



Fire Advisory Board Meeting

Meeting Minutes

August 7, 2024

Roll Call of Attendees

The meeting was called by Fire Chief Mike Heiland. Please note that members in attendance:

Long Lake

Scott Weske
Mike Heiland
Charlie Miner
Jahn Dyvik
Cody Farley

Orono

Adam Edwards
James Van Eyll
Maria Veach
Richard Crosby

Medina

Erin Barnhart
Jason Nelson
Dino Deslauriers

Minnetonka Beach

Jennifer Halverson

Welcome & Introductions

Receive Minutes of July 17, 2024 Fire Advisory Board Meeting

Budget

2024 Operating Expenses as of July

Chief Heiland explained that under heavy truck maintenance and repair, they put 10 new tires on the water tanker which cost \$4,200 and also had to put 3 batteries in their other water tanker which was around \$620. He stated that with five months to go in the year, he believed that things are in pretty good shape.

Draft 2025 Operating Budget

Mr. Weske explained that this was the second version of the Draft 2025 Operating Budget. He stated that call fire pay included a calculation based on hours, so there was a 25% reduction related to the call hours based on the removal of the service area that Orono has taken over. He explained that they had also made an adjustment to duty crew pay because they have seen the trend coming in around 45-50% participation rate, so as of right now they have it budgeted for 55%, which resulted in about 12-13% reduction from the 2024 budget. He stated that the motor fuels line item is still a bit up in the air, but explained that the assumption is that with less calls there will be less fuel used. He referenced professional services and noted that he had moved out the hose testing but had kept the ladder testing. He reviewed additional items that had been adjusted or moved to a different line item and noted that legal fees had also been adjusted to \$5,000 even though it would be for things that may or may not happen.

Ms. Veach asked if that was related to worker's compensation.

Mr. Weske stated there has been one situation where they did have a legal review of a worker's compensation before it was sent to the League of Minnesota Cities because they weren't quite sure if it would qualify but explained that there were other things that have been brought on that

were separate from Orono and Long Lake that they considered 'Fire Department legal' rather than 'City legal'.

Ms. Veach stated that she thought he had explained at the last meeting that this was related to worker's compensation.

Mr. Weske acknowledged that last time it was related to worker's compensation, which is why this budget may be a bit high than 2024. He explained that if there were other items like that they can at least stay on budget and not keep having overages for that line item.

Mr. Dyvik clarified that this line item was worker's compensation related in previous years.

Mr. Weske stated that it was worker's compensation related in 2024.

Mr. Dyvik asked if there was a review of complaint that came out of that as well.

Mr. Weske explained that there was a fire-related employment issue and noted that it is possible it could happen again.

Ms. Veach asked what the complaint was.

Mr. Weske explained that it was a personnel complaint and stated that was why he was trying to stay on track for this line item even though it may or may not end up being used. He noted that if it did not get used it would actually be a good thing.

Ms. Veach asked where this shows up in the 2024 budget.

Mr. Weske stated that it would be on the 2024 Actuals and explained that the budget for 2024 was \$2,000 and year to date, as of July, was \$3,200.

Ms. Veach asked if they felt it was going to be worse than it was this year.

Mr. Weske stated that it was possible, because it has not been added to the contract yet.

Mr. Veach noted that if they look back in history though, that number would be an anomaly.

Mr. Weske stated that for the last three years, there have been 'anomalies' related to legal fees so he was trying to prepare for 2025.

Mr. Crosby asked if the actuals went up from \$550 to the estimate of \$5,000.

Mr. Weske reiterated that as of right now, year to date for 2024, they are at \$3,200, which means that they are \$1,520 over budget in 2024 but if they set it at \$5,000 for 2025, they would not be over budget on that line item.

Ms. Veach stated that Mr. Weske had said that in 2023 the legal fees were \$550 even though \$2,000 was budgeted and asked if they had ever hit \$2,000 before. She asked if they were just increasing it to \$5,000 because of one claim.

