

**HAMEL FIRE TRANSITION STUDY GROUP WORK SESSION MINUTES OF
OCTOBER 9, 2019**

Hamel Fire Transition Study Group members met on October 9, 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, Sergeant Jason Nelson, Assistant City Administrator Jodi Gallup, Finance Director Erin Barnhart and City Administrator Scott Johnson

Members absent:

II. Updates on Action Items

Mario Fabrizio provided an update on the insurance information that was provided by the Hamel Fire Department to staff, the application links for the Corcoran and Otsego planning studies, and reviewed Medina's policies and procedures. He confirmed the Hamel Fire Department personnel will follow City processes or procedures if both parties agreed to move forward.

Mayor Martin asked for an update from staff on the federal employment law requirements if both parties agreed to move forward.

Assistant City Administrator Jodi Gallup informed the group that under the Affordable Care Act (ACA) and Family and Medical Leave Act (FMLA), once an organization reaches 50 or more lives employed, the organization becomes subject to both laws. Individual employees must meet certain thresholds to be eligible under ACA and FMLA, but the organization as a whole must comply with the laws. Formal reporting and additional time off for eligible employees would be required under FMLA. Additional time tracking on all employees would be required under ACA.

Further information was provided on quotes for workers compensation and property/casualty insurance. More information and clarification will be requested from the League of Minnesota Cities Insurance Trust on insurance options. Concerns were also mentioned about the cost of workers compensation insurance. Council Member DesLauriers informed the group that the property/causality insurance would have a net zero impact because it is already being paid for with the budget. Finally, the quote for workers compensation insurance includes coverage for a full-time fire chief.

Council Member DesLauriers asked if under the ACA and FMLA if the 50 lives had to be full-time/FTE employees. Assistant City Administrator Jodi Gallup clarified that it is not based on full-time employees and the law kicks in as soon as the organization has 50 or more employees, but employees would need to work an average of 30 or more hours

per week to receive health insurance under the ACA and work more than 1,250 hours per year to receive leave benefits under FMLA.

Mario Fabrizio provided background information on truck maintenance for the Hamel Fire Department. A third party is brought in to provide service and regular inspections. Minor repairs are done in house by members. Approximately 50% to 60% of the annual maintenance budget amount goes to third parties for repairs and maintenance. The Hamel Fire Department currently uses Kirvida for maintenance and inspections.

Mayor Martin and Council Member DesLauriers directed staff to put together a financial analysis of the different fire options for a cost/benefit analysis to look at options, taking into account that current space available at 600 Clydesdale Trail and the old Public Works Facility could possibly provide space for training and equipment storage.

Mario Fabrizio stated that fire service issues stemming from the volunteer firefighter model and the increased costs to provide service will remain whether or not the Hamel Fire Department and the City of Medina move forward. Whether now or in the future, the City will need to address changes in the way emergency services are secured and delivered. Analysis could also be done to determine the additional costs and inflation if this was put off 5 years, 10 years, or further in the future. Fabrizio stated that there seemed to be some confusion regarding assets and ownership. All assets used and employed by Hamel Fire, including equipment, apparatus and facility, are owned by the Hamel Fire Department. It is only in the event of a termination that there is any consideration given to "ownership allocation" represented in the asset schedule. Fabrizio also reminded the group that, in the event of a termination for any reason, the Hamel Fire Department has the right of first refusal under the contract to retain any assets that have not yet been funded 100% by the City by reimbursing the City for its allocation. Further, if Hamel did not exercise that right, Medina would need to reimburse Hamel Fire for its allocation to acquire the asset. There is no apparatus that has been 100% funded by Medina, and Exhibit F shows the current allocations. Mayor Martin also reminded the group that a non-profit entity, such as the Hamel Fire Department, upon dissolution can distribute its assets, including the building, equipment and land, to another non-profit organization and thus there is benefit in the proposal being made by the department because the department's assets would transfer to the City without payment. Fabrizio stated a joint termination and relinquishment of rights to the assets by the department would make the most sense if both parties agree to move forward, and that was the offer that Hamel Fire would bring to the table with this transition. This was being offered to make the transition as cost effective as possible. Fabrizio further stated, however, that the same offer by Hamel Fire to relinquish its rights to the assets would not be considered if any other termination event in the future occurred.

Staff will put together the financial analysis. Mayor Martin and Council Member DesLauriers agreed the City needs to look into all options and they are accountable to the City Council and Residents to do so. Medina will need to look into the negatives, risks, and objections to all the options.

Fabrizio stated that if the current discussions do not bear fruit, then the Hamel Fire Department will continue to provide service as it does and has been doing. He stressed that Hamel Fire has tried to make every effort to make the decision to move forward an easy one. Further, he stated that given the considerations Hamel was offering, it will never be more cost effective for Medina to move forward on this effort than it is today. Unless Medina's strategic vision is to never have a municipal fire department, he stressed that for the community and the tax payers, it will never be less expensive than it would be at this point.

Further discussion took place regarding applying for a shared service grant through the State Fire Marshal's office to study this further. It was decided that it did not make sense to apply for the grant unless both parties agreed to move forward and then determine the scope of the study.

Council Member DesLauriers and Finance Director Erin Barnhart will put together the financial analysis and meet with Mayor Martin and staff. The group agreed to meet again on October 30th.

Mayor Martin wished to clarify a statement in the September 25, 2019 meeting minutes that her concern was, if the Hamel Fire Department was not at some point able to render the services it now renders to the City, then Medina would be in a difficult negotiating position to obtain those services from other departments or cities.

III. Assignments and Next Steps

The group will discuss at the next meeting how to proactively plan, possible next steps and how to get ahead of the future fire service issues.

Adjournment at 7:52 a.m.