

**Excelsior Fire District Board  
EFD Governing Board Meeting  
Tuesday, August 18, 2004**

**24100 Smithtown Rd.  
Lower Conference Room  
6:00 P.M.**

## MINUTES

### 1. CALL TO ORDER

Chair Skrede called the Board meeting to order at 6:05 P.M.

### ROLL CALL

Present: Excelsior Fire District (EFD) Boardmembers: Chair Skrede; Boardmembers Bauman, Bolles (arrived 6:08 P.M.), Boardmember Hill, and Love

Also: EFD Chief DuCharme; EFD Deputy Fire Chief George (arrived 6:15 P.M.); and Firefighter Hoo (arrived 6:15 P.M.)

Also present: Excelsior: Acting Administrator Johnson (arrived 6:08 P.M.)

Absent: None

### 2. AGENDA APPROVAL

Chair Skrede reviewed the Agenda for the evening. Boardmember Love requested Item 9A, Consolidated Budgeting Changes be added to the Agenda for this meeting.

**Love moved, Bauman seconded, approving the EFD Board Meeting Agenda as amended. Motion passed 4/0.**

### 3. APPROVAL OF MINUTES

#### A. July 21, 2004 EFD Board Meeting Minutes

**Bauman moved, Love seconded, Approving the July 21, 2004, EFD Governing Board Meeting Minutes as amended on Page 2, Item 4B, Paragraph 2, change “change orders” to “TSP reference numbers” and on the same item and page in Paragraph 4, Sentence 2, change “September 11, 2005” to “September 11, 2004,” and on Page 3, Item 6C, Add as the last sentence under that Item “Boardmember Bolles stated the reason all construction and architectural invoices were not approved for payment was because signatures on the payment requests and change orders #5 through 11 on the East Side Station and #8 on the West Side Station were not provided.” Motion passed 5/0.**

### 4. REPORT AGENDA

#### A. Monthly District Review for July, 2004

Chief DuCharme reviewed the monthly call data by city for the Board. He noted the total number of calls for the District was 93 for the month of July, and also noted the locations of multiple false alarms within the District. Chief DuCharme also stated notification would be sent to each city regarding these events.

#### B. Operating Committee Meeting Minutes of August 11, 2004

**Love moved, Bauman seconded, Approving the Report Agenda as presented. Motion passed 5/0.**

### 5. MATTERS FROM THE FLOOR

Firefighter Hoo stated there have been problems with odors in the East Side Station thought to have been caused by problems with the air intake to the furnace. Discussion ensued regarding clarification of necessary remedy of this issue as it related to previously installed connections as approved by the Board.

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Chief DuCharme stated the Board had previously approved the connections to the apparatus bays, and the plan for remedy included tapping off the line next to the apparatus bay.

### **6. FIRE CHIEF REPORT**

#### **A. General Report**

Chief DuCharme explained the Fiscal Year 2005 Operating Budget had been presented to all member cities, and approved by all with the exception of the City of Shorewood. The City of Shorewood had concerns related to the fund balances and the use of the Orono contract monies being utilized to offset operating costs of the budget. In addition, Chair Skrede, Fiscal Agent Olds and Chief DuCharme met with the auditor to discuss reserve balances and budget strategies for upcoming years. The auditor was very supportive of creating different funds to handle various budgeting issues.

With regard to the West Side Station and right-of-way issues associated with the construction of the County Road 19 project, Chief DuCharme reported last month an offer had been received from Hennepin County in the amount of \$41,900 for easement right of way. He went on to explain that upon review of the agreement regarding this payment, he noticed the cost of the preemption devices had been mistakenly included in the project cost. Since the agreement had changed from what the Board had anticipated, Chief DuCharme had decided not to sign the agreement at that time without specific Board direction.

**Hill moved, Bolles seconded, Directing Staff Not to sign the Agreement from Hennepin County until such time that the Board can reexamine written documentation of the easement and preemption issues received by the Board from Hennepin County.**

Boardmember Love stated he would not oppose the motion, however if the County would move forward with the issue and change the offer presented, he would like to proceed in a timely fashion in order to expedite construction. The Board agreed to hold an emergency meeting to consider this issue if need be.

**Motion passed 5/0.**

Also regarding the West Side Station, Chief DuCharme and Chair Skrede met with John Boerboon, of Kraus-Anderson, and his supervisor to discuss General Conditions on the overall project. While Kraus-Anderson had committed to sending written documentation of those charges, none had been received. No invoices had been received from Kraus-Anderson for this meeting as well.

