



Memorandum

To: Mayor Nelson and Members of the City Council

From: Daniel R. Buchholtz, MMC, Administrator, Clerk/Treasurer

Date: February 28, 2020

Subject: SBM Fire Department JPA, Contract discussion

Over the past several months, staff from the cities of Mounds View, Blaine and Spring Lake Park have met to discuss the current joint powers agreement for the Spring Lake Park-Blaine-Mounds View Fire Department (SBM). The SBM Joint Powers Agreement, in place since 1990, was established due to the need for the three communities to make significant investments in stations and apparatus. Since its adoption, the JPA has remained relatively unchanged except for two minor adjustments. The first adjustment was to carry the formula out to three decimal points. The second adjustment is to clarify that storm related calls, especially summer storms, shall be counted as one call for formula purposes.

The JPA, as well as the Fire Department contract, contains a formula to cost-share the operational and capital expenses for the Fire Department. The formula in effect currently calculates 50% of the cost share based on market value and 50% of the cost share based on call volume averaged over a three year period. When first adopted in 1990, the formula shares were:

Blaine	64.36%
Mounds View	22.08%
Spring Lake Park	13.56%

For the 2020 fiscal year, the formula shares are:

Blaine	76.093%
Mounds View	15.998%
Spring Lake Park	7.963%

The City of Blaine has proposed that the cities consider a fixed formula. The reasons articulated were:

- Inconsistencies between Anoka County and Ramsey County assessed valuations;
- Concern that if Blaine's share of the formula rose to 80% or more, there could be consideration on their part to abandon the model.
- The formula does not adequately recognize the base cost of fire protection. Even if no fire calls were received over the course of a year, the fire department budget would still exceed

several million dollars as the ability to respond requires stations, apparatus and well-trained, properly equipped firefighters. The greater the disparity between the cities, the more disproportionate the formula becomes.

A fixed formula would address these issues and negate the need to recalculate every year. Options include: 1) locking in the 2020 formula, rounding to the nearest whole number (Blaine – 76%, Mounds View – 16%, Spring Lake Park – 8%); 2) selecting another allocation; or 3) no change.

Staff believes that the model is highly cost effective for the City of Spring Lake Park. The City has the benefits of a fire department equipped to serve a population of 80,000 at 8% of the cost to service that department. In addition, under the current JPA, the City has a voice in the governance of SBM Fire Department. Should Blaine dissolve SBM and form their own fire department, the City would likely contract for service with either Blaine or another fire department, thereby having less of a voice in the governance, operation and cost of the department.

If the City Council is open to a further discussion, the JPA and the Fire Services contract would need to be amended.

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