

MINUTES

1. Call to Order

Chair Viesturs called the meeting to order at 6:02 P.M.

ROLL CALL

Present: Excelsior Fire District (EFD) Boardmembers: Chair Viesturs; Boardmembers Bauman, Love, Saunders, and Skrede; EFD Interim Chief George

Also present: Deephaven Administrator Young; Shorewood Administrator Dawson; Excelsior Deputy Clerk Johnson and EFD Fiscal Agent Olds; EFD Chief Heiland

Absent: None

2. Agenda Approval

Bauman moved, Love seconded, approving the EFD Governing Board Meeting Agenda as presented. Motion passed 5/0.

3. Approval of Minutes

A. May 24, 2006, EFD Board Meeting Minutes

Love moved, Saunders seconded, approving the EFD Board Meeting Minutes of May 24, 2006 as presented. Motion passed 5/0.

4. Fire Chief Selection Process

A. Steering Committee Update

Chair Viesturs stated the list of candidates had been narrowed down to three – one from Maine, one from Minnesota, and one from Ohio. The candidates would be interviewed on-site on July 13 and July 14. The tentative schedule of activities for July 13 was: receive a tour of the facilities in the morning; participate in a psychological evaluation by Lynn and Associates during the afternoon; provide a 15 minute introduction of themselves to the firefighters as a group in the evening; and participate in 3 separate firefighter group interviews which should last approximately 45 – 60 minutes each. During the day of July 14 they would be free to tour the communities on their own. There was an informal social gathering being considered for July 14 from 2:00 - 4:00 P.M for member cities' councils and the community. At some point the candidates would also participate in an incidence command evaluation. She noted one of the candidates would depart early afternoon on July 15 and the other candidate would depart early in the morning on July 15. She questioned if the Board had a desire to meet with the candidates on their own sometime on July 14.

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Viesturs went on to state the Fire Chief Selection Steering Committee would conduct the final interviews via phone after the psychological evaluation and the incidence command evaluation results had been reviewed, and the feedback from the firefighters, councils and community had been received. The Committee would then make a recommendation to the Board for its review and consideration.

Boardmember Saunders asked if the Steering Committee was looking to the Board for guidance as to what degree the Board wanted to be involved in the interview and selection process. Chair Viesturs said the Steering Committee was unsure of what the Board's expectations of the Committee were.

Boardmember Love stated he was not prepared to provide guidance on the Board's involvement. He did state he thought there had been merit during the last fire chief selection process for the Board, as a group, to consider the candidates. He noted all Boardmembers had agreed on the top candidate, and the group involvement provided support for the decision. He commented he was not advocating a particular approach.

Chair Viesturs stated the Steering Committee was not "wedded" to the process they had identified. The Committee did strongly believe the firefighters should have the first opportunity to interview the candidates at the firefighters' meeting on July 13. She stated she thought there would be benefit for the Board to have the firefighters' input prior to the Board meeting with the candidates, should the Board (as a group) decide to meet with the candidates.

Administrator Dawson stated the Committee questioned if the Board would prefer the Committee recommend a candidate to the Board; or would the Board prefer to interview the three candidates, and then receive input from the firefighters and Steering Committee prior to making a decision.

Boardmember Saunders stated the Committee also questioned if the Board would prefer to receive all the input from the various groups, and then participate in the final round of interviews via phone.

Boardmember Bauman questioned how the firefighters' feedback would be presented to the Board and the Steering Committee. Chair Viesturs stated the firefighters who were members of the Steering Committee would be at the firefighters' meeting, as would a representative from Lynn and Associates. She stated the process for firefighters' involvement was in a state of being finalized. Bauman then stated he would prefer face-to-face involvement to over-the-phone involvement. He stated he would also be comfortable being an observer to the firefighters' interview process, and he would like to see how the candidates interacted with the firefighters. Chair Viesturs stated the firefighters on the Steering Committee indicated the firefighters would be uncomfortable with the entire Board attending the firefighters' interview process, but they may be accepting of the Board Chair attending. Interim Chief George stated he was not sure the firefighters would object to the Board observing the firefighters meeting; they would object to the Board being an active participant in the process. Boardmember Saunders stated from a time management perspective, it was more efficient for the candidates to present themselves to the Board and firefighters at the same time.

