INVER GROVE HEIGHTS CITY COUNCIL WORK SESSION
MONDAY, DECEMBER 6, 2021. 6:00 PM - 8150 BARBARA AVENUE

A. CALL TO ORDER: The City Council of Inver Grove Heights met in person for a Work Session on Monday, December 6, 2021. Mayor Bartholomew called the meeting to order at 6:00 p.m. The Pledge of Allegiance was recited.

Roll Call: Mayor Bartholomew; Council Members; Piekarski Krech, Dietrich, Gliva, and Murphy; City Administrator Kris Wilson, City Clerk Rebecca Kiernan, City Attorney Bridget McCauley Nason, Finance Director Amy Hove, Community Development Director Heather Rand, Interim Public Works Director Klay Eckles, Communications Manager Amy Looze, Utilities Superintendent Erik Kramer, and Fire Chief Judy Thill.

Other's Present: Inver Grove Heights Fire Relief Association President Evan Bohlman; Inver Grove Heights Fire Relief Association Treasurer Scott Oswald; Brian McKnight, Partner with Parr McKnight Wealth Management Group.

1. 2022 Budget & Tax Levy

A. Review and Update on General Fund Budget & Levy

Finance Director Amy Hove presented the final Budget Work Session prior to the request to adopt a final levy at next Monday's regular City Council Meeting.

Calendar Recap:

- September 13 – Preliminary Levy Adopted on the General Fund Budget & Tax Levy.
- October 4 and November 1 – Work Sessions where discussions took place on some of the other fund budgets such as: Host Community Fund, Debt, EDA, Golf Course, Enterprise Funds, Utility Funds, and the Community Center.
- November 12 – The County mailed out proposed Tax Notices for 2022.
  This item typically generates some discussion/conversations. A future slide would discuss some of the common questions Staff has received since notices were mailed out.
- December 6 – Work Session to walk through some of the proposed changes to the budget for next year.
- December 13 – City Council Meeting where the Council will be asked to adopt the final budget and tax levy after receiving public input.

Proposed Tax Notices, Citizen Inquiries:

- 8 inquiries were received by Staff (at the time of publication a few more have come in; could be at 10 or 11 now).
  - What factors are driving the city's current levy increase to next year's budget. Staff has posted additional information to the City Website. When responding to residents, they answer the resident's question and then direct them to the website for additional information.
  - Police & Fire operations.
    Have the SAFER Savings Plan. This has generated a few questions about Fire operations.
  - A specific resident may ask "Why did my taxes go up."

Staff will go to Dakota County's website, look at their specific property and see what factors impacted the increase on their property.
In most cases it could be due to a large market value increase.
There were several residents who built new homes and did not know quite what to expect. May have had just a land value, but now it has a house.

- Why don't all taxing jurisdictions increase the same percent?
  Walk residents through the process of how each unique jurisdiction sets their own tax levy, and that impacts taxes differently every year.
- Why taxes in Inver Grove Heights are higher than Eagan's taxes.
  Conversation about commercial growth and tax base.

In all cases Staff was able to convey information regarding the fact that the city has been working to reduce that levy since setting it in September. They have been able to communicate some of that information with residents.

Tax Capacity Changes:

A few weeks ago, Staff notified Council that there had been some changes to Dakota County's Tax Capacity Estimates. Following is background on the changes that have occurred. In September when the preliminary levy was set, they also performed estimates as to what impact that would have on a median valued property and what it would do to the city tax rate. She said information is based on the tax capacity and market value information that Dakota County provides. Sometime between September and when the proposed notices went out, Dakota County changed a few tax classes and the values that were contained within those. There were significant decreases in:

- Railroads
  These are areas outside of Dakota County's control. The Department of Revenue sets railroad values every year. They send a notice out to all County's and adjusts the tax capacity and values on those properties. There was not anything the County would do on this, but it does impact the estimates on where they think the tax rate and things are going.
- Personal Property
  This has to do with electric distribution lines and the Department of Revenue clarifying how those are supposed to be reported within the formula. It took a little value out of the city's tax base and transitioned it over to the County's tax base. This was outside of the County's control.

She said Staff wanted Council to know that they had expectations when knowing proposed notices were going out, things ended up being a little bit higher than anticipated due to these changes.

Tax Base Growth from 2021:

- Tax base is still growing.
- Market Value went from $4.3 billion to almost $4.6 billion (2022 corrected).
- There is about $37.5 million from new construction.
- Properties are appreciating, housing markets are going up, existing property home values are also responding to those increases.
- Total Tax Capacity Growth (what they spread the levy against) went up 5.3%.

Additional details are listed within the Draft Budget Book. If wanting to reference more details on comparing what happened in 2021 to what the County is forecasting in 2022, go to Exhibit E in the Budget Book for details.

Impact of Tax Capacity Changes on Preliminary Levy & 2022 Proposed Notice Mailing:
What they expected back in September and what actually happened when those notices went out. She said she wanted to make sure to emphasize there is only one part of this equation that Council can control. It is the Tax Levy, the dollar amount needed to collect in city property taxes.

- Tax Levy (%): This did not change from September to when Notices went out.
- Levy Increase (%): Still slated at 9.7%. This number did not change.

These additional calculations did change:

- Tax Rate (estimate): In September they thought the city tax rate would be around 52.6%.
    - With the changes to the tax capacity the County put through, the tax rate ended up being closer to 53%.
- Would have an increase to city taxes of about $140.00 for a median valued property.
    - The annual change in city taxes ended up being closer to $153.00.

There is a slightly different starting point with these estimates. It does not mean the tax levy changed or the percent increase they were looking at changed.

Recommended Reductions to 2022 Levy:
She said they have been talking for the last few months about some of the reductions they either proposed, discussed at Work Sessions, or identified internally.

- Have identified about $682,490 that they are proposing in reductions since setting the preliminary levy in September.

Some of these were included in the November update. One would be discussed in the next few slides.

- There were $167,840 in reductions made to Personnel.
- Reduced the amount they were going to save for the SAFER Grant.
    - Still have $150,000 in next year's budget. That is the SAFER Savings Plan. Will continue to build on that every year.
- Have already moved some of the Park and Recreation marketing design work to Community Center and Recreation.
- Proposing a smaller increase to the Street Maintenance Supplies.
    - Still looking at an increase of $52,600 which would still provide them with additional supplies.
    - This also gives the Citizen's Task Force an opportunity to keep talking about the Broad Area Patching Program, and whether it belongs as a part of the PMP Program or whether they should still continue to do it out of the General Fund, which is what they are doing now.
- Potential to use some of the Closed Bond Fund dollars to cover one of our debt levies for next year.

Closed Bond Fund – Use of Fund Balance:
This is a topic that comes up every year when trying to set the levy. Do they have an opportunity internally with any of their funds to try to reduce next year's tax ask? This year they took a look at

it and thought it may be a good year to take that opportunity considering that they have some new requests within next year's budget.