Mr. Weske stated that this year they will be over budget and in 2025 they may also be over budget.

Mr. Dyvik clarified that they would not be over budget if they put in \$5,000 for legal fees. He stated that they could also take the other track and just budget the same as they did in 2024 with the knowledge that they may be over budget again.

Mr. Weske explained that at the end of the day, he gets questions about why line items are 130% over budget and it is because they corrected something or chased something. He noted that the line items that are under budget by 150% never seem to be the ones questioned.

Mr. Dyvik stated that he would support keeping the budget where it is but noted that the recommended change was just because they were over budget this year with the thought that they could be over budget again next year.

Ms. Veach questioned what would happen if they did that for every line item that they were over budget on and explained that she was just wondering about the approach and how they had decided this is what they would do for this one line item that has only been over budget for one year.

Mr. Dyvik asked if they wanted to make an adjustment to this line item.

Mr. Weske stated that he can adjust it if the Board would like.

Mr. Dyvik suggested adjusting this line item to \$3,000.

Mr. Weske stated that what he was hearing was that it did not really matter if the line items go over budget.

Ms. Veach clarified that she did not have a preference but was just wondering about the approach.

Mr. Crosby suggested that they split the difference and make this line item \$2,500.

Mr. Weske confirmed that he would make that adjustment. He continued reviewing the 2025 proposed budget line items and noted that in the last version of the budget, the total operations budget was around \$805,000 and this version is at \$790,317.

Mr. Dyvik asked what had been done to reduce the budget numbers.

Mr. Weske explained that he had dropped down the duty crew costs, the correction on adjusting the software along with the professional services adjustments, and had also reduced worker's compensation.

Ms. Veach stated that he had previously talked about the 45-50% participation for the duty crews and they had talked about possibly looking back and redoing the math and asked if that was how it had worked out. She stated that she had a question on how the available shifts at 216 were calculated.

Mr. Weske explained that was actually included in the back of the packet and stated that 216 was how many shifts would be available during the month, and asked Chief Heiland if this included Saturdays.

Chief Heiland stated that it did include Saturdays.

Mr. Weske stated that the 32 should be part of the 216.

Ms. Veach noted that 27 days available times 8 shifts is 216.

Mr. Weske stated that it would depend on how many days there were in that particular month and how many Sundays there were.

Ms. Veach reiterated that she was just wondering how they got to 216 and stated that they had talked about reworking things in order to see what the actual percentages were because that would impact how they budget. She referenced the duty crew numbers that show that 10 people answered a call, which would mean 5 per shift equating to 10 shifts per day so the availability would go even further than that if that is the math based on the sheet that had been provided. She stated that to her, it would increase the number and drop the percentage even further. She noted that she did not intend to put them on the spot, but it was something that they had discussed last time and she felt it would be a good exercise to go through because they were basing the budget on it.

Chief Heiland asked if Ms. Veach wanted them to add the probationary shifts as well.

Ms. Veach answered that she did not want the probationary shifts included, but reiterated that they had talked at the last meeting about either adding them into the total or taking them out. She stated that she did not think it mattered, but wanted to make sure that it was consistent.

Chief Heiland stated that they have been consistent with 8 shifts a day by how many available shifts there are, filled 5 probationary slots, and filled 15 remote work slots.

Ms. Veach referenced the line item that said 3 people at Station #1 and 2 at Station #2 and asked if Chief Heiland was saying that those were not firefighters.

Chief Heiland clarified that on July 5, 2024, because it was a Friday after a holiday, people had the day off, so there were extra people to staff the station, so they did have 3 people at Station #1 and 2 people at Station #2 that day.

Ms. Veach reiterated that would mean that there were 10 people every day which would be 27 times 10.

Chief Heiland asked what Ms. Veach was actually looking for.

Mr. Weske cautioned Mr. Veach about just using a snapshot, and explained that you cannot say that all 27 days would have 5 people, nor could you say that every shift would have 10 people.