Boardmember Saunders stated there were 3 options: 1) provide the Board the opportunity to conduct face-to-face interviews with the candidates sometime during the July 13 – July 15 visits; 2) the Board could meet and interact with the candidates at a social gathering, and participate during the final interviews via phone; or 3) the final candidates could come back for face-to-face interviews with the Board. Boardmember Bauman stated he would be comfortable with option 2.

Discussion ensued with regard to the Board's involvement with the candidates during the July 13 – July 15 visits. The value of the social gathering was also discussed; along with the viability of the Board being

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able to get answers to meaningful questions of the candidates during the social gathering. The role the community would play was also discussed. It was commented it was important for the candidates to have the opportunity to be exposed to the community (e.g. the member cities council members); and it was important for candidates' spouses to have an opportunity to be exposed to the community.

Boardmember Skrede stated he would support the Board meeting with the candidates on July 15 prior to their departures. Boardmember Love concurred, provided a standard list of questions had been prepared in advance, and the Board had received all the input from the others involved in the process. Love stated it was important to ensure the entire Board had the opportunity to be involved in the selection to ensure buy-in with the selected candidate.

Discussion again ensued with regard to when the Board could meet with the candidates, and what the environment for the meetings could be. It was noted the candidates must each be provided with the same opportunity to meet with Boardmembers.

Boardmember Skrede stated it was imperative the community and member cities' councils understood they would not have any formal input into the selection process as a result of the social gathering. He then stated one alternative for scheduling time for the Board to interview the candidates could be for each candidate to remove themselves from the gathering, one at a time, to meet with the Board.

Discussion ensued as to whether interviews with the Board would be considered an open meeting; and, if so, notice of the meeting would have to be provided. There was consensus of a need for legal interpretation of this item.

Boardmember Love stated he would support the Steering Committee's recommendation as to how the process should work, as did Boardmember Bauman.

Chair Viesturs recapped how the Board had decided it wanted to be involved in the process. It wanted to observe candidates presentation at the firefighters meeting as well as the general question and answer session. The Board also wanted the opportunity to review the feedback from the firefighters', Lynn and Associates, the psychological evaluations, and the incident command response. Final interviews via phone would be scheduled for 6:00 P.M. July 19, 2006. The participants in the interview process would be determined after legal interpretation of the open meeting requirement was rendered. If the Steering Committee did make a recommendation on the top candidate, the Board wanted enough information to be prepared to either endorse the recommendation or explain why it would not. The Board would like to make the final selection at its July 26, 2006, Board meeting. The request was made for Boardmembers to be available for the evenings of July 13, July 14, and July 19 to participate in the process as appropriate.

Interim Chief George stated the firefighters wanted to review the candidates' resumes in advance of their meeting, and they would like to know the names of the candidates. The names of the candidates are: James McGrath (Ohio), Darryl Fournier (Maine), and Scott Gerber (Minnesota).

5. Report Agenda

A. Monthly District Review – May 2006

Interim Chief George stated there had been 73 calls for the month of May and a total of 306 calls for the year thus far; 32 of the calls were fire related and 37 were medical related. He noted there had been an average of 13.65 firefighters per call, a slight increase over the April average of 13.29. He reviewed the response time averages for the Board as well, noting the average time for the first truck in service was

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3.33 minutes, which was up from the April time of 2.32. George then stated there had been 30 initial fire inspections, 40 re-inspections, and 1 investigation during May. There were also 63 burn permits issued, 10 preplan hours spent, and 20 code interpretation hours spent during May. He also stated there were 47 public education volunteer hours spent, and 3819 contact hours spent during May. He stated May had been a busy month for fires.

In response to comments from Interim Chief George, Boardmember Skrede clarified the question from Deephaven's Mayor about the Fire Chief's administrative reports was actually about a report Skrede prepared which contained the same data in a different format. George explained the firefighters were concerned Deephaven thought the firefighters had not been providing the same level of service from the East Side Station as they did from the West Side Station. Skrede stated that was not the case.

George stated the Firefighter I Class had just been completed, with the exception of receiving the written test results. Three new firefighters would be added to both the West Side Station and the East Side Station, but the net increase to the East Side Station was one because of attrition.