History of the Fund:

- When paying off debt, if having residual balances in old debt funds, they transfer those balances to the Closed Bond Fund. Any excess dollars available.
- Once certain capital projects are closed, if there are residual dollars, will often bring that to the Council and ask for those projects to be closed and transfer the funds into this fund if appropriate.
- This fund has often provided additional funding on certain capital projects:
    - Public Safety Addition to City Hall, $2.2 million dollars. Used to help pay for the project.
- Property acquisitions when needed.
- On occasion it has been used to reduce debt levies. (This was a few years ago, it has not been done lately but has been used in this manner before).

Closed Bond Fund – Use of Fund Balance:

- The Cash Fund Summary Report sent out October 28 showed a balance of around $2 million dollars in the Closed Bond Fund as of September 30, 2021.
- Currently Staff's recommendation is to replace the debt levy on the 2020A Bonds estimated at $177,250. The rationale used was:
    - It is the smallest debt levy they have of all debt levies.
    - Has the shortest term remaining on the debt, 2022 to 2026.
    - Has a shorter life.
    - Staff knows the Closed Bond Fund has a decent balance in it. They want to put it out there that they do not want to commit that this be a permanent replacement but do think there is the potential. Would like to do further analysis of the rest of the funds to see what they could potentially use the rest of the Closed Bond Fund to help offset. This is an area, years down the line, they could possibly draw on.

New Debt Levy utilizing Closed Bond Fund to replace debt levy for 2020A Bonds:

- Started at almost $2.7 million.
- Recommended Levy is the removal of the $177,250.

This gives a snapshot of the year of final levy so they can see that the next closest payoff would be the 2015A's, their final levy is in 2030; still owe about $5 million on those Bonds.

Current Budget Draft 12.6.2021:

- Preliminary Levy was $28,667,876.
    - At 9.7%.

  Based on the updated Dakota County Tax Capacity:
    - Started out at a tax rate estimate of 53.09%.

If accepting the Draft as it currently sits which includes the use of the $177,250 from the Closed Bond Fund:

- Would get the tax levy down to just under $28 million dollars.
- Gets us down to a 7.1% increase.
- The tax rate down to 51.661%.
- The annual change to city taxes for a median property is closer to $116.09.

A City Tax Rate Chart was displayed showing where they have been averaging and landing every year.

- There was a peak in 2019 where they were at 53.537 for the tax rate.
- If kept at the preliminary levy at 53.09. Proposing 51.661.
- Looked back to see what the average was for the last four years. The average city tax rate has been 51.569, which is almost identical to what they are proposing right now.

Citywide Tax Levy by Fund:
This is a reminder of where the tax levy is falling by fund. It includes:

- General Fund – Proposed 2022: $22,916,070
- Pavement Management – Proposed 2022: $2,550,000
    - This used to be a General Fund transfer.
    - They have it on its own line now.
    - It is a separate levy within the Budget Book.
- Debt Service: Reflects the use of Closed Bond Fund dollars to get them to the 7.1%.

Finance Director Hove asked the Council if there were any questions, comments, or feedback. She said there are a few questions for Council:

1. If the Council is comfortable with Staff's recommendation to use the Closed Bond Fund.
2. If there are any other questions, concerns, comments, on the levy and General Fund Budget.
3. Anything else that Council wants to make sure Staff has ready for next Monday's meeting.

Mayor Bartholomew thanked Finance Director Hove for going back and doing what the Council requested and that was to look for more savings and get the tax rate lower. The rate is at 5.661. He said that was a reasonable rate given where they came from, from 19 to this point. He said the average median house is up $37.00. That shows responsible governance on our part, and he appreciates that. He said he wanted to make sure everyone is aware they are increasing Pavement Management by $250,000. They have done that for several years. The Council has made an effort over the years to increase the revenue to Pavement Management. With the line item it shows very clearly that it is going up $250,000 and will continue to rise until they get to whatever number they agreed on. He said he does not recall what that number was. Finance Director Hove responded that she did not believe they had an end date on that yet. It will keep coming back to the Council through the CIP.

Mayor Bartholomew commented that it was important and believes it was a wise move to have that item out, so people see it and know this Council is engaged and providing funding for Pavement Management.

Mayor Bartholomew discussed the Closed Bond Fund and said he believes it is a prudent approach to use those funds to start to eliminate some of the debt in striking distance. He thought it was well done, they met their obligation as it relates to the preliminary. He said he is comfortable with the current proposed.

Councilmember Gliva said she pretty much echoes everything the Mayor has talked about. She appreciated the fact that Staff has gone back and looked for areas of opportunity. She said, as the Mayor has stated, it shows that they are actually looking and trying to do the best job with our tax dollars. She appreciates that. She said using the Closed Bond Fund for this purpose is a wise thing to do at this time.

Councilmember Murphy said he echoes his fellow Council members; it is a good plan. He also appreciates sharpening the pencil wherever they could, they owe it to the residents. He referenced the Closed Bond Fund stating it makes sense to him to use that fund, the cost of the money is pretty low, but it is still a cost there. He said he thinks it is a good idea and would support it.

Councilmember Dietrich agreed. She said she also wanted to thank Finance Director Hove in the work she has been consistently doing cleaning up a lot of these funds. She said she sees the diligence on it, it is much appreciated and for the residents as well.

B. VMCC Capital Projects and Printing/Mailing Budget

City Administrator Kris Wilson stated the items that Finance Director Hove touched upon were primarily focused on the General Fund, which is where they spend a large portion of their time in every budget cycle. At next week's Council meeting, the Council will also be asked to act upon several other funds of the city such as:

- Utility Fund Budgets
- Host Community Fund Budget
- Community Center Budget
- Pavement Management Fund Budget

She said they will not take separate votes but would have a Resolution that adopts in one Motion, each of those non-general fund budgets.

She said there appears to be to Staff, two outstanding issues, both related to the Community Center Budget. She wanted to get further direction and preference from the Council on those two, so they are ready for next week. She began with:

Community Center – 2022 Capital Requests

- These are investments in the building and the facility itself at the Community Center.
- The city has historically funded these types of needs at the Community Center through a transfer from the Host Community Fund.

She said the presentation Council saw from Recreation Staff at the November Work Session had the following 7 Capital Requests for 2022:

1.	Aquatics: Dive Board and Lifeguard Stand	$23,000
2.	Fitness: Fitness Equipment – annual cost	$40,000
3.	Mechanical: Pool Filters and Pumps	$884,200
4.	Mechanical: Condensing Unit #6 (Fitness Center)	$95,000
5.	Mechanical: ADA Door Opener	$13,000
6.	VMCC – Other: Carpeting/Paint Community Rooms	$105,000

7. VMCC – Other: Racquetball Space Remodel $150,000

All of the above total $1,310,200. She said this was a large sum, it is a heavy year of capital projects proposed after two years where they have really focused on operating the Community Center safely during the Pandemic and keeping things running on that side. They have not taken the time to do too many significant capital projects.