Chief Heiland stated that he would like to ask some questions about Orono's duty crew plan.

Ms. Veach asked if the Board was talking about Orono's duty crew and stated that she was not trying to be offensive and was just trying to understand the numbers.

Chief Heiland reiterated his question about what Ms. Veach was trying to do and also questioned how she could not understand the information that had been presented.

Ms. Veach stated that she was sorry and had tried to give them a month to clarify this information.

Mr. Crosby explained that Ms. Veach was just asking a question.

Mr. Miner suggested that Mr. Weske take some time following the meeting to try to break this down differently.

Mr. Weske stated that they could do it as 92 of the 191 were filled would give them a higher percentage and 9 of the 24 would also give a higher percentage of the 216. He noted that either way the percentages would actually be increased if those numbers are changed, which means that they are closer to 50-55%, which was just what they had budgeted for.

Mr. Edwards asked if the confusion was just that on certain days they were over filled.

Mr. Weske stated that was correct, when there was availability.

Mr. Edwards stated that, like Chief Heiland was saying, on that particular Friday, there were extra people and that is why there were 5.

Chief Heiland agreed and reiterated that it was the day after the Fourth of July so they did staff it heavier that day.

Mr. Weske stated that there was just that availability, so they cannot say that they would be over budget at 105% of the \$96,000 versus 55%.

Ms. Veach reiterated that she was just trying to understand the numbers.

Mr. Edwards stated that the confusion is that there is normally 4 but on that particular day there was the opportunity for extra people which Chief Heiland took, which is why there were 5 on that day.

Mr. Dyvik clarified that for budgeting purposes they had assumed 8, but on a case-by-case basis, there may be extras.

Chief Heiland stated that the numbers are what they are and assured the Board that they were not 'cooking the books' or cherry-picking any data.

Mr. Dyvik asked what they normally do on Saturdays for shifts.

Chief Heiland explained that for Saturdays, they normally fill about 20% of the shifts which is pretty consistent. He noted that there are 8 shifts and 2 probationary shifts, even on Saturdays. He explained that they try to keep shifts open so the probationary people can help out and get some experience.

Mr. Dyvik confirmed that the 32 number is actually part of the 216 and that it should not actually be 248.

Mr. Weske agreed and stated that the number is 216 because it was 192 plus 24.

Mr. Dyvik stated that meant that the 216 should be the bottom line number in the available column.

The Board discussed various numbers and what they represented for shifts.

Mr. Crosby asked if there was a certain day that was harder to fill than others.

Chief Heiland stated that Wednesdays are a bit harder to fill, Fridays seem to be the easiest to fill, and Saturdays are hit or miss.

Mr. Dyvik stated that if the number should be 184, that would push the percentage up to 50% and then the bottom line number should be 216 and not 248. He stated that would also change the 40.73% to 47% and reiterated that it would actually push the percentage number higher.

Ms. Veach stated that if this was going to be their second biggest line item she felt it was important to understand it.

Mr. Dyvik stated that the proposed 55% included in the budget was based on trying to do a bit better than they are right now, which did not seem unreasonable.

Mr. Weske noted that year to date they are currently at 44.66% for duty crew.

Mr. Dyvik referenced the blank box on the second line and noted that he felt it should say that Monday through Friday they filled 92 out of the available 184.

Mr. Weske pointed out where it already stated 'Monday through Friday'.

Mr. Dyvik stated that he felt that to avoid confusion and make it clear that Saturday was not part of that, they may want to add it in the other location as well.

Mr. Deslauriers asked it to just be corrected for next time and noted that whether it is 41,44 or 46, it does not really matter.

Mr. Miner stated that overall, the budget will change by about \$1,500 based on their discussion about legal fees earlier in the meeting.

