

**HAMEL FIRE TRANSITION STUDY GROUP WORK SESSION MINUTES OF
SEPTEMBER 12, 2019**

Hamel Fire Transition Study Group members met on August 20, 2019 at 7:00 a.m. at the Hamel Fire Station.

I. Call to Order

Members present: Mayor Kathleen Martin, Council Member Dino DesLauriers, Hamel Fire Chief Jeff Ruchti, Assistant Hamel Fire Chief Mario Fabrizio, Public Safety Director Ed Belland, Finance Director Erin Barnhart, and City Administrator Scott Johnson

Members absent:

II. Agreement on Working Structure/Format of Study Group

Mario Fabrizio explained that City Administrator Scott Johnson would take meeting minutes, records of the meeting will be public, and members of the study group will have an opportunity to review the draft minutes. Personnel and other private data would be treated general in nature. The discussion will make a path as we go and the reference of “eating an elephant one bite at a time” was used to describe the discussion process.

III. Summary Review of Hamel Fire Department Resources

Mario Fabrizio provided background on the Hamel Fire Department. Hamel FD is a 501 c (3) organization under Minnesota Statute and Chapter 317A. Hamel FD responders are members of the LLC and not employees, and exists as a limited liability company (LLC). The By-laws for Hamel FD and the LLC’s guidelines and procedures (policies and procedures) are up to date, and they include the standard operating procedures and standard operating guidelines. The governance and operation policies are available for review.

The Board of Directors has seven members. The Fire Chief is the President of the Board. The Assistant Fire Chief is the Vice-President of the Board. The positions are elected by the membership and not selected. Hamel FD currently has 20 members. Four members are probationary firefighters with less than one year of experience and one member is on a leave of absence for a business project.

Schedule F of the contract with the City of Medina provides the allocation of ownership rights of the major equipment assets and tracks the funding. Based on the original purchase prices and our accounting for age and condition there is approximately \$1.3 million in trucks and vehicles. Hoses, tools and ladders are estimated at \$560,000. The fire station has an estimated value of \$650,000. Equipment in the fire station (lockers, exhaust system, etc.) estimated value of \$1.1 million. \$55,000 is required under the contract with the City of Medina for a reserve amount for equipment repairs.

The reserve (capital and other) capital funds for Hamel FD has approximately \$340,000 in total funds. Hamel FD has approximately \$3.3 million in total assets today, though it was noted that was a rough estimate and actual value is likely higher.

Mario Fabrizio explained that Hamel Fire has structured all payments to firefighters as either event-based reimbursements or stipends. This ensures compliance with FLSA rules to ensure volunteer exemption. There are event reimbursement rates for call events and training events. Further, there are stipends for roles such as the Chief and Assistant Chief.

IV. Brainstorming

Brainstorming was used at the meeting to help guide through the next steps. Mayor Martin requested Hamel FD start the process.

Chief Jeff Ruchti stated Hamel FD covers approximately \$1.4 billion in assets in Medina. Hamel FD has a lot of pressure with training and schooling. Mutual aids are also taxing for all members. The four fire chiefs who cover Medina met in 2018 and explained that they need more support. There is also a lack of starter and rental housing in Medina. 65% of the Hamel FD members do not live in Medina. This could lead to slower response times, day time coverage shortages, and all fire departments are looking for new members. Plymouth and other larger cities are now going to full-time firefighters. Building, equipment and people are the main fire needs. Hamel FDs largest capital need is for its facility.

Assistant Chief Mario Fabrizio stated 76% of the City of Medina's population is covered by Hamel FD. He stated that Medina representatives have at different times expressed desire for more direct control on both fire services and spending. This project is an opportunity for that. While the fire services in Medina are all working today, he believes that there are issues in the future for all entities. These include both personnel and capital. He stated that today, Medina does not manage its fire services, but rather, coordinates some elements from four agencies. To effectively manage, a single fire chief for Medina is needed. There is an opportunity to solve the fire issues centrally versus four different times because it is complicated with the other cities involved. He would recommend that Hamel FD's assets become the City of Medina's. A Medina Fire Chief could manage the role, have a higher level of credibility and trust, and provide Medina with control of Fire management. This would drive standards, economies of scale, and make sure investments make sense for Medina and allow us to take care of our own needs first.