With regard to the East Side Station, Chief DuCharme explained a letter had been received from the contractors associated with the clean up of contaminated soils at the Station. Chair Skrede explained the history of process followed by the City of Deephaven with regard to payment of this invoice. Chair Skrede also noted the City of Deephaven believed the amount to be excessive and recommended the invoice be contested. Additionally, he stated it was the City's contention that Kraus-Anderson, not the City of Deephaven, had contracted with the firm to remove the contaminated soil, and therefore responsibility of payment did not rest with the City.

Boardmember Bolles stated he thought it important to follow the process of continuity in consideration of project costs. Boardmember Love also agreed the process needed to be followed in this case. He also stated the contaminated soil existed in Deephaven and the EFD was not in the chain of title associated with the land owned by the City of Deephaven.

Chief DuCharme stated, at the Board's direction, he would speak with the contractor and would also work through Kraus-Anderson to attempt to remedy the situation in a cost effective manner.

Chief DuCharme also noted the Firefighter Open House committees had confirmed the date of September 11, 2004, for an Open House celebration at both the East and West Side Stations. The East Side Station, also known as Fire Station 2, would hold an Open House from 10:00 A.M. to 12:00 P.M. and the West Side Station would hold its Open House from 1:00 P.M. to 3:00 P.M. in order to allow attendance of all firefighters at each Station.

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Chief DuCharme next reported two complaints were filed with the Minnesota Occupational Safety and Health (OSHA) Division of the Minnesota Department of Labor and Industry. Chief DuCharme stated he had responded to these complaints and shared the written response with the Board on these matters. He stated all proper procedures had been followed in responding to these allegations.

The Board commended Chief DuCharme for his professionalism demonstrated in working with OSHA regarding the allegations.

Sadly, Chief DuCharme reported the death of Nancy Kelm on August 12, 2004. He stated she was the City Clerk for the City of Greenwood and would be greatly missed by all who had the good fortune to know her.

### **7. RELIEF ASSOCIATION**

#### **A. Presentation on the Excelsior Firefighters' Relief Association by Doug Sweeney**

Chair Skrede introduced Doug Sweeney, President of the Excelsior Firefighters' Relief Association (EFRA) for the EFD. Mr. Sweeney thanked the Board for its past support and then introduced David Hoo, Trustee of the EFRA, and Vicky Narveson, Vice-President of the EFRA and Brian Coonley, Treasurer of the EFRA to the Board.

Mr. Sweeney presented a PowerPoint presentation to the Board on the EFRA. He explained the EFRA was funded through two funds; a Special Fund and a General Fund. The Special Fund provided retirement pensions to the firefighters, and the General Fund was utilized for the good of the entire EFRA membership. Mr. Sweeney noted the General Fund was supported by the annual Firefighters Relief Association Dance. The Special Fund was funded through 2% of State Aid monies, voluntary municipal contributions, and required municipal contributions. Projected revenues for the Special Fund were comprised of State Aid monies collected through Fire Hazard Insurance costs and then returned to fire districts throughout the State. Voluntary contributions from the EFD totaled \$15,000 and a required contribution from each member municipality totaling approximately \$39,000 were included in the projected revenues for 2004 along with monies from the Orono contract in the amount of \$65,000, as well as fund earnings which were subject each year to market fluctuation. Mr. Sweeney noted the required municipal contributions had only been needed in the past two years and were mostly due to the increased membership and assumed liabilities of that increase as the District had grown. With regard to this deficit, Fiscal Year 2003 included an unfunded liability to be paid by the EFD in the amount of \$39,500. Despite this recent past deficit, there was no deficit projected for the remainder of 2004 because all revenues to the Special Fund had increased as well as monies allocated from the Orono service contract at the direction of the Board. He also explained numerous other factors included in the funding of the EFRA including required reports, State Aid monies, service benefit amounts, historic funding data from the sales of the Annual Firefighters' Relief Association dance for the past 19 years, and various other projections associated with the growth of the funds within the EFRA.

Mr. Sweeney stated the EFRA wished to review three separate issues associated with funding and benefits of the Association. The first issue for discussion included receipt by the EFRA of the entire proposed amount for the Orono contract. Secondly, the EFRA wished to receive Board approval to raise the benefit level from \$4700 to \$5000 annually for retiring firefighters. Thirdly, the EFRA requested the Board consider a resolution approving an automatic increase in benefit each year for the firefighters. Mr. Sweeney then thanked the Board for its consideration of these issues and also for time spent learning about the EFRA and its funding mechanisms.