She said of the projects listed, her understanding of the last conversation with Council was that Project #6 and #7 created some concern. She said #6 on the list is listed as carpeting and paint to the Community Rooms for $105,000, #7 is the Racquetball Space Remodel for $150,000. She addressed the following in more detail:

Community Rooms: The request is for $105,000 to update/refresh all 3 of their community rooms. This includes the following and the last time it was updated:

- Carpet: Last updated 2013
- Paint: Last updated 2013
- Lighting: Original to building (1995)
- Ceiling Tiles: Original to building (1995)
- Cabinetry: Original to building (1995)
- Windowsills: Original to building (1995)

That section of the building was built in 1995. These rooms receive a high amount of use. They suffer normal wear and tear. The desire is to keep them desirable and attractive for members of the community and various organizations that pay money to rent them. That money flows into the Community Center's Budget.

Brightside Room: This is the former gymnastics/racquetball space. The request is for $150,000 to enhance the space with the following 3 primary goals:

1. Offer programing that attracts new members and retains existing members.
    a. Ability to offer open basketball for teens and young adults to come in and shoot hoops and play pickup basketball. There is not currently space like that.
    b. Used for an expanded array of fitness classes. Staff has been using it for some fitness classes now but needs a different type of flooring to be used for a broader range of classes.
2. Keep the National Guard gym, which they generally have the ability to program, (currently serving as a COVID Test site most days of the week) generally to keep the National Guard Gym and the Community Rooms available for rental/fee paying customers.
3. Possible rental opportunities in this room for athletic training.

She said there have been preliminary conversations with the Hockey programs that they are looking for space to do warm up and dryland training when they cannot actually rent the ice, they may be interested in renting this room.

She said these were the thoughts on how those enhancements would be used. At this time, they do not have further cost benefit or ROI analysis that gives an exact dollar amount of how much they think each of these things could be expected to bring in and over what period of time, in order to recoup the $150,000 or $105,000 investment.

She said in her memo included in the Council packets she provided three options:

1. Include the funding in the budget so the Host Community Fund would show a Transfer Out of $1.3 million, the Community Fund Budget would show a Transfer In of that dollar amount into its Capital Items.

Knowing that each of these are at a dollar threshold except for maybe the ADA Opener. Each of these at a dollar threshold would come back to the Council for approval of the specific project once they have bids, quotes, and know exactly what it was going to cost.

2. Not include those two items. Fund items 1-5 in the Budget as a Transfer Out and a Transfer In, respectively.

She suggested to keep an open mind and be willing to entertain a presentation from Staff midway through next year, should they have more information to address the concerns about the return on investment. With a new Parks and Recreation Director starting at the beginning of the year, they anticipate having more Staff time for this type of evaluation and analysis.

3. Not budget for them and direct Staff they would rather not have further discussion until getting to next year's budget.

She said with the community rooms, they would likely be back with that one. Those will continue to show wear and tear. They might be able to put it off for a couple of years, but eventually they are going to start losing renters in those spaces if they do not look acceptable. The racquetball space is seen more as lost opportunity than a lot of lost revenue at this point.

City Administrator Wilson said Staff is looking for direction so when they prepare the Resolutions for actions at next weeks Council meeting, they know which of these capital requests have majority support for being included.

Councilmember Piekarski Krech said she had a question on the Community Rooms. She said she knows one of them is used as the Senior Center Room and early on it was reconfigured for senior use. She said they were just talking about painting, carpeting, and putting in different cabinet space. She asked if they have looked at the actual space and what the plan is. City Administrator Wilson responded they do not intend to move walls or make certain rooms bigger/larger. She said to the best of her knowledge they still plan to have one of those rooms primarily dedicated to senior use, especially during daytime hours when those programs are operated. It is a refresh, fresh carpet, fresh paint. She said they may look at the rates they charge to rent them to some of the outside groups that rent those spaces and may be able to justify a slight increase in the rental rates when the rooms look their best. She said the senior programs referenced are a part of our own programming and do not pay rent.

Councilmember Dietrich shared her thoughts on #6 and #7. With #6 painting, she would like to see an occupancy percent of what those rooms are bringing in from outside revenue sources. She said she is only familiar with the inhouse use of those rooms. She referenced the racquetball space and said she had an opportunity to visit that this last week. She was very appreciative with what Staff has done with it so far. Until she can see some return on investment, she would like to give the new Parks and Recreation Director an opportunity to weigh in on what he thinks would be a good use for that. She would like to see that wait and do Option #3 with both of them. She

said she cannot commit to it. With the overall number of $255,000, she thinks about how difficult it was to get that type of money allowed for infrastructure for roads. There is a lot of infrastructure work left to do. She said she cannot put her stamp of approval on #6 and #7 at this point.
Councilmember Murphy said he visited both. He would also like the new Parks and Recreation Director be able to weigh in on the racquetball space. They need to do something there to get it more marketable. Regarding carpeting and paint, he feels it is pretty dated and not very appealing. It definitely needs a coat of paint, carpet, and lights that work. He said he is about halfway there.

Mayor Bartholomew said the funding would be from the Host Community Fund. The question is if they should earmark the money to have it ready and available. The City Council would have to put the stamp on it to approve the $105,000 and $150,000 before the work starts. If they do not use the funds, the funds are still available down the road for Council to explore and make sure. He said he agrees with everyone, to hold up and see what the new Parks and Recreation Director will have to say. He said he wants to have the options available if they turn it down, then nothing is going to happen until 2023. He said he thinks they set the funding as possible at the $1,310,000 knowing full well the Council has the final say in the $105,000 and $150,000. His only concern is that they would lose an opportunity. The opportunity is to have the money available, if they do not like the project, they can hold on it.

Mayor Bartholomew said he would entertain what the Council would do on this knowing they might put themselves in jeopardy in 12 months in trying to get this into a different budget year. He supports the $1,310,000 and said he would also go along with whatever the Council would like to see as far as $105,000 for the carpeting as well as $150, 000 for the space remodel.

Councilmember Gliva referenced #6 and #7 and questioned how they got to these numbers, or if there were bids out. City Administrator Wilson responded there were not bids out there to the best of her knowledge.

Councilmember Gliva asked if it was based off of square footage. City Administrator Wilson responded that was correct. She said Phil, the Operations and Maintenance Manager, has put together these estimates. She believes some of the components of the racquetball space, such as the basketball hoop that comes down from the ceiling, can be done via online research. She said these are Staff's estimates, they have not sought quotes or bids on this work yet.

Councilmember Piekarski Krech questioned if this goes through, if the numbers shown would be taken as the maximum and Staff would not come back and say it would be $200,000 for paint and carpet. City Administrator Wilson responded they would have to adjust. Either do fewer of those things or do a couple of rooms really well and hold off on the third room. The same choices they always have when things come in over their estimates.