George explained the transition of the Navarre Station to Long Lake had begun. He explained his Orono contact, Rod Morris, had no indication from the Orono Council that Orono wanted to extend its contract with the EFD. Efforts to allow the Navarre Station to be paged independent from the other two stations had been initiated. He also explained the effort to modify the current paging to better reflect the localities of the West Side Station and the East Side Station coverage areas was progressing slowly; Hennepin County did not want to reconfigure the original 5 radio zones until its new paging system was up and running. He commented he may need support from the member cities' councils to help expedite the effort.

B. Report of Operating Committee – June 14, 2006

Administrator Dawson reported on matters considered and actions taken at the Operating Committee Meeting of June 14, 2006, (as detailed in the minutes of that meeting). He stated the Operating Committee had not added budget dollars to cover the expense for a possible office manager for the EFD; the Board would need to determine if it wanted to increase the budget to cover those potential costs.

C. Treasurer's Report

Fiscal Agent Olds stated the Excelsior Fire District expenditures report (as detailed in the report) reflected expenses incurred through May 31, 2006. He explained the Operating Fund percent expended was low because fund transfers were scheduled to be done on a quarterly basis. He also explained workers comp insurance expenditures were high because of a worker's comp audit conducted in 2005, but paid after the 2005 financial books had been closed. He stated firefighters' salaries were paid quarterly, but after the end of a quarter. He noted building maintenance costs had been underestimated for 2006; the 2007 budget reflected an increase in that line item.

6. Matters from the Floor

There were no matters from the floor presented this evening.

7. Unfinished Business

A. Review 2007 Budget

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Interim Chief George stated he had not received any additional input from the Board or Operating Committee with regard to the 2007 EFD draft operating budget since the Board meeting on May 24, 2006. He explained he had separated the Capital Outlay from the Operating Budget as had been requested.

In response to a question from Chair Viesturs, Fiscal Agent Olds explained the 2007 workers compensation insurance budget should be sufficient; the costs were based on the coverage area population.

Boardmember Skrede suggested the 2007 fiscal management fees budgeted amount be adjusted to reflect one of the amounts specified in the two contracts for providing fiscal agent services being considered by the Board (Item 7.B on the agenda).

Boardmember Saunders stated the 2005 EFD Annual Financial Report depicted a decrease in reserves from 35% at 2004 year-end to 29% at 2005 year-end. (Note the following numbers are approximates). The 2006 Operating Budget was \$560,000, while the 2005 actual Operating Budget was \$595,000. If a 3% inflationary factor was applied to the 2005 actual amount, the 2006 actual should be \$613,000. The 2006 budget would be overspent by \$53,000, resulting in the reserves decreasing to 22%. He stated it was important for the Boardmembers to present the budget to their respective councils as a comparison to the projected 2006 actual, not as a 15.7% increase over the 2006 budget. If the 2006 actual was to end up \$613,000, then the 2007 budget increase would be of 5.7%.

Boardmember Skrede stated 2005 actual exceeded the budget by 12%, and the 2004 actual exceeded budget by 14%. (The 2005 actual exceeded the 2004 actual by 5%). He then stated the 3% increase could be conservative, and it was more appropriate to use the previous year's actual when determining the percentage increase.

Boardmember Saunders stated the 2007 draft budget appeared to be realistic, and he complimented Interim Chief George on his efforts. He then stated it would be great if a $\pm 1\%$ tolerance could be achieved. He also stated an increase of 3% for 2007 over 2006 actual could be conservative. He commented he was quite confident the 2006 budget would be significantly over spent.

Interim Chief George stated there would be unbudgeted hiring expenses included in 2006 actual, adding to the overspending. He stated the firefighters were making every effort to minimize expenses.

Boardmember Skrede suggested the member cities' councils also see a draft budget that would reflect a higher pay-grade for the new fire chief.

Boardmember Saunders asked Interim Chief George to add a 2006 forecast column to the draft 2007 budget prior to the Boardmembers presenting the draft budget to their respective councils. Boardmember Skrede suggested the second quarter firefighters' payroll expense be reflected in the 2006 forecast. Fiscal Agent Olds suggested the top of the existing pay range for the new fire chief be used.

Skrede moved, Bauman seconded, Approving the Excelsior Fire District 2007 Draft Operating Budget be Forwarded to the Member Cities' Councils for their Review and Comment in July 2006.