Council Member Dino DesLauriers said that he did not disagree with the previous comments. This project will take time to move forward. We need to list out the top 3 to 5 benefits of this transition. What is the long-term break-even point for the City of Medina? We need to coordinate coverage and put Medina first. There needs to be benefits for both parties.

Mayor Kathy Martin requested that copies of the 10-year fire cost projections be provided at the next meeting. At what point does it make sense for Medina to manage fire services on our own? We are currently dependent on other cities for funding and purchases. At what point does providing fire services become cost effective? The most important issue for Medina is getting resources to fire calls. Three of the four fire departments who serve Medina have building needs and we need to control costs. We need a better understanding of the risks and costs of possibly taking over a fire department. The costs of adding a Fire Chief. Is monetary consideration needed for Hamel FD's portion of the assets? What information is needed to move the process forward?

Mario Fabrizio stated Hamel FD does not expect the City of Medina to provide any form of buyout for a transition to occur. Hamel FD would agree to transfer of assets for certain non-monetary considerations, such as the grandfathering of existing Hamel Firefighters into the new organization.

Mayor Martin recommended that Hamel continue to employ and provide pensions under a contract for a period of time.

Mario Fabrizio stated the pension would stay with the current relief board. He would need to look into the risks and length of a multi-year agreement.

Finance Director Erin Barnhart stated that deeper issues need to be studied. Especially the impact to the City of Medina and the current staff structure. Staff will follow-up with the Long Lake Fire Department and ask questions about how they are structured.

Mayor Martin shared concerns over the large numbers that the City of Medina is looking at for fire services. The goal will be not to disrupt the current fire contracts and think through why this makes sense.

Finance Director Erin Barnhart stated the costs will increase for fire services no matter what is done, and the impact cannot be negative on Medina's current staff.

Mario Fabrizio said this needs to be done right or not at all. It is rare for a private fire department to switch to a city department. He suggested asking Long Lake about the time and resources needed to run their fire department.

V. Assignments and Next Steps

Council Member DesLauriers had to leave the meeting. The group agreed to try and meet again on September 25th, October 9th, or October 24th if necessary.

Next steps were discussed. Finance Director Erin Barnhart agreed to bring copies of the 10-year compilation to the next meeting.

Mario Fabrizio suggested that a part-time fire chief could be utilized by Medina as a starting point. It would be important for this person to have a clean slate, fresh set of

eyes, new views, and be a change agent. This individual would ultimately manage the transition plan as well as all fire relationships.

The group also discussed that it would be a good idea to have a future chief from outside the four departments that serve Medina.

Mayor Martin also expressed concerns about current leaders in the fire departments burning out and current fire staff leaders not having time. This could lead to fire departments serving Medina without leadership.

Mario Fabrizio suggested that we need a change agent who has experienced this before. Medina is a growing city and will continue to see growth. Medina needs to look at transitioning and integrating for the long-term. The group will continue to work on framing this issue. He will also ask Long Lake about their structure. He also mentioned that the current model of fire service will break, and it will not get any easier or cheaper to fix than it is today.

Mayor Martin reiterated that any changes with Hamel FD would not impact the other three fire departments serving Medina.

Mario Fabrizio also stated the name of Hamel FD would need to go away if a transition occurred. A new identity and organization are needed for a project like this. It needs to have pop with the right framework.

Mayor Martin asked about what would be envisioned for the fire relief and pension.

Mario Fabrizio will look into options, possible rechartering and discuss with the State. He will also look into possible grant funds through the State Fire Marshall. The scope would be to go from a private fire department to a municipal fire department.

Mayor Martin also suggested that a consultant may be needed to analyze and think through issues. ECSI or another consultant might be needed.

Finance Director Erin Barnhart stated the 10-year plan from the four fire departments is not feasible for the City of Medina. We need to zero in on what we do control. She will also send out our current contract summary information. What is the best approach moving forward?

Mario Fabrizio reminded the group that the issues are not new and have been kicked down the road for years. It is more cost effective and better to fix them now.

Adjournment at 8:23 a.m.