Mr. Weske moved the discussion onto review of the Cost Allocation Formula spreadsheet and explained that was based on data from the previous 3 years. He stated that it was weighted at 70% related to market values and the reduction related to the service area that Orono had pulled out. He noted that there were other reductions in percentages mostly for Orono and explained that Long Lake and Medina had gone up in order to make up the difference. He stated that with the change, Orono is, without any capital, at \$583,175; Long Lake is at \$100,455; Medina is at \$68,917. He stated that the capital expense was added in there and noted that the \$365,000 is the correct dollar amount but the description in the spreadsheet was incorrect because Mr. Dyvik had wanted him to add replacement of the utility vehicle as an item for the 2025 CIP which is estimated at \$240,000. He noted that the \$125,000 listed included the boat, but at the last meeting that had felt that this could be discussed because it may or may not be needed right now.

Mr. Dyvik asked if the roof and a/c had been removed.

Mr. Weske stated that he had removed them and explained that they got quotes for the roof and for \$6,000 they can move forward with repairs and replacement for some factors of the current situation. He noted that they decided to move forward with the repairs because they should have money in the budget and had plans to do it as soon as possible.

Mr. Miner asked if the Medina information looked okay because they had some questions at the last meeting.

Ms. Barnhart stated that they were good now.

Draft 2025 Capital Improvement Plan (CIP)

Mr. Weske referenced page 17 of the packet and noted that this was the 15-year CIP for 2025-2039. He stated that for the next 5 to 15 years it kind of gives an idea of what could be needed, but the focus is really on 2025. He stated that the boat refurbishment was still included, but they did not have official quotes for it yet, so the number included may actually be a bit high. He reiterated that Mr. Dyvik had asked him to add in the replacement of the Utility 11 in the CIP.

Mr. Edwards stated that he thought that last time they said the boat needs were not immediate and asked if it would make sense to move that to 2026 in order to remove it from any potential 'political' issues between Orono and Long Lake. He stated that he believed that it used to be listed in 2029, but had been moved up to 2025.

Mr. Weske noted that he believed that it was in 2029 because of all the other things that they needed to replace. He stated that if the funds are available, it may be worth it, but perhaps it may not be the right time.

Mr. Edwards stated that his suggestion was that it may not be the right time based on the contract ending.

Mr. Dyvik stated that he saw 'replacement' in 2029 not refurbishing, but explained that he felt that this was a call that Chief Heiland needed to make.

Chief Heiland noted that the boat definitely needed some work, but it was mainly cosmetic. He stated that he did not think they could 'kick the can' down the road too much longer and suggested that he try to get a better number for what the necessary refurbishment would actually cost.

Mr. Edwards asked if it would be considered a capital item or an operational/maintenance item if they were just looking to do enough to keep the boat operational for one more season.

Mr. Dyvik suggested that since the boat was not actually about to sink that they simply move it out to 2026.

Mr. Weske stated that he felt that if they were really just looking at cosmetic changes and the engine is still running, the projected \$125,000 was probably too high. He agreed that it would be a good idea to get a harder number for their consideration but also believed that pushing it out to 2026 would probably be fine.

Chief Heiland confirmed that the boat was working fine right now and would be okay if the Board decided to push it out to 2026.

Mr. Crosby referenced Utility 11 and asked if Long Lake had planned to buy that truck on their own.

Mr. Dyvik explained that the assumption was that Orono was not going to contribute, so, because it was needed, Long Lake had said that they would pay for it.

Mr. Crosby suggested that it be removed from the 2025 CIP then.

Mr. Dyvik stated that he disagreed because it has been on the CIP for a number of years and noted that former chief Van Eyll had it in the CIP as a pretty urgent need for the Department. He clarified that it is a CIP need and belongs on there and noted that whether Orono decides to contribute or not, Long Lake will buy it.

Mr. Crosby stated that he felt it would be identified as a Long Lake piece of equipment that Long Lake will buy.

Mr. Dyvik stated that if it was purchased under the contract, then Orono would be a joint owner of the equipment like the other things.

Mr. Miner noted that it would be serving Orono for the majority of 2025.

Mr. Crosby stated that he understood that, but the agreement was that Long Lake would buy it on their own.