Boardmember Saunders stated it was important for the member cities' councils to know the Board was in support of the 2007 draft budget. He requested the motion be amended to include the Board's endorsement.

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Boardmember Love stated if the Board had any concerns with the draft budget the concerns should be stated at the meeting. The Board's recommendation to forward the budget to the councils in effect implied the Board fundamentally endorsed the draft budget.

Boardmember Saunders stated he had already presented the original draft budget to the Greenwood Council. Although he had initially been alarmed at the first budget draft, he understood the rationale behind the increase once he had reviewed the budget in detail. He commented he had no recommendation for how to reduce the draft budget other than to place an arbitrary "cap" on it. Because the stations were finally mature, the ability to understand the real cost of operations was achievable.

The motion was amended as follows "Approving the Excelsior Fire District 2007 Draft Operating Budget, which had been Endorsed by the Board, be Forwarded to the Member Cities' Councils for their Review and Comment in July 2006."

Motion passed 5/0.

Chair Viesturs asked the Operating Committee to prepare a formal recommendation for the salary for the new fire chief for the Board's review and consideration.

B. Review 2007 Fiscal Agent Proposals

Chair Viesturs stated the Board had received two proposals for consideration to provide fiscal agent services – one from Deephaven and one from Excelsior.

Boardmember Love stated if the EFD were to continue to outsource fiscal agent responsibilities, the proposal from Deephaven was a proposal worthy of serious consideration from a cost perspective. But, if the Board intended to bring the responsibilities in-house after 2007 then the proposals may have to be evaluated for reasons other than just the cost.

Boardmember Bauman stated his recollection was the responsibilities would be outsourced until the new fire chief had had an opportunity to assess the benefits of having an office administrator who could also perform the majority of the fiscal agent responsibilities. He was not sure there should be a commitment to a three-year contract at this time.

Boardmember Skrede stated he did not support bringing fiscal agent responsibilities in-house, unless the proper controls were in place with regard to the purchasing policy. He went on to state that if the cost of either proposal were extrapolated out for three years, neither cost would equal the projected cost for a position that could serve as an office administrator and perform the majority of the fiscal agent responsibilities. He continued on to say if the costs were projected out over ten years, the in-house costs would be very significant in relationship to the cost of a new truck. He also stated the internal controls that could be achieved could possibly be achieved via oversight of the Operating Committee and the new purchasing policy.

Boardmember Love stated Interim Chief George had expressed concern over the number of duties he was asked to perform in that position. He went on to state the EFD was no longer in the process of building buildings; now it needed to focus on developing an organization with a culture, and that would consume a great deal of the new fire chief's time. The office administrator position would go beyond the role of fiscal agent; it would also provide the necessary support and assistance to the fire chief so the chief could focus on management responsibilities. Therefore, the fiscal agent costs can not be equated to the cost for an office administrator.

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Boardmember Skrede questioned if some of the support services could be accomplished by others in the EFD organization.

Boardmember Bauman stated the discussion was similar to the one that occurred at the last Board meeting. The topic at hand was to determine which of the proposals should be considered if the fiscal agent responsibilities were to be outsourced during 2007. Boardmember Saunders concurred. Saunders also agreed with Bauman that the new fire chief should be involved in determining the need for an office administrator / fiscal agent.

Chair Viesturs also agreed the new fire chief should make the evaluation. She expressed her concern with the impact of changing fiscal agents during a time of other significant changes to the organization. She noted although it was more beneficial to the EFD to remain with its current fiscal agent, it may not be beneficial for Excelsior to provide the services for an amount that did not cover its expenses.

Boardmember Saunders agreed taking a year to evaluate the situation was appropriate, and he also agreed with the need for stability. He would support the Board asking Excelsior if it would be willing to match Deephaven's \$18,000 bid for 2007. If Excelsior was unwilling to match the bid, then the Board would have to decide if it wanted to consider Deephaven's proposal.

Boardmember Love clarified if the EFD wanted to consider outsourcing fiscal agent responsibilities for a longer period of time, then Deephaven's proposal was most worthy of consideration. If the responsibilities could possibly be brought in-house in 2008, than converting to Deephaven to perform the responsibilities would result in two fiscal agent transitions. He would support asking Excelsior if it would be willing to provide the services for \$18,000. Fiscal Agent Olds explained if there were to be a change in fiscal agent service provider, the current fiscal agent must be notified by September 15, 2006, of the intended change. Chair Viesturs stated she would bring the request to the Excelsior Council.

