for added personnel. With regard to supplies, the volatility of motor fuel expense and purchase of turnout gear increased the budget in this area. Regarding professional services, various alternatives were being explored for reductions of fiscal management fees for the next year. With regard to other services and charges, Boardmember Bauman stated he thought it important to consider additional funding for training personnel in the future.

Boardmember Love stated it was important to remind member cities' Councils that the Orono contract would not be a permanent line item in the budget.

Boardmember Bolles stated he thought it was important for future Boards to build maintenance funds once the bond payments were completed for each city. He did not think it as imperative in the first 20 years since the buildings were new and items, such as the roof on the West Side Station, should be present for at least the length of the bond payments.

Fiscal Agent Olds stated the Board needed to be aware of the impact of fund balances on the current and future budgets. He then presented information on fund balance recommendations. He recommended setting additional fund balances in the future for various purposes in the operating budget.

Boardmember Bauman thanked Mr. Olds for this information, and while it was too late to implement this information this year, he thought it important to have a thorough discussion prior

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to development of the Fiscal Year 2006 Operating Budget. Also, he thought the cities needed to be made aware of the need for fund balances and reserves as future budgets were presented.

**5. OTHER BUSINESS**

Chair Skrede noted the correct address of the East Side Station was 20227 Minnetonka Boulevard, Deephaven Minnesota 55331, as stated on the correct certificate of occupancy.

**6. NEXT EFD GOVERNING BOARD MEETING**

The next meeting of the EFD Governing Board was scheduled to take place on July 21, 2004 at 6:00 P.M. at the West Side Station.

**7. ADJOURN**

**Bolles moved, Love seconded, Adjourning the EFD Governing Board Meeting of June 29, 2004, at 8:17 P.M. Motion passed 5/0.**

**RESPECTFULLY SUBMITTED,**

**Sally Keefe,**

**Recording Secretary**