On behalf of the Board, Chair Skrede thanked Mr. Sweeney and his father, Mr. John Sweeney, also in attendance, for their efforts in preparing the presentation, and being present this evening to answer questions from the Board. Chair Skrede also suggested Mr. Sweeney present this information to the member cities in effort to provide educational background and better understanding of the responsibilities and funding mechanisms of the EFRA for all parties involved in these issues.

Boardmember Love stated he thought the firefighters were asked to take on the greatest burden of the Orono contract, and he thought utilization of those funds for the EFRA was its best use as it was being returned to the firefighters and would ultimately benefit the cities as well. In response to concerns raised

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by Boardmember Bolles relating to the possibility of the State changing its funding formula for State Aid, Boardmember Love stated the municipal contributions were a mandatory action directed by the State Legislature and he was pleased to be able to support those contributions as the stewardship shown over time by the firefighters was amazing.

Boardmember Bauman stated he was in agreement with the Orono monies being allocated fully to the EFRA, and he stated he thought it made sense to raise the annual benefit amount due to the positive direction of the market in the past.

Boardmember Bolles stated there was no guarantee the market would not fall into decline in the future should the Board approve the increase. He stated he was concerned for future deficits in the Association funding.

Boardmember Love stated he agreed there was not a guarantee in the market, however, he believed the primary benefit belonged to the firefighters. He stated an increase in benefit would work to improve the current benefit to firefighters and would also help with retainage of firefighters that provided a benefit to the community as a whole. He stated he thought it the responsibility of the communities to be good stewards to the firefighters as the firefighters so frequently demonstrated exceptional stewardship in their jobs for the community.

**Love moved, Bauman seconded, Approving funding the Municipal Obligation for the unfunded liability of Fiscal Year 2003 in the amount of \$39,500 from the Orono contract to the Excelsior Firefighters' Relief Association. Motion passed 5/0.**

### **B. Relief Association Contributions**

Chief DuCharme explained that when the Orono Fire Protection Service Contract was negotiated the intention of the EFD Governing Board was to use a portion of the revenue from this agreement to fund contributions to the EFRA, with a maximum amount of \$200,000 discussed as a potential contribution.

The EFRA had proposed receiving this contribution in three equal payments during the Years 2004, 2005, and 2006. These contributions would be used to fund current balances of the EFRA's Special Fund. In order to accomplish this funding, the Board would need to authorize making those payments and allocating these payments against the Orono revenues. Chief DuCharme stated he had consulted the EFD Auditor and was told this would be a proper use of funds.

Discussion ensued with the Board and Firefighters in the audience working to clarify the utilization of the Orono monies associated with Special Fund.

Boardmember Love stated he believed there were different opinions and different understandings related to the utilization of the Orono monies. He briefly summarized the history of the Governing Board decisions related to this issue, and noted the Board had agreed not to count the Orono monies as "long term" income for the District.

Boardmember Bauman stated he believed it would be beneficial to hold a Joint Meeting of the member cities' Councils to hear the Excelsior Firefighters' Relief Association presentation by Mr. Sweeney and have interaction on the requested issues from the EFRA Board.

Chief DuCharme stated the Orono contract was made possible by the firefighters of the EFD and he could think of no better way to reward the firefighters for providing their expertise and services. He further stated he believed utilization of the Orono monies was a wonderful way to bolster the EFRA. He stated he highly recommended the Board take action on this issue as it would send a wonderful message to the firefighters that the monies utilized would be for everyone in the EFD, and he thought it an excellent use of the Orono contract monies. He stated he would highly support a contribution totaling \$200,000 as it would enhance retention issues for the EFRA and was considered paramount to the firefighters for all they do.

**Love moved, Bauman seconded, Approving Contributions for the Years 2004, 2005, and 2006, not to exceed \$200,000, in three separate installments to the Excelsior Firefighters' Relief Association.**

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Boardmember Hill stated he was reluctant to support this motion as he believed it required an opportunity to speak to Councils prior to approval.

**Without objection from the seconder of the motion, Love withdrew the motion.**

Boardmember Love stated, that despite his recent action on the motion, there seemed to be a general consensus shown by the Board for support, however, the rescinding of the motion would allow for more education of Councils and the public at large regarding these funding issues. He also stated he wished this item to be considered at the September 22, 2004, Governing Board Meeting.

Boardmember Hill departed the meeting at 8:28 P.M. and returned at 8:30 P.M.

Boardmember Bauman departed the meeting at 8:31 P.M. for the evening.