Councilmember Piekarski Krech questioned the lighting commenting that she thought they went to energy efficient lighting. When the former Parks and Recreation Director, Eric Carlson, was here, they were changing all of the lighting, doing some things, and saving so much money in new lighting. City Administrator Wilson replied she could get clarity on that. She did not have the history.

Councilmember Piekarski Krech said she thought the VMCC was one of the things where they went and saved money and were looking.

Councilmember Murphy said if moving forward with the $1.3 amount they would still have the ability to say no on Items #6 and #7. Mayor Bartholomew responded they could say no on all of them. They also have the option to amend and to increase the transfer at any time.

City Administrator Wilson said many aspects of the budget are determined on the levy. If you do not levy the money for them, then you do not have the option. The Host Community Funds come in as they come in, the fund has a healthy balance. This is one where there is the option to defer a decision and make a decision later in the year.

Mayor Bartholomew said they could go with the $1,310,000 or minus the $105,000 and $150,000 knowing they can amend. He suggested going with the $1.3 million because they have final say. If the Council is not comfortable, they can go with the $1.3 minus the $105,000 and $150,000 if that seems appropriate, knowing they can amend, bring it in as they need.

Councilmember Murphy said he does not mind the $1.3 million because they have not made a decision yet. He has no issues with it.

Mayor Bartholomew said he has no issues either. He is fine with it knowing full well they have aye or nay on any one of those items.

Mayor Bartholomew addressed City Administrator Wilson and requested bringing it in at $1.3 million, unless they have a dispute on Monday, they would sort it out.

City Administrator Wilson discussed the printing of the Parks and Recreation Brochure beginning with the History:

- Until 2019, a Parks and Recreation brochure as well as a Senior publication they called the Scoop, were published. A city-wide newsletter was printed and sent to households via mail.
- In 2019, to try to save costs, they merged the Scoop into the inside of the Parks and Recreation brochure and use a callout on the front cover that says to "check out this page of the brochure to find information specially geared toward 55+".
- In the fall of 2020, starting with the Fall brochure, Staff made it digital only. Created and published online. It was a cost savings measure as a result of the Pandemic, which hit the Park and Recreation Department particularly hard.

- They do print copies inhouse upon request. Either to someone who is physically present and asks for one or calls and requests one be mailed to them.
- Also have money budgeted to print and mail postcards to let people know the new brochure is out, come to the website and check out all of the great programming the city has to offer.

The Case for Returning to Printed Materials:
City Administrator Wilson stated they are discussing a return to printing for a couple of reasons:

- Some of the Council has had their own concerns.
- Received a Petition from some of their most active 55+ participants, residents, those that belong to the Senior Club, seeking a return to printed materials. Some of the communication from the group has requested the Scoop to come back as a printed item, other communication from the group has talked in terms of the entire brochure so that seniors have an awareness of everything that is offered.

Reasons to remain digital:

- There are notable printing and mailing costs to going back.
- Costs were not in the preliminary budget numbers that the Council has seen. They would need to be added in before adopting the final Community Center Budget a week from tonight.
- Have not seen a notable drop off in registration. Swimming Lessons are still filling up as well as other programs since converting to a digital brochure.
- Some of the Survey's, as a part of the Park Master Planning, indicate that many of the participants prefer to receive digital content.

Considerations:

- Cost
- Reach – How many residents are going to receive the publication.
- Effectiveness
- Quality of Product – Meaning will it be attractive and professional looking, making someone want to take it inside and read it, or does it land in the recycling bin on the way from the mailbox into your house.
- Publication Dates – Both what they can afford as well as what fits with the cycle of news and programming.
- Potential for Ad Revenue – This is fairly questionable at the moment.

The following Options were shared:
Option #1: Print and mail the Parks brochure with the Scoop inside (last normal publication)

- Three times a year to all households (15,000)
- Letter-sized publication 8 1/2x11
- Color cover
- Black and white interior pages

Option #1 Costs:

- Cost per issue is approximately $16,542
- Cost per piece is $1.07

    - This is by the time it is designed, printed, mailed.

Option #1 on Newsprint Costs:

- If wanting to go with a lower quality paper with the interior of the brochure and were to use newsprint.
- Cost per issue would go down from $16,542 to $11,366
    - Would have to make a value judgement if still satisfied with that quality and if they believed it would get the same level of readership and entice people to enroll in programs.

Councilmember Piekarski Krech asked if this brought them to under $1.00 an issue. City Administrator Wilson responded yes.

Option #2: Print and mail Scoop to 55+ households

- This has been requested by some. Believe the line of thinking here is that there are more senior residents that may not have internet access or are less comfortable using the internet for this type of information and transaction.
    - Would look similar to the Insights Newsletter
    - Three times per year

Option #2 Costs:

- Total cost of $24,078
- $8,025 per issue cost
- This option has a higher mailing service cost because they have to be addressed to certain households.
    - Have to buy a mailing list instead of just being stamped Resident.
    - Have to be addressed to those specific households and then delivered to those specific households.
    - This process is more money per piece rather than blanketing the whole community.

She said they were surprised at the Staff level. The Mail house told them that if asking to send to households age 55+, it would be 8,000 households. That is more than ½ the households in Inver Grove Heights. The Communications Manager checked and double checked that number because they thought it seemed higher than expected. That is what the professionals at the mail house are telling them.

Option #3: Combine Parks brochure, Scoop, and Insights:

- Currently spend about $47,148 a year on the Insights newsletter four times a year. The Parks and Recreation brochure currently goes three times a year.
- Typically, is 12 pages. Believe 8-12 pages is pretty normal.
- Could merge this into the Parks and Recreation brochure and just send one. This does have several downsides:
    - Parks and Recreation programming is three times a year because it follows the semester schedule/summer schedule.
        - They do one program that covers what parents might think of as the Fall of the school year.

- Winter/Spring of the school year.
- And a brochure for the Summer when the offerings are substantial. (This brochure is the thickest one).

She stated that Staff does not really want to see the Insights go down to only three times per year. To go the other direction would increase the cost and cause Parks and Recreation to have to reshuffle how they do their programming.

- Would become black and white.
- Less Visible.
    - The Parks and Recreation brochure can get up to 50 pages for the summer brochure. Throw another 12 pages of city news in there, how many people are going to piece through a 65-page mailing document.
    - There is concern about things getting lost if overloading one document too much.

Option 3: Not recommended by Staff: Combine Parks brochure, Scoop, and Insights.

- Have had a standalone color newsletter that looks fairly similar to this, at least since 2007. (They know this for certain because there are copies in Amy's office that they can touch and see). They did not search further back than that to determine when they actually started but know they were doing something standalone for city news since 2007.
- Just recently cut back the frequency of Insights. It used to be bimonthly. Went quarterly last year in 2020.

She said Staff is not particularly fond of this Option. It feels like they are solving a complaint about print communications by doing fewer print communications. She was unsure that actually achieves what they are setting out to achieve with addressing these concerns.