Mr. Dyvik stated that there was not an 'agreement' and explained that they had said at the Long Lake Council meeting that they could not wait and see if Orono was going to pay for capital equipment because it was a need. He stated that Long Lake did not want to jeopardize public safety, so Long Lake agreed that they would buy it. He stated that his preference would still be that it be purchased under the contract terms which is why he had asked Mr. Weske to put it back onto the CIP.

Ms. Veach asked Mr. Weske for help understanding this because she thought at the last meeting he had expressed that this was a 'silly exercise'.

Mr. Weske clarified that he was referring to anything beyond 2026.

Mr. Dyvik stated that Orono has said that they would not contribute or approve a CIP budget, but believes they said that they would at it on a case by case basis. He stated that he was not expecting that Orono would approve this CIP budget.

Mr. Miner clarified that even if they did not approve it that did not mean that there was not still a need.

Ms. Veach asked if there were other ways that they could figure it out amongst them.

Mr. Edwards noted that they have a utility vehicle with the same specs that will arrive in November.

Mr. Dyvik stated that the Long Lake vehicle had already been ordered.

Mr. Weske noted that the utility vehicle was expected to arrive in February of 2025.

Mr. Edwards asked why they would put themselves through the additional grief and hardship of putting something in the 2025 CIP that would just drive one city to say 'no' because they already have those assets.

Mr. Miner asked if they needed theirs to serve their third of Orono.

Mr. Edwards stated that it can serve all of Orono because it is not exclusive.

Mr. Crosby stated that it could be used for mutual aid, if needed.

Ms. Veach suggested sharing equipment and asked if that may be a possibility in this situation.

Mr. Edwards stated that was what he was suggesting.

Ms. Veach stated that she thinks other cities have been able to work that out and thinks this could be something for them to talk about.

Mr. Edwards noted that they would be gapping a one-year need.

Mr. Weske asked if Orono's vehicle would be delivered in November of 2025.

Mr. Van Eyll stated that he does not have a recent update, but stated that he believed that it would be delivered in the fall of 2024.

Mr. Edwards stated that if they approve it in the 2025 CIP and by the time it gets here the contract may be over and then they will end up arguing about who paid what.

Mr. Crosby stated that he did not want to 'split the baby' for a year.

Ms. Veach stated that she thinks that they need to address the needs because if purchases need to be made then they should figure that out.

Mr. Dyvik clarified that there is a contract and by including it on the CIP, they were just following the terms of the contract. He noted that the contract didn't say that in the last couple of years the cities didn't need to follow the terms of the contract. He stated that this is following the terms of the contract and the cities will all vote on the CIP and reiterated that Orono had, in the past, made the statement that they would reject the CIP.

Mr. Edwards stated that, in essence, that would mean that they were putting something on the CIP just to drive a rejection from a fellow city.

Mr. Dyvik explained that it was not being done to drive a rejection, but reiterated that Orono had already told them that they would reject it.

Mr. Crosby asked why they would even put it on the CIP if they had already been told that Orono would reject it.

Mr. Dyvik stated that they would put it on the CIP because it was a capital improvement plan and is needed whether the cities agree to buy it or not. He noted that former chief Van Eyll had

things on CIP for years where they didn't necessarily buy the equipment, but the need was identified which is what a CIP is for.

Mr. Edwards stated that if they put it in 2026 they are good because there won't be any drama. He noted that he felt that the people who drew up the contract felt that at the end of the contract there would be reasonable people would start figuring out how to end the contract amicably, which they have not achieved.

Mr. Weske gave the example of Long Lake and Medina accepting the CIP and Orono denying it. He stated that in that scenario, he felt that it could still be purchased, but the understanding would be that the two cities that approved it would also pay for the share of the city that denied it, if they wanted it to be done per the contract.

Ms. Veach reiterated that Mr. Weske had made a statement at the last meeting that this was a silly exercise.

Mr. Weske clarified that he felt it would be a silly exercise for the items on the CIP after 2026.