Saunders moved, Love seconded, Agreeing to Continue to have the City of Excelsior Provide Fiscal Agent Services for 2007, Provided Excelsior would Agree to Perform the Services for a Cost Not-to-Exceed \$18,000.

Boardmember Bauman stated he usually was not one to favor asking one bidder of services to be asked to match another bidder; although under the proposed budget circumstances he would be willing to support that action. He would prefer to maintain stability by continuing to outsource fiscal agent services to the current service provider.

Boardmember Skrede stated if the EFD wanted the stability of staying with the current service provider, than it should be willing to pay the cost specified in the provider's proposal. He did not think it was appropriate to ask the provider to lower its bid.

In response to a question from Chair Viesturs, Boardmember Love stated his interpretation on the motion was awarding the contract was dependent on the service being provided at the specified price.

Motion passed 4/1 with Skrede dissenting.

Chair Viesturs stated Excelsior had asked the EFD to consider rotating the duty of a City Clerk to attend the Excelsior Firefighters Relief Association meetings. Excelsior had provided and paid for its City Clerk to attend the meeting since the EFD was formed.

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Boardmember Love stated it was reasonable for the duty to be rotated amongst the Operating Committee members.

Administrator Dawson explained the City Clerk of a City Department was required to perform that duty. There was a difference when it came to a district. The "city clerk" oversight responsibilities were more financial and procedural, which was the reason the Board had decided the fiscal agent should perform those responsibilities throughout the year. There was Board consensus to continue the item to the next Board meeting.

C. Close Out Facility Construction Project Fund

In response to a question from Boardmember Skrede, Administrator Dawson stated the EFD was paying trustee fees to US Bank to perform interest and bond payment services, and it was also paying US Bank trustee fees to maintain the construction account. Administrator Dawson explained as long as the project fund remained open fiscal fees were incurred. He also explained there were a number of transaction fees associated with managing the construction account – there were fees associated with the payment to the bond holders, and there were fees associated for managing the account while the account was still in a project status. He went on to explain the fiscal fees were included with the rent fees the member cities were paying to the EFD.

In response to another question from Boardmember Skrede, Administrator Dawson explained once the construction account was closed, payments for the management of that account would cease.

Boardmember Bauman stated he recollected the topic of payment of fees for management of the construction account (as long as it was an active project account) had been discussed at previous Board meeting(s).

Administrator Dawson stated he recollected there were two issues on the West Side Station (one for \$1,000 every 6 months, and one for \$1,100 every 6 months); and there was one issue on the East Side Station (for \$1,000 every 6 months).

Administrator Dawson stated the SLMPD Coordinating Committee had authorized the SLMPD project completed; therefore, the EDA would forward that information to US Bank, and the associated payments to US Bank for those services would cease.

Fiscal Agent Olds stated the EFD had received payment from the SLMPD for one-half the cost of the meeting room furniture (\$8,941.22). Administrator Dawson stated the West Side Station deficit reflected the receipt of that payment. Olds stated if the EFD were to receive payment from the SLMPD for the exercise equipment, the West Side Station deficit would be reduced.

Administrator Dawson explained there were two outstanding items that needed to be addressed with regard to the West Side Station project: 1) to declare the project complete and receive any reimbursement available from the remaining bond proceeds for the project; and 2) to determine how to handle the project deficit.

Saunders moved, Bauman seconded, Authorizing the Disbursement of the Remaining West Side Station Project Fund Bond Proceeds to Reimburse the EFD for an Amount of \$4,726.34, Informing the Shorewood EDA to Declare the West Side Station Project Complete for Purposes of the use of Bond Proceeds, and Requesting the EDA to inform the Bond Trustee the Project was Declared Complete. Motion passed 5/0.

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Chair Viesturs stated Fiscal Agent Olds had identified 4 options that could be considered to address the project deficit, clarifying the options were not recommendations. The options were not all inclusive.

