

**SPECIAL AND CONCURRENT MEETING OF THE CITY COUNCILS OF MOUND,
MINNETRISTA, AND ST BONIFACIUS**

**MEETING MINUTES
SATURDAY, OCTOBER 29, 2011**

The City Council for the City of Mound, the City of Minnetrista and the City of St. Bonifacius, Hennepin County, Minnesota, met in a special and concurrent meeting Saturday, October 29, 2011.

Members present: Mound City Council: Mayor Mark Hanus; Councilmembers Kelli Gillispie, Ray Salazar, Heidi Gesch, and David Osmek; Minnetrista City Council: Mayor Cheryl Fischer, Councilmembers Anne Hunt, Arlene Donahue, Mark Vanderlinde and George Zenanko; City of St Bonifacius City Manager Rick Weible, Councilmembers Shawn Ruotsinoja, Terrill Anderson and Jim Rudnicki.

Others present: Mound City Manager Kandis Hanson, Secretary Vicki Weber, Fire Chief Greg Pederson, Interim Police Chief Dean Mooney; Minnetrista City Administrator Mike Funk, Financial Officer Brian Grimm, Interim Police Chief Paul Falls; City of St Bonifacius City Clerk/Treasurer Brenda Fisk, Fire Chief Shane Weber, ESCI Consultants Kent Greene, Phil Kouwe, Bob Kreisa, Facilitator Desyl Peterson.

1. Open Meeting

Mayor Hanus opened the Mound City Council Meeting at 9:01 a.m.

Mayor Weible opened the St Bonifacius City Council Meeting at 9:02 a.m.

Mayor Cheryl Fischer opened the Minnetrista City Council Meeting at 9:02 a.m.

2. Approve Agenda

MOTION by City of Mound Councilmember Salazar to approve agenda, second by Osmek. All voted in favor. Motion carried.

MOTION by City of Minnetrista Councilmember Vanderlinde, to approve agenda, second by Hunt. All voted in favor. Motion carried.

3. Remarks from Facilitator

Desyl Peterson summarized the goal of the meeting is to figure out what is in the best interest of the communities in regards to fire and police services.

4. Introduction of all elected and appointed officials present, including consultants

Those present introduced themselves.

5. Formal Presentation of Fire Study – ESCI

Emergency Services Consulting International (ESCI) Consultant Phil Kouwe gave a brief background on how the study got started. A grant was received by the State Fire Marshalls Office. ESCI's role is to conduct a Third party feasibility analysis. The presentation is that of a feasibility study, not an implementation plan. The two fire department's current service area, service demand and response time performance was summarized.

Options discussed were:

- a. Autonomy, leave the departments status quo.

- b. Legal Unification: Consolidate into a single operational unit either through the establishment of a new special fire district or under the provision of an intergovernmental agreement or joint powers agreement (JPA). Unification could provide increased fire and emergency service efficiently in the areas served by the MFD and SBFD. Unifying would not result in a lot of cost savings because of low staff levels (MFD has one paid Chief and a .5 Administrative Assistant, and all other staff for MFD and SBFD are volunteer), and a single fire station in each department. The benefit of unification would be in how to improve and make operations more efficient by having unified budgets, a single point of contact, administration, training, maintenance and purchasing.

The financial analysis discussed included maintaining a full-time chief, increase administrative assistant position from .5 to full-time, and blend volunteer benefits to make them consistent at a cost of \$77,067. Some apparatus may be redundant if the departments merge and the annual capital replacement funding needs may be reduced by \$18,500, and existing capital replacement funding reduced by \$1 million. The capital replacement is based on an assumption that an apparatus replacement schedule is in place.

Functional consolidation options would be: Develop standard operating guidelines, shared specialty teams, unified occupational medicine programs, develop and adopt common training standards, develop mutual training strategies, purchase uniform emergency apparatus, provide joint staffing of stations and apparatus, and provide for joint incident command and operations supervision.

The study found no reason that the fire departments could not merge. There is the potential of increased operational costs.

- c. Functional Consolidation: This option could be very positive with no cost and possible reduced cost.

6. Questions from Council Members:

St Bonifacius Mayor Weible asked if corrections were sent out in regards to per capita accounts. ESCI Consultant Greene stated there was a mathematical error on page 2 of the Executive Summary; \$39.76 should be \$74.04 and also the same on the chart on page 77.

Mound Councilmember Osmek stated the MFD performs some things that SBFD does not. St Bonifacius Mayor Weible stated MFD does fire inspections and SBFD does not. Osmek stated he was looking at the training officer and that codes vary by city. ESCI Consultant Kouwe stated these issues would be addressed in implementation planning processes and service levels are typically raised to the higher level of the two.