Mr. Dyvik stated that even if it was a silly exercise, it is required by the contract.

Ms. Veach stated that when they had this same meeting a year ago, there was not CIP brought up.

Mr. Weske stated that the CIP was included in the meeting packet for that meeting.

Ms. Veach stated that since she has been on the Orono City Council there has not been a CIP. She stated that she was not saying that they shouldn't make sure that they have the equipment, but there are other ways and they have presented a budget without a CIP which is what they did last year and noted that she felt that there were other solutions.

Mr. Crosby stated that he did not think this needed to be on the CIP.

Ms. Veach stated that because of how Mr. Weske had talked about it at the last meeting as a silly exercise, she had not given it any thought, since they would be bundling something when they were working on unbundling.

Mr. Weske stated that in 2023 he believes the CIP was denied by Orono, in 2024 there was no capital added to the CIP, but reiterated that the CIP was presented in their final packet.

Ms. Veach stated that there was not a CIP last year.

Mr. Van Eyll clarified that there was a 15 year CIP presented, but there were \$0 for that year.

Mr. Weske stated that was correct and explained that it was submitted with the final budget but noted that he was not sure what had been reflected for 2025 at that time.

Mr. Van Eyll stated that it had also shown \$0 for 2025.

Mr. Dyvik stated that Orono had voted to reject the 2023 annual fire services capital budget and had also stated that they would be open to fire equipment purchases on a case-by-case basis. He reiterated that this vehicle is a capital need which is why he felt it belonged on the CIP.

Mr. Edwards stated that if they take both things and move them to 2026 there won't be any issues.

Mr. Dyvik stated that Utility 11 has been a need since 2020 and the can has already been kicked down the road a number of times already.

Mr. Edwards stated that the solution for the utility vehicles was that the City of Long Lake went and bought one and then Orono also put in an order for one. He explained that would mean that starting next year, there should be two of them available for use.

Mr. Miner asked if Orono expected Long Lake to pay for the truck to serve 2/3 of Orono next year.

Mr. Edwards stated that they already had a truck, and they would be happy to use it for 100% of the city.

Mr. Miner stated that under the contract they were only covering 1/3 of their city and Long Lake was still covering 2/3 of Orono.

Ms. Veach stated that she believed he was saying that they would share theirs.

Mr. Miner stated that they would have to take a look and see how that could work operationally, because if Orono was using it for a call he questioned how Long Lake would be able to use it at the same time and noted that seemed like it would be an operational mess.

Ms. Veach stated that she thinks people have shared equipment in other departments and thinks that is how departments will work in the future.

Mr. Weske stated that is operating under the assumption that their vehicle would actually come in November.

Mr. Edwards stated that his perspective is that the City of Long Lake decided to make a purchase and now, afterward, was asking for everybody to pay for part of it. He noted that purchases were supposed to be approved ahead of time before the purchase was made.

Ms. Veach stated that this is a tricky situation.

Mr. Dyvik stated that it was for that very reason that Long Lake said that they could not wait for Orono to step in. He explained that Long Lake said that they had to do something, so they ordered this vehicle, the engine that is coming in 2024, and also a command vehicle. He reiterated that Long Lake made the decision to not wait around when the firefighters needed equipment. He stated that they essentially said that they would buy equipment that would serve Orono even though Long Lake would be paying for it. He reiterated that the expectation was that Orono would not actually pay for any of this, but they were following the contract by including it in the CIP.

Mr. Miner stated that the contractual expectation is that Orono will help pay for it, but realistically they know, based on the letter Orono had sent, that they do not plan on doing that. He stated he understands that Orono had made a decision but that did not mean that there wasn't a need for this equipment. He stated that it also doesn't mean that there wasn't a need for the Chief's

Tahoe which they also decided they needed to pay for after what happen with Mr. Van Eyll. He noted that they have been using Long Lake funds to pay for that even though the Tahoe was serving the entire city of Orono up to July 1, 2024, and was now serving 2/3 of the City of Orono. He stated that he did not feel like they were being out of line with this because this is just one vehicle that hasn't arrived yet.