1. Fund the deficit from the Operating Fund. Fiscal Agent Olds explained there was a repayment of \$37,293.88 to the East Side Station project fund required. If the payment were made from the Operating Fund it would reduce the projected Fund balance to \$129,990 (based on the 2005 actual), and would result in reserves of 20.1% against the 2007 draft budget.
2. Revisit the allocation of the general conditions, and fund the deficit out of the East Side Station project bond funds.
3. Fund the deficit out of the Board's Discretionary portion of Orono contract revenues.
4. Fund the deficit with payments from the member cities, with payment amounts determined based on the funding formula.

Chair Viesturs stated she was not in favor of funding the deficit with Orono contract revenues; the revenues were not intended to fund general operating costs. The firefighters had used their discretionary revenues to purchase items they needed that were not included in the operating budget.

Administrator Young said the use of the revenues to fund the deficit could be considered construction costs, not operating costs. Boardmember Love agreed, it could be considered a one-time capital expense. Boardmember Saunders stated when the Orono contract allocation formula was agreed upon, the portion allocated to the Board was for the Board to use at its discretion.

Boardmember Bauman stated he would not want to revisit the topic of the general conditions allocation; it had been a very stressful discussion. At this time, he would not want to broach the topic of additional funding from the member cities. He would support either the operating fund or Orono contract revenues options.

Boardmember Saunders stated if the money were to be taken out of the operating fund, it would only delay a levy to the member cities.

Administrator Dawson stated the money could be taken out of the reserves, and the Orono contract revenues could be used to fund the reserves.

Boardmember Saunders questioned if it would be possible to determine what portion of the deficit should not be incurred by Deephaven because it is not a member of the SLMPD. The EFD could then reimburse Deephaven for that amount, and fund the deficit out of the general conditions.

Boardmember Skrede stated he thought using the Orono contract revenues to re-pay the East Side Station project fund was the cleanest way to address the situation. If the member cities were later approached for additional funds for operating purposes, it would be more appropriate.

Boardmember Love stated he did not want to revisit the topic of the general conditions allocation; the Board had already made a decision with regard to that matter. The decision to treat the construction of two buildings as two separate projects rather than one project resulted in the deficit. He stated there was no real project deficit; there was only a "bookkeeping" deficit. If the West Side Station and East Side Station bonds were considered in total, there was a surplus of bond proceeds.

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In response to a question from Boardmember Saunders, Administrator Dawson stated one half the cost of the exercise equipment was approximately \$14,000. Saunders stated if the SLMPD were to pay for half of the equipment, the deficit would only be \$23,294.

Boardmember Skrede stated it would be possible to consider the \$14,000 as an open receivable; if that was done it was also important to have a timeframe as to how long it would remain open.

Chair Viesturs commented she had not been successful in contacting the SLMPD Coordinating Committee Chair or Vice Chair to schedule a meeting with them, Vice Chair Saunders, and herself.

Boardmember Saunders stated he would support creating an open receivable for the \$14,000.

Chair Viesturs stated the SLMPD had closed its bond funds.

Boardmember Love stated, as a member of the SLMPD Coordinating Committee, the SLMPD had used some of its reserves to help fund the cost of the furniture. The SLMPD's concern was neither it nor the Coordinating Committee had authorized the purchase of the furniture or exercise equipment, but felt the furniture was used by both groups.

Chair Viesturs stated if the payment to the East Side Station project fund was made with the use of Orono contract revenues Board Discretionary Fund, and if the SLMPD did make a payment of \$14,000 for the exercise equipment, then she wanted the \$14,000 payment credited to the Orono contract revenues Board Discretionary Fund.

Saunders moved, Skrede seconded, to Re-pay the East Side Station Project Fund for an amount of \$37,293.88 with Funds from the Orono Contract Revenues Board Discretionary Fund.

Chair Viesturs stated she was not comfortable funding the entire re-payment out of the Orono contract revenues. She also was not comfortable with reducing the reserves to 20.1% of the 2007 draft budget amount.

Saunders amended the motion to “to Re-pay the East Side Station Project Fund for an amount of \$37,293.88 with Funds from the Orono Contract Revenues Board Discretionary Fund, and Any Funds Received from the SLMPD as Payment for the Exercise Equipment would be Credited to the Orono Contract Revenues Board Discretionary Fund.”

Boardmember Love stated he was delighted to bring closure to the subject at hand. He was not delighted the construction of the two buildings was considered two separate projects. He would support the motion of the floor so the project closure would finally occur.