Firefighter Hoo then noted the sudden departure of the firefighters in the audience for the Board. He explained these firefighters believed the Board did not wish to listen to their concerns and the firefighters present had also taken offense to the Board's inaction on this issue as they were quite concerned about the use of the Orono monies for the EFRA. He explained the firefighters felt at this point the reason the EFD had taken on the Orono contract was for repayment of debt and to save the member cities' the monies owed by each municipality.

Boardmember Love stated he had seen no evidence of intended slight toward the firefighters in this issue. He stated there was a difficult process that needed to be followed in consideration of these requests. He also stated he believed there needed to be some trust in these situations, and he thought it was mutual respect that kept everyone at the table in cases such as this one. He stated he apologized for any offense taken as a direct result of his actions in the motion, however, he also believed it critical for the firefighters to remain part of the discussions until all disagreements could be defined for all to understand.

Boardmember Bolles stated he thought it unfortunate the firefighters had left in this manner, as the Board was required to utilize a process of consideration of these requests.

Boardmember Hill stated the Board had a responsibility to represent each of the member cities and to make a decision on what would be funded and where these allocations would be made.

Firefighter Hoo stated he thought it important for all parties to understand the Councils had responsibilities, and the firefighters appreciated the Board's efforts in this matter, however, the firefighters remained concerned that the Orono contract was undertaken to resolve the deficit issues associated with EFRA funding.

After much discussion and at the suggestion of Boardmember Hill, the Board agreed to hold a Work Session meeting of the member cities' Councils for the purpose of education of member Councils regarding the funding of the EFRA, and the process to be utilized in making allocations of monies on behalf of the EFD.

### **8. FACILITIES**

#### **A. West Side**

Chief DuCharme stated there was nothing further to discuss this evening regarding the West Side Station.

Boardmember Bolles expressed frustration with the lack of written documentation and the lack of process followed by the architectural firm and contractor hired to handle administration of issues associated with construction of the West Side Station. Specifically, he stated detailed cost information needed to be provided for Change Order #7 on the West Side Station, and credits needed to be applied for the double billing of the ice and water shield and other items not included in Change Order #7.

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With regard to the East Side Station, Boardmember Bolles stated Change Orders #5, 6, 7, 8, 9, 10, and 11 required signed copies and detailed cost information associated with each Change Order for the project.

Chair Skrede stated there would be another meeting held with Kraus-Anderson and TSP One, Inc., regarding complete submission of outstanding requested written documentation as well as payment for invoices and General Conditions associated with construction of the West Side Station.

### **B. East Side**

Chief DuCharme explained Vicky Narveson was also present this evening to further explain the request by her son that had been previously approved by the Board for a bench as part of an Eagle Scout project. She stated her son, Brandon, wished to include a water fountain in the project in memoriam of his recently deceased brother. She detailed the location of the proposed benches and water fountain for the Board.

On behalf of the Board, Chair Skrede expressed sympathy for the loss of Mrs. Narveson's son, Derek, and the Board supported the inclusion of the water fountain in the project, noting it would make a wonderful tribute to her son and a beautiful contribution to the community.

### **C. Open Houses**

Open Houses celebrations for the Excelsior Fire District would be held on September 11, 2004, at the East Side Station from 10:00 A.M. to 12:00 P.M. and at the West Side Station from 1:00 P.M. to 3:00 P.M. to allow all firefighters to attend both Open Houses should they choose to do so.

### **D. Consideration of Construction Invoices**

Chief DuCharme explained he had withdrawn the invoices to be considered this evening pending written documentation discussed as part of Item 6A on this evening's Agenda.

## **9. OTHER BUSINESS**

### **A. Consolidated Budgeting Changes**

Chief DuCharme explained currently the EFD annual budget consisted of three categories that together comprised the entire annual budget. These categories were Capital Equipment Budget, Lease Payments, and the Operating Budget. After discussions with the EFD Auditor, it was recommended these fund balances should be calculated using only the Operating Budget balance, since the EFD was consistently able to accurately identify and fund expenses related to the Capital Equipment and Lease Payment funds.

He then reviewed several operational changes with regard to preparation of the Annual Budget as well.

The Board indicated consensus for including discussion of these changes at the Joint Work Session Meeting slated to take place in the next months.

## **10. NEXT MEETING**

Chief DuCharme stated the next meeting of the EFD Governing Board would take place on Wednesday, September 22, 2004, at the West Side Station at 6:00 P.M.

## **11. ADJOURNMENT**

**Love moved, Bauman seconded, Adjourning the EFD Governing Board Meeting of August 18, 2004, at 9:22 P.M. Motion passed 4/0.**

**RESPECTFULLY SUBMITTED,**

**Sally Keefe,  
Recording Secretary**