City Administrator Wilson discussed the Net Budget Impacts of the Options and said if doing Option #1, Print and mail the park brochure with the Scoop inside:

- Reaching all households, they would get rid of money that they had for sending the color postcards. The net increase to the budget would be $34,102.

Option #2, Print and mail just the Scoop:

- Staff would still want to promote the full brochure using postcards, they do not have a subtraction. Would be the full cost of $24,638.

She stated Staff's recommendation is to go with Option #1 because they believe the wider spread of the reach of sending to all households is more likely to bring in paying registrations for programs. Many of the senior programs have no cost to them. While they want to provide that service to residents, it does not hold a whole lot of promise, if going with just the Scoop, that they would see an increase in paid registration. It would be entirely cost without offsetting benefit.

She discussed Possible Revenue Offset (partial) with Paid Advertising:
Research has been done about the possibility of offsetting some costs through paid advertising. Staff was not able to find any cities that currently sell advertising space, and they looked around the metro area.

- The City of Burnsville used to, Amy reached out to their Staff. Burnsville discontinued it because their labor costs of working with advertisers and designing ads outweighed the benefits in their mind.
    - She said Staff's assessment was that their ad costs were really low. They were not getting much return on their investment at the time.
- Could work with an Ad Rep, someone who would go out and sell ads for the city.
    - Brief research into that field suggested an Ad Rep takes anywhere from 20-50% of the amount that the business paid for the ad, as their cut, with the remainder flowing to the city as revenue.
- An Advertising Policy would need to be developed with assistance from the City Attorney. Because of free speech concerns they have to be careful about what is accepted/declined in terms of advertising as a Government Agency.
- As a result of this, Staff is happy to pursue paid advertising. They recommend not banking on any revenue from that in 2022. If wanting Staff to do this as an experiment, they could do that in 2022, it might give information about whether or not to budget for it in 2023.

Selling Ads in the Parks brochure: Pros and Cons. Pros:

- Expect some of the local businesses might appreciate the means to reaching local residents
- There were other challenges she had previously discussed.

City Administrator Wilson said Staff is looking for what the preference of the Council is on this. If deciding to add back in the mailing, when they printed and mailed the brochure it was divided between the Recreation Fund (40%) and the Community Center Fund (60%) Budgets. They recommend returning to that approach. On the VMCC portion that means a larger transfer from the Host Community Fund. That would be whatever 60% of the $34,000 is. The Recreation Fund has a fund balance and can afford to absorb it is 40% of the cost for next year. She said she is looking for Council's preference or additional questions.

Councilmember Piekarski Krech said when she first started getting the Scoop it was just a mailing; a folded four-page item. She was unsure when they got so big or why they needed to get so big. She felt they could still put information that says the activities for Seniors, what is happening, upcoming dates. She said she definitely still thinks they need to send out the Insights, but that correlates to if needing the Insights to go out in printed form. She questioned if they did not think some of the other things need to go out in printed form, so people actually get them and hold onto them. She said there are residents in the community that do not have immediate internet access and their children would be ready to participate in some of the programs but would not know about them. She believes they have to have a document that goes out. She did not think it needs to be so glossy and glitchy. She mentioned that South St. Paul and West St. Paul send out a newsprint style book with all of their offerings. She felt that was sufficient. She said she does not think they need to be so fancy. Insights became much fancier after a time. The glossier the paper and the more colored pictures that are put in, the more costs increased. She said what they are trying to do is to get people to participate in

programs. She questioned doing their own designs and layout, she thought they had programs, they did it before. City Administrator Wilson responded they are not staffed to provide. They have two full time communications people. That includes all of their website, social media, Insights, Press Releases. They have always used a consultant to do the layout of these pieces. They use a consultant for the layout of Insights but do the Editorial here in house. The layout is part of the Consulting Budget. She said as time goes on, they could analyze the cost of expanding the Staff versus the cost of continuing to pay Consultants.
Councilmember Piekarski Krech said she did a newsletter for a program she was with; it was published. She mentioned there is software. If not changing a lot, especially with the brochures, she questioned how much they change each time. She said there are the different seasons, they add some things, but does not change a whole lot. She said she would think they would be able to figure that out and look at some efficiencies over time to be able to provide the service to customers and not start dropping services and going outside for so much of our stuff. She does not think $34,000 is not that big of an addition to put on. She personally thinks the postcard is what she tosses in recycling. She said she does not look at the postcard and then think that she should go to her computer and do something.

Councilmember Murphy asked who writes the Scoop. Communications Manager Amy Looze responded it is a collaborative effort. There is input from Recreation Coordinator Al Vandehoef, who is the main liaison to the seniors and senior programming. There is input from Tammy and Recreation Superintendent Julie Dorshak. She said she does the editorial oversight but is not generating content for it. They look for feedback from the senior's themselves regarding what programming is going on. It is driven by the programming that is available, the fieldtrips, and events. She said there is not a whole lot of narrative that goes into it. She said it was something she has been interested in considering as far as maybe adding some sort of a letter or an update from some of the leadership from the senior community. Currently it is a bulletin of what is going on in the room day to day and some of the programming and activities they are doing.

Councilmember Murphy asked if it was three times a year. Communications Manager Looze replied yes. It is a standalone section within the Parks and Recreation brochure which goes out three times a year. Ideally it would be great to have something inserted that could be a tear out standalone piece. To save costs, they do a callout on the front that indicates exactly what pages that content falls in. She said in this issue, it is five pages of content that is branded as the Scoop.

Councilmember Murphy said he thought there was content generated outside of City Staff in the Scoop. Councilmember Piekarski Krech responded she thought it started as a way to advertise. They never had a Senior Center before the community center went in. Once the community center was there and they wanted to get seniors to be involved, that could have been how they started sending it out to everyone over 55 in the city. She said it just went out with information about the Senior Club, what is played during the week, where they would be going such as a theatre, costs, those type of things to get seniors involved because there was not anything before.

Councilmember Murphy said he does not believe it needs to be as pretty as it is. It still needs to catch attention. The brochures he gets from other cities catch his attention and he pages through them. He said they tend to be heavier, maybe two colors instead of three. He questioned whether there was some savings there and then they could continue to do it three or four times a year.

Mayor Bartholomew mentioned $34,000 as recommended by Staff out of a $27 million dollar levy, he thought it was de minimis. He suggested trying it again and seeing if they generate/gain efficiencies as Councilmember Piekarski Krech had said and as Councilmember Murphy alluded to. He suggested to make sure they have interest, do it as cost effective as they can, and get it into the $34,000 range. He said $34,000 is a lot of money, but in the grand scheme of things it is not that big a number. He said he would hate to rewrite the levy, but thinks they have software that could drop $35,000 in quickly. He suggested doing this, the Councilmembers are in favor. He would say to go with Option #1 and not be spending a lot of cost and do what they know is the right way to do it.