Boardmember Bauman stated if the exercise equipment had not been purchased as part of the construction project, the purchase of the equipment could appropriately be funded out of Orono contract revenues. He would prefer only the amount to cover the exercise equipment be funded out of the revenues, and the remainder be funded out of the Operating Fund. Chair Viesturs concurred.

Interim Chief George stated it was important to bring closure to the project. But, at the beginning of the construction project it was discussed that it was a cost savings for the EFD and the SLMDP to share one building with common areas. The firefighters had been concerned the Orono contract revenues would be used to fund items that should have been funded by the construction fund or the operating budget; now that it appeared that was happening it was frustrating to the firefighters.

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Boardmember Love stated he would support the motion because closure was necessary, not because it was the most appropriate way to bring closure.

Administrator Dawson stated he thought the East Side Station project expenditure reimbursements were nearing completion, and the project could then be closed.

Motion passed 3/2 with Bauman and Viesturs dissenting.

Chair Viesturs clarified that her dissenting vote was about how the deficit would be funded, not about the need to fund the deficit. Boardmember Bauman concurred.

Boardmember Love stated although he was relieved to have the issue resolved, he was not feeling satisfaction with how it was resolved. Boardmember Saunders concurred.

8. Other Business

A. Approve Contract Extension for Interim Fire Chief

Chair Viesturs stated Interim Chief George was willing to extend his contract for that position. She explained as of mid-July PERA would be triggered for George; it would not be retroactive, and it would only be for the time he was fulfilling his Interim Chief responsibilities.

Love moved, Skrede seconded, Approving the Contract Extension for Interim Chief George until the New Fire Chief was On-Site. Motion passed 5/0.

The Board thanked Interim Chief George for his contribution.

B. Approve Computer Services

Interim Chief George stated there had been several problems with the computer system. He had contacted Will Lee at CFC Technology; he was the individual that set up the system originally. Mr. Lee was willing to work with the EFD, but he required the EFD to pay what he felt was an outstanding bill of \$2,000.00 and then prepay in blocks of ten hours at a rate of 100.00 per hour. It would cost the district approximately \$3000.00 to get the first 10 hours of service. George had also contacted Jeff Gullickson at Loffler Companies, Inc. Mr. Gullickson stated he thought it would take about 8 to 10 hours of work just to get all the bugs out of the system. Loffler Companies also worked on a prepay services contract. He suggested the EFD prepay for 20 hours at a rate of \$115.00 per hour for a total of \$2300.00.

George stated he had discussed these issues with the Operating Committee, and the Committee recommended the Board authorize \$3500.00 of prepaid computer support services to Loffler Companies, Inc. That amount would fund approximately 30 hours of support services, which should cover the time to resolve all system problems taken and maintain the system thru the end of the year.

Administrator Dawson clarified it was not the Operating Committee's recommendation to pay the entire \$3,500 up-front.

Bauman moved, Love seconded, Approving the Request to Purchase Computer Services from Loffler Companies, Inc., for Computer Services for a rate of \$115 per hour not to Exceed \$3,500, and with a Prepay Amount not to Exceed 10 Hours. Motion passed 5/0.

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C. Review Diversity, Non-Discrimination and Respectful Workplace Policy

Administrator Dawson stated he had not been closely involved with the development of the policy; therefore he could not comment about the policy with a great degree of understanding.

Boardmember Love stated he was not qualified to comment on the policy.

Boardmember Saunders stated, from his perspective, the policy was written from a defensive approach versus a mission statement perspective. He did not have any concerns with what it covered.

The item was continued to the next Board meeting.

9. Next Meeting(s): Regular Board Meeting – July 26, 2006

A. Board Meeting July 26, 2006; 6:00 – 8:00 P.M. WEST SIDE STATION

Chair Viesturs noted the time and location of the next EFD Governing Board meeting.

The Board was asked to reserve the date of July 19, 2006, for the possible phone interviews of final candidates.

10. Adjournment

Love moved, Bauman seconded, Adjourning the EFD Governing Board Meeting of June 28, 2006, at 9:07 P.M. Motion passed 5/0.

**RESPECTFULLY SUBMITTED,
Christine Freeman,
Recorder**