



Memorandum

To: Mayor Nelson and Members of the City Council
From: Daniel R. Buchholtz, MMC, Administrator, Clerk/Treasurer
Date: June 10, 2020
Subject: SBM JPA Update

As you are aware, the three partners of the SBM Fire Department Joint Powers Agreement have been discussing looking at transitioning to a fixed formula to ensure the continued participation of the Fire Department

The City of Blaine has made a preliminary proposal to allocate the formula as follows:

Blaine	75%
Mounds View	15%
Spring Lake Park	10%

The 2020 and 2021 allocations are as follows:

	<u>2020</u>	<u>2021</u>
Blaine	76.093%	77.142%
Mounds View	15.998%	14.839%
Spring Lake Park	7.963%	8.019%

Adjusting to Blaine's proposed formula would have a detrimental impact to the City's finances. Shifting from the 2020 allocation to the proposed Blaine allocation for 2021 would result in a budget increase of \$59,014.

Staff does not believe Blaine's proposal was meant create a significant cost increase, but rather to have the formula end with 5's and 0's, for rounding purposes.

Staff would recommend sending a counter offer as follows:

Blaine	76.0%
Mounds View	15.5%
Spring Lake Park	8.5%

Staff is seeking direction from the City Council on this matter. If you have any questions, please don't hesitate to contact me at 763-784-6491.