Councilmember Dietrich agreed with Staff's recommendation of Option #1. She thanked Communications Manager Looze for the work she has done on this. She said it would be nice to hear from the Communications Manager going into next year about the ideas she has for this program and other programs because the Council does not get to see a lot of her. She said her ideas sounded intriguing and she would like to hear more of those.

Councilmember Gliva stated she was in agreement with Option 1. She said she does not think they cannot send out to their senior community right now.

Mayor Bartholomew said they have a consensus.

2. <u>Next Steps on Public Works Facility Expansion</u>

Interim Public Works Director Klay Eckles introduced Erik Kramer, the Utilities Superintendent. He stated for some of them, time is short, and he wanted to share on a personal note that he is really happy to be able to talk to the Council about this item tonight. In his observations of the city, this is one critical issue for Public Works. He said he hopes he can help the city on this issue. He discussed the following relating to Public Works Facility needs and opportunities:

- The Public Works Facility was built in 1985.
    - The Council has been discussing the need to do some upgrades to that for some time.
- Staff wanted to do a walk-through tour, but thought about doing a Virtual Tour for a couple of reasons:
    - Helps the public see what they have been doing.
    - Have been looking at other newer facilities around town to get a handle on what is new out there and maybe compare and contrast what we have and what is new in the industry.
    - This is a tour of the Inver Grove Heights facility, but also a couple of other facilities.

He said the presentation includes a lot of pictures. He believes this would be quicker than if they were doing an actual tour. If anyone wants an actual tour Staff would be happy to help set up an appointment.

- Cold Storage was added in 1991
    - Currently a lot of that is where they store the salt now
- Expansion plans have been discussed for many years
- A Needs Study was completed in 2015. Results:
    - Showed the site is very constrained
    - Showed the site is very short on covered space
    - Showed that the facilities are dated

Currently:

- Council saw an opportunity here this year and purchased an adjacent parcel. That trashed the old Needs Study. One of the issues with the old Needs Study was it was trying to fit everything on the site. While it did somewhat, it really did not create a site that worked very well. It was very constrained. The new site helps connect the whole city campus and is a great opportunity for the city.
- The city has been planning for this expansion, has about $1 million dollars set aside for this, with another $1 million dollars in this budget if approved. They are moving in the direction to get something done.

Previous Study – 2015

A diagram was shown of the existing site 1985-1991 Construction. The green depicted is the 1985 facility, the blue is cold storage, unheated areas where most of it is used for salt/sand storage.

He said the building itself is in pretty good shape although they did some work that the Council approved on the exterior. The building is still solid and has value.

2015 Study Findings:

- Current space is 50% of recommended size.
- Building is not ADA compliant.
- Locker and restroom areas require major upgrades, are very substandard.
- There are some safety issues that should be addressed.
- Opportunities to add some workspace that would really improve efficiencies.

Comparison 1985 to 2021:

- Full time Employees:
    - In 1985 there were 14
    - In 2021 there are 32
- Part time Employees:
    - In 1985 there were 6
    - In 2021 there are 21
- Equipment:
    - In 1985 they had 24 pieces of equipment
    - In 2021 they have 88, and quite a few more that are not larger pieces. For example: trailers, attachments, light equipment.
    - There are approximately 140 pieces of equipment and 32 parking spaces in the building.

2015 Needs Study with 10 Years of Growth:

He displayed a diagram of what the Needs Study said was needed (diagram was superimposed over the old diagram). This was attempting to fill all of that need on site and left them with almost no exterior workspace. While it met space needs, it probably did not meet operational needs. He commented that was probably why it has been sitting for quite some time now.

The following Public Works Facilities were toured:

- Dakota County Shop. They did some upgrades.
- Washington County Shop.
- Woodbury Mechanic's Area. Just did a remodel. He said he was involved in that and was able to tour it.

While the County's are different than ours, they have a lot of the same operations, same equipment, and needs. Although they were bigger operations, they were good places to go and see what is going on in other places.

Throughout the presentation he displayed photos of what they saw on their tours including the Inver Grove Heights facility.

- One thing they really noticed was that vehicles should be easily accessible.
  He believes our crew is aware of that because ours are not, especially in the winter when there are lots of vehicles inside.
    - Actually, using the aisles for storage.
    - There should be room for growth.

One photo of another facility showed actual parking spots not in use.

He said they should probably plan 10 years out if they are going to do some work on a new facility.

Councilmember Piekarski Krech asked what facility the photos shown were from. Interim Public Works Director Eckles responded he would be mixing and matching, but they were from Dakota, Washington County, and the City of Woodbury.

Councilmember Piekarski Krech said she knew the photos shown were not ours. Interim Public Works Director Eckles responded it would be obvious.

Mayor Bartholomew said he was also going to question that. The photos look pretty nice.

Interim Public Works Director Eckles said he would be jumping back and forth with the photos and locations. When they are actually contrasting, he would point that out.

- In the photo shown there were good clear aisleways which is good for promoting safety.
- Another item they liked with these facilities is that the city has a lot of trailers.
    - There are different jobs, have specialty equipment loaded on the trailers.
    - Others have it all loaded on the trailer, hook it up, and go.
    - Others had a spot for trailers. It was a very efficient way to go.

Interim Public Works Director Eckles stated Inver Grove Heights does have some Cold Storage.

With the photo displayed he said at night it probably has vehicles stored in it. During the day there is some room in there.

The difference between what we have and what he calls Modern Cold Storage:

- A photo of the recently built Woodbury Cold Storage was shown. It is very similar except it has a little bit of heat.
    - That little bit of heat means they do not have to winterize and mothball the equipment.
    - It keeps temperatures above freezing which makes the space more useful and better on equipment.
    - It is a place where they can put offseason equipment.
    - Now they would be moving the plow trucks into the warm storage and mowers into the cold storage.

A photo of the Inver Grove Heights Vehicle Maintenance Area was displayed.

- It is probably one of the biggest areas they saw for an opportunity to improve.
- There are several hundred pieces of equipment between all of the different city operations.
    - Do not just take care of the Public Works equipment, but also Police and Fire and everyone else.
- There is a lot of maintenance work that happens here.
- This is probably where they saw one of the biggest contrasts in terms of operations.
- With the current Inver Grove Heights location, they have a single door access. It is not a drive through. The access comes from the inside of the building, which means if there is any activity in the building you would have to get that out of the way to get in and out.

A photo was shown of the Inver Grove Heights area for Fluid Dispensers.

- It is a common location for fluid dispensers for the whole garage.

A photo was shown of a modern shop located in Woodbury.

- There is a drive through with doors on each side.
- Pictured was something referenced as "double stacking." When EMS or a Fire Truck needs to be taken care of, they want that done immediately. With a shop like this there is a road grader in the background. That could sit there for a week while taking care of the emergency issues.
    - Do not have to get half repaired equipment out of the garage in order to get the EMS equipment in.
    - The drive through ability makes it much easier for Mechanics to get to the equipment and not have to move equipment that is partially being worked on.

A photo was displayed on Ventilation. (Hose Exhaust Systems).