Mr. Crosby stated that it wasn't like they weren't being paid for that service because the Long Lake Fire Department was being funded by the city of Orono.

Mr. Dyvik stated that they are funding them operationally, but they did not fund the capital piece.

Ms. Veach asked if anyone else had any other thoughts or ideas and reiterated that this was a sticky situation and suggested that perhaps an outside perspective may be helpful.

Mr. Deslauriers stated that it is pretty simple because the asset is already on order and is scheduled for delivery in February. He stated that it is a capital purchase and in the corporate world, anything over \$5,000 is considered a capital purchase, so he felt it belonged on the capital plan. He stated that he could not answer the question about who pays for it, but agreed that it belonged on the capital plan because they have to plan for business with or without Orono.

Mr. Edwards stated that it may be semantics, but it was purchased as part of the Long Lake capital plan and now they are asking to change it and include it in the CIP.

Mr. Dyvik stated that it has been on the joint organization's capital plan for 10 years.

Mr. Crosby stated that it was not there last year and they did not approve the purchase of it.

Ms. Veach stated that it was not even brought up last year.

Mr. Dyvik stated that there may be disagreement on this, but it did not impact the operational budget.

Mr. Weske stated that they will have to take a look at the hard numbers on the boat refurbishment to see if that may be able to move to the operational budget.

Ms. Veach stated that she had expected that they would have firm numbers to review tonight because the same question had been raised at the last meeting and believes that they were told that they would have those numbers by this meeting.

Mr. Weske noted that was related to the roof more than the boat, but agreed that they should have gotten both firm numbers.

Mr. Dyvik stated that he was comfortable moving the boat out to 2026 and noted that they already have the hard numbers for the new utility vehicle.

Assistant Fire Chief Farley expressed his frustration because the Department was under contract to serve all of the cities and for years have been asking for the equipment and for years it has not been coming through. He stated that they have used Utility 11 years beyond where they should have. He explained that they had gone to the cities several times asking for its replacement and been turned down and feels that was happening again. He stated that

however this pans out he felt that there needed to be acknowledgement that is what was going on. He explained that they are pushing old equipment along as far as they can, which is the same position they were in with the 10 new tires for the tanker, because they had asked for them to be replaced years ago and it wasn't done, which meant that it now had to be done as an emergency. He stated that if they want to have the best fire department that they can have in the area, they will need to pay for it and make things happen.

Mr. Dyvik asked for Assistant Fire Chief Farley's opinion on the boat.

Assistant Fire Chief Farley stated that he had already asked Ryan for more information, but had not heard back from him yet. He explained that he was not sure how immediate the needs were, but noted that he wouldn't necessarily call the work that was needed 'cosmetic' because it needed additional updates.

Mr. Dyvik referenced the table put together by Mr. Weske on the CIP contributions by year from the cities where it says all 3 cities are committed to \$103,000 per year and noted that there should also be balance of \$342,000 through 2024. He explained that, on paper, there should be money in this fund, but the cities don't actually put money into a Fire Fund. He stated that he felt that how it should have been handled, because the way it is now it is just kind of a 'promise' that the cities will contribute their share of the \$103,000.

Mr. Weske asked if the Board was in support of how the operational budget looked with the reduction in legal fees as they had discussed.

Ms. Veach stated that she was fine with them and reiterated that she was just trying to understand the numbers.

Mr. Weske stated that the operational budget and the CIP were separated and asked if the Board was comfortable with this version of the operational budget and could present it to their council.

There was consensus to support the draft operational budget as discussed.

Mr. Miner asked when they could expect the next meeting to take place.

Mr. Weske suggested that they schedule the next meeting in October.

The Board discussed possible meeting dates and came to a consensus to schedule the next meeting for October 23, 2024.