Councilmember Osmek asked about different types of reporting structures for a merger situation. ESCI Consultant Kouwe summarized three basic models:

Contractual Agreement – similar to what MFD and SBFD have now.

Joint Powers Agreement - creates a third entity through negotiations and agreements that run the fire department. Operation and ownership goes to the third entity. This is the most common and most flexible.

District Taxing Entity – a taxing entity, based on a set tax rate on assessed values. Least flexible. Currently only fire district in Minnesota is the Cloquet area.

Discussion followed on the types of reporting structures. Mound Councilmember Osmek asked for examples of other departments that have had similar situations. ESCI Consultant Kouwe stated Cloquet would be a good example of a district model and South Metro would be a good example of a JPA in Minnesota.

Meeting recessed for a break at 10:35 a.m. Meeting resumed at 10:47 a.m.

7. Next Step(s) for Fire Study

ESCI Consultant Kouwe stated the decision elected officials need to make is whether or not to move forward with the planning process. If the decision is to move forward, the next step would be a Joint Implementation Committee (JIC). This is a group of selected members who meet on a regular schedule to ask what direction the city's want to move forward with.

Discussion followed on what is needed for a decision to be made. St Bonifacius Mayor Weible stated he wanted to see a requirements list from each of the communities as to what they want from their fire departments. Minnetrista Councilmember Hunt stated as a customer Minnetrista should be very clear as to the expected service level for fire protection.

St Bonifacius Councilmember Routsinoja stated St Boni needs to adjourn, and asked what is the decision and does a decision need to be made today.

Facilitator Desyl Peterson stated if the councils are not ready to make a decision to move ahead, they need to let other know what's needed to move forward. She summarized this may be case studies and a list of expectations from Minnetrista.

Councilmember Zenanko said for Minnetrista it's a safety issue as to who can provide the safety response for Minnetrista. He stated too many committees take time and money. He suggested getting a small group together and move forward.

Mound City Manager Hanson stated Mound is happy to assist, but it's between St Bonifacius and Minnetrista as to how needs are met.

8. St Bonifacius City Council to adjourn.

MOTION by Ruotsinoja to adjourn St Bonifacius City Council Meeting at 11:17, second by Anderson. All voted in favor. Motion Carried.

9. Formal Presentation of Policy Study – ESCI

ESCI Consultant Kreisa introduced the police study.

Mound Mayor Hanus commented the difference between the fire study and police study is the primary focus of fire is to better serve the customers, and the primary focus of the police study is to determine if costs can be reduced.

ESCI Consultant Kreisa stated the primary goal is to provide enough information to move forward and a feasibility study is the first step in a logical process. Findings were that a consolidation is

feasible and there would be cost savings, both direct and indirect. He noted both departments currently provide a good service. The presentation continued with the process of implementation planning. Some of the benefits of a consolidation include improved service and capabilities, increased supervision, scheduling flexibility and reduced liability. Sharing services would result in little financial or performance benefits.

Discussion followed on governance including Joint Powers Agreement (JPA), contracting, and cost share.

10. Questions from Councilmembers:

Facilitator Desyl Peterson opened the floor for questions.

Discussion followed on service level and cost savings of a consolidation.

11. Next Step(s) for Police Study:

Mound Mayor Hanus stated to move forward there would need to be a savings of more than 10%, and 20% would be even better.

Discussion followed on the staffing levels looked at for budgeting, current staffing verses authorized staffing.

City Administrator Funk recommended a motion from both councils to move towards the implementation phase with a focus on staff.

Mound Interim Police Chief Mooney stated we can staff at a given cost, but depending on the cost, that may create an entity that isn't equipped to provide service levels that each community expects.

Mound Councilmember Osmek asked if there can be a pre-implementation to put together scenarios on buildings, staff, etc. and come up with estimated costs to see where there are or are not savings.

ESCI Consultant Kouwe discussed putting together models with no degradation of services and minimum savings of 10-15%. If the model is reasonable, you can move forward, if not the process can stop.

Discussion followed on the possibility of Hennepin County Sheriff's office providing public safety, or other JPA's such as South Lake Police Department. Mound City Manager Hanson stated a study group could come up with preferred models and then you could have the sheriff cost them out as a vendor.

Facilitator Desyl Peterson asked if the councils want to look at the models for cost savings and no degradation of services.

Kouwe stated they can look at the level of service and costs and come up with reliable predictions of savings.

Discussion followed on having the established committee's present findings to the representative councils and if the proposals are feasible then a joint council meeting could take place.

12. Adjourn

MOTION by Minnetrista Mayor Fischer to adjourn at 12:46 p.m., second by Arlene. All voted in favor. Motion carried.

MOTION by Mound Councilmember Salazar to adjourn at 12:47 p.m., second by Gesch. All voted in favor. Motion carried.

Mayor Mark Hanus

Attest: Vicki Weber, Secretary