- Ventilation hoses were in the back.
- Fans were an important feature.

A photo was shown with an Overhead Crane for safe lifting.

- The crane can go up and down the entire shop area.
- Carries heavier objects.
- Safety feature.
- Efficiency.

A photo was displayed of Modern Waste Oil Collection.

- They go through a lot of oil. It needs to be collected and saved.
- Do not want to go through a pollution problem or a spill.
    - Modernizing the facility in this way would be a good thing.

A photo was shown of a newer mechanic's area. Full Workstations with Double Stacking.

- Each workstation has ventilation hoses hanging up above.
- Have all of the fluid dispensers.
- Each Mechanic has quick and easy access to equipment and materials to do their job.
- Some have an overhead crane.

Another item they saw that they really liked:
Small Equipment Maintenance Bay.
A photo was displayed of a shop where they have a bay for smaller equipment such as mowers.

- Here you do not need a Mechanic to change the blades on your mowers or do more maintenance, the regular crew can do that if they have the place to do it.
- Also has fluid dispensers.
- Something like this improves efficiency by having a space that does not take up Mechanic space.

A Dedicated Wash-Bay was pictured.

- This is one item everyone has that our city lacks.
- The city does have an area to wash, but it is actually used for parking vehicles. It is not separated or dedicated.
    - They get spray off onto the rest of the shop.
    - Have to move equipment out of the way in order to use it.
- Getting chemicals off of vehicles is important, especially in the winter.

A photo was shown of a Modern Mechanic's Office/Library.

- All manuals for equipment were displayed on shelves.
- There would be enough room to work and store things

A photo was shown of the Inver Grove Heights Mechanic's "office."

- Well past its user date.

A photo was shown of the Inver Grove Heights Mechanic's Library.

- Manuals need to be kept for all equipment.

The Inver Grove Heights Parts Room was shown in two photos.

- It works, but if not having room to store things, places to file things, it takes more time.
- Want to keep the inventory, make sure it is managed well.

A Modern Parts Room was shown.

- A modern, roomy, up to date parts room would allow Inver Grove Heights to do the above mentioned.

A picture of the Inver Grove Heights Tire Storage was shown.

- It functions, but there are other things in the way because there is not enough space.

A Modern Tire Storage (Mezzanine) was pictured.

- Offices.
- Parts Room is likely below.
- Up above is a mezzanine for tires. (An efficient way to use the space).

Councilmember Dietrich asked how tires were transferred from the mezzanine. Interim Public Works Director Eckles responded there are a couple of different ways. They could use the crane if they are

doing a bunch of them. Erik Kramer, the Utilities Superintendent, replied they use an overhead crane and put a strap or chain on it, lift it over the rail, and lower it down to the shop.

Councilmember Dietrich referenced the wash-bay and asked if any of the ones they toured had the automated drive big plow trucks through. She said the one pictured looked like it used the wand system. She asked if that was what all three facilities they toured had. Interim Public Works Director Eckles responded all three did have the wand system. He knew what Councilmember Dietrich was referencing and said when Woodbury did their update, they readied it to be able to add that, but did not initially. Utilities Superintendent Kramer said with a lot of the wash stalls there are attachments you can put on the hose that clip on and can be wheeled underneath the truck; water shoots up from underneath. That is what a lot of the newer modern places used.

Interim Public Works Director Eckles displayed a photo of the Mechanic's Lockers in Inver Grove Heights in comparison to a picture shown of Mechanics Lockers in a modern location.

- One thing they saw everywhere was they have gone to much larger lockers due to all of the equipment and safety gear involved.

A photo was shown depicting the Inver Grove Heights "Locker Room" for Street Workers.
A more modern locker room was shown.

- At this location shown each worker had two of the large lockers.
- Mostly because of reflective gear, winter gear, hard hats.

Restroom Facilities were shown. The picture was from October with only one Satellite shown. In the summer they bring another one in due to all of the part time workers.

- This has been a real problem for Inver Grove Heights.
- Bathrooms in our facility are very dated.
- Need facilities for all users.
- At the time it was built, it was built for 14.
    - Currently over capacity.

A photo from a Modern Facility Restroom was shown.
A Break Room for All. A newer one was pictured.

- Has multiple microwaves to make lunch periods quick and easy for everybody.

A photo of the Inver Grove Heights Break/Training Room was shown.

- While nice, it only seats 16 people.
- Serves as a break room and a training area.
- Difficult to get everyone in the space.
- Definitely an area they could grow.

One of the sites they visited had a more modern Training and Meeting Area.

- There is a lot of training now with all of the specialized equipment.
- A lot of safety training requirements.
- Getting a room that is large enough for the whole crew to be a part of would be a real advantage for the city.

A photo was shown of a Modern Workspace.

- Modern workstations are lacking at the Inver Grove Heights facility.
- Currently more and more computers are being used just like everyone else is doing.

- Do not really have a good setup or location to do that.

A photo was shown of the Inver Grove Heights Parks Work Area.

- One of the challenges is that it is right out where they park vehicles.
- Have to move vehicles out of the way to use the space.

An Updated Parks Work Area photo was displayed.

- It is not that much different but is outside of the vehicle area and has its own work area.

The Inver Grove Heights Electric Repair area was pictured.

- Also, where vehicles are operating.

A picture of a new Electric Repair Area was shown.

- Not high tech. Set up for its purpose. Dedicated to that need.

A photo was shown of Inver Grove Heights Storage.

- Storage is a big issue for the city.
- One of their solutions was shown, which is not the best.

A Modern Racking System was pictured.

- Works well. Use a forklift to get the items needed.
- There are a lot of materials in Public Works when thinking of all of the different activities they are involved in.
- Being able to store, get to it quickly and easily is important in order to be efficient.

A Modern Sign Shop was pictured.

- There are over 10,000 signs in the city that have to be maintained and replaced.
- They have to be replaced on a regular schedule.
- There is a sign shop in the city, but it is not really a "sign shop" it is just a space.
- Most places now have a sign shop. They do not make every sign. They buy standard signs.
- Street Names, they would make those.
- Need a place to store the signs made and purchased to have them ready to go.

A couple of things they saw in other Facilities that would be a real benefit:

- Workspace such as a Wood Shop.
    - Parks are manufacturing things all of the time.
    - Currently they have to pull equipment out into the parking lot.
    - They do not have a place to work.
- Welding Area.
    - Can do some welding but do not have a place that is set up to do it safely and efficiently.
- Tire Machines.
    - Tire changing machines.
    - Would be nice to have dedicated space.

A photo was shown of an efficient Salt Storage System.

- The city stores 2,000 tons of salt every year.
    - The way they operate now, they have to dump it in the parking lot and use a loader to drive it in and dump it in the building.
    - When loading trucks, they have to pull the salt back out again and put it on the trucks.
- The pictured type of facility is one you can drive the dump truck right into the back of the facility, dump it, or fill it from the truck into the facility. Do not need to triple handle it.