Mr. Dyvik asked for clarification on the CIP and explained that he thinks they should move the boat to 2026 because what was presented was not a hard number and just an estimate but would like to leave Utility 11 because that is a real number for 2025.

Mr. Crosby stated that he would still like to see Utility 11 moved to 2026 as well.

Ms. Veach asked how it would work if Orono said that they were in and whether Long Lake would buy them out at the end of the contract.

Mr. Dyvik stated that all 3 cities would pay their percentage and at the end of the contract, the terms of the contract specifies how the equipment would be managed.

Ms. Veach asked if that meant that they would buy it and then it would immediately depreciate.

Mr. Edwards stated that it would be split by purchase price.

Ms. Veach stated that would mean they could get cash and gave the example of their vehicle not coming in when planned if that meant it would be pro-rated.

Mr. Dyvik explained that they would all pay for the full amount and at the end of the contract, when the contract ends, then they would follow the terms of the contract. He stated that Long Lake would have the option to buy it at that point and if they don't want to buy it then Orono and Medina have the option to buy it.

Ms. Veach stated that they would not need another one and asked if Long Lake would consider buying them out, if they agreed to the CIP as proposed. She stated that she felt that would make it easier to talk about the CIP and gave the example of Orono putting in \$200,000 and asked if, at the end of the contract, Long Lake would guarantee that buy-out.

Mr. Weske shared various 'horse trading' examples of how this kind of situation has been handled by others.

Ms. Veach stated that was why she was saying for this one piece of equipment that they have how it will be unbundled pre-determined at the beginning. She reiterated her example of Orono putting in \$200,000 and at the end of the contract, Long Lake would buy them out for \$200,000.

Mr. Dyvik stated that his personal opinion is that they would buy Orono out for that piece of equipment, but he could not speak for his full Council.

Ms. Veach suggested that he could bring that to his Council for discussion because that may make the conversation easier.

Mr. Dyvik stated that the contract was not set up that way.

Ms. Veach stated that she understood that but was trying to get everybody what they need.

Mr. Crosby stated that they also do not have to approve the CIP moving forward, so if they want CIP approval, defined numbers would make sense. He asked if, in that scenario, whether Orono would get first right of refusal since it would mostly be their money.

Mr. Dyvik reiterated that was not the way the contract was written. He stated that he understood that they didn't necessarily like it, but Orono did sign the contract.

Ms. Veach stated that she felt that they could have an alternative approach.

Mr. Edwards stated that the other approach is that they deny the CIP, buy a second vehicle since they need one anyway, and it is included in their 2026 CIP.

Mr. Dyvik stated that if they have a second one in their CIP he did not understand why they wouldn't want it.

Ms. Veach stated that she was just trying to find a way that would be as clean as possible.

Mr. Crosby clarified that they would buy it for Orono.

Mr. Dyvik stated that if Long Lake didn't end up wanting it at the end of the contract, Orono has just said that they need a second one, so they would then buy them out if Long Lake didn't want it.

Mr. Van Eyll expressed concerns about that scenario, because of the possible time constraints if they still ended up having to order one.

Ms. Veach stated that instead of saying that this is how it has always been she thinks they need to try something new if they want to move forward. She explained that she felt her idea was one they may be able to do and asked Long Lake to think about other possible approaches so they can come to a solution that works.

Mr. Dyvik clarified that there would be two separate council votes for the operational budget and the CIP budget.

Mr. Edwards noted that it has been two votes recently but in the past they had been done with just one vote.

Mr. Dyvik suggested that they keep it as two separate votes because he felt they were all in agreement on the operational budget.

Mr. Weske suggested that this be communicated that they all support the operational budget for the preliminary levy and budget with the idea that there will still be some ongoing conversations regarding the CIP to take place at the October meeting.

Ms. Veach asked if Long Lake would have an idea of how their full council felt by the October meeting.

The Board discussed the contract language and the perceived expectations of what would happen when the contract ended.

Wrap-Up / Adjourn

Chief Heiland adjourned the meeting at 5:09 p.m.