- A facility like this is fairly inexpensive. Could be in the $300,000 range for the tent itself.
- Could cost $200,000 to get the site ready.
- For $500,000 they could potentially create a new salt facility.
- Opens up the cold storage facility that is currently salt storage.

Some of the last few things they saw:

- Salt Brine Tanks.
    - Do have Salt Brine they use. It is tucked into a corner of the garage somewhere.
    - Getting the city updated with an up-to-date system that would manufacture Salt Brine would help and make them more responsive to storm events.

Planning for the Future: Bigger, Modern. Ideas:

- EV (Electric Vehicles) another thing of the future.

A Needs Study would begin to look at what the future holds for the community and what the city should be planning for.

Interim Public Works Director Eckles discussed what is happening in the world of Public Works:

- Public Works has become a lot more complex.
    - People are professionals, using new equipment with new technology, new challenges, new regulations, Labor issues.
- In the last 30 years since this building was built, service standards have risen.
    - The public has higher expectations. Want dry pavement three hours after it snows.
    - What kids play on now in terms of athletic facilities have changed. The grass is like a putting green.
    - Public has come to have high standards. To meet those standards, they have to rise to the challenge.
- One of the main ways the city has done that is getting more equipment and specialized equipment to do these special tasks.
    - Allowed the city to keep the labor numbers down.
    - Also means employees have to be trained with the equipment.
    - Need a place to keep the equipment.

He said they asked their friends at the Fire Department to fly a Drone around the site. The footage was taken about 1:30 p.m. in October. Observations:

- Can see all of the vehicles from the full-time crew.
- Parking is a major issue right now. Do not have enough places for both Staff personal vehicles and the equipment.
- Trailers can be seen.
- As they have began talking about this, they have also spoken with other parties.
    - The Police have some issues with security and parking.

If doing a Needs Study, he recommends also looking at what their needs might be related to the whole campus, so they plan for future needs.

- A lot of their vehicles are actually parked out in the pavement area. That is where they do trailer hook-ups, backing up.

    - It is problematic to have all of the vehicles sitting out like that in a confined area right in the middle of the operations. There are some safety issues there.
- Drone footage shows the green area. That is one significant opportunity for expansion that did not impact onsite opportunities.

The Drone went back out at 3:30 p.m., after the crew has gone home.

- The parking lot has emptied out in terms of Staff cars.
- They have even more city vehicles that have come home and a few parked in cold storage.

He referenced the salt building stating it could become a great place to put vehicles.

- On the right is where the mechanics are, there are garage doors, but they have to move equipment out of the way to get into the Mechanic's area.
- In the winter, the aisle is completely stacked full of vehicles to keep them warm.
    - When there is a snow event, they do not want to have to be scraping snow off vehicles and getting them safe to drive and spending a half hour trying to get them road ready.
    - In the winter it is more congested as they try to get as many vehicles as possible into a warm area.

Councilmember Dietrich asked if they currently have the capacity to fit all of their diesel vehicles inside. Utilities Superintendent Kramer responded no, they have enough for the bigger tandem dump trucks, single axels. The one tons have to sit outside.

Interim Public Works Director Eckles referenced the Drone footage and stated it shows the flyover of the new property. The home is being used by Police and Fire for training exercises. It will be removed shortly, hopefully by early summer. He said that area sits up higher than the current site. There will likely be site work if using some of the property for Public Works. He mentioned that purchasing the property is a great opportunity. As shown, the storage area is being used by Parks for some of the materials they need. The city has several parcels around the city that they have kind of squirreled away construction materials because they have run out of space at the current site. Over time they would be able to re-envision how they store materials and how they operate. Having it all in one space would be a big advantage.

He discussed Next Steps:

- The City Council has noticed that the Public Works Facility is a priority.
- Ask that the City Council consider and continue with this.
- Staff is looking for, and would like further discussion on, getting some proposals to update the Study.
    - Look at the new property and how it ties in and works with the needs.
    - Update the needs that are now five years old.
    - Look at examining traffic flow, parking, and security as it relates to Public Works and Police because they use the same entrance.
- It is a great opportunity, with the additional property, they can think about phasing in. Do not have to try to do it all in one big chunk.
- Believe the Salt Storage Facility min. be an early win for them. Something like this is $1.5 million dollars.
    - Already been saving money, more than that amount.

- Might be a way to put that in on a new property.
- Plan it for the future.
- Would immediately give them new salt storage, more cold storage, and breathing room to think about what Phase 2 and Phase 3 might be.

Interim Public Works Director Eckles said he wanted to give the Council a good tour of our facility and others around town as they discuss upgrading.

Utilities Superintendent Kramer said if the Council has questions, they can reach him at this office anytime. Some of the pictures show they are short on space. He referenced the dump trucks where the Drone was flying through and said that the plows and sanders are not on, everything can be backed up another four feet easily. They are really packed. With the new property they have acquired now is the time to do a Study and see what they need. He stated in the last 40 years the town has doubled, with everything that is going on in the northwest side, it is just going to keep getting bigger.

Mayor Bartholomew agreed. The need is definitely there. He said he is concerned when they discuss something that can go in right away with Phase 1. When they get excited, they put something in where it does not belong and end up moving it. He said he wants to be sure to be very careful and mindful of how they plan it. He would like to see the Study and for it to go forward. He also said to keep in mind the existing buildings in place and how they would fully utilize them to their potential because they are still good buildings where they can utilize the space. He said he wants to make sure that is included in the study. He said the key is that it is phased correctly, they do not get ahead of themselves and put salt storage somewhere it needs to be moved. He said he believes it is needed and would support a Study to get going so they know what their needs are and how they can optimize.

Interim Public Works Director Eckles clarified that all they are asking for right now is to update the Needs Study. What they are excited about was the possibility that Phase 1 may not be that difficult to achieve once they know what the overall plan is.

Councilmember Dietrich thanked Utilities Superintendent Kramer for being in attendance. She also thanked all of the Public Works employees saying that they are all very resourceful because she never hears complaints. Streets are always plowed, everything is taken care of, she has been in their facilities and knows what they have. Utilities Superintendent Kramer responded if the phone is not ringing, they are doing their jobs, that is the way he looks at it.

Councilmember Dietrich thanked Interim Public Works Director Eckles for the presentation.

Mayor Bartholomew stated when considering all of the roads we have and the problems other cities have with snow removal, he feels they do a great job. He has lived here since 1982, they have done a good job through the years. He applauds Staff for working with they have, which is minimal.

Councilmember Piekarski Krech said they are premier. You can always tell when moving from one jurisdiction to another. She said the worst is going from here to West St. Paul to St. Paul, that is a real culture shock.

Interim Public Works Director Eckles said if not hearing any objections, Staff would come back to Council with a proposal or numbers of what it would take to get a Needs Study done. They would give Council a chance to look that over and see if they want to go forward with the Study. First, they wanted to make sure the Council was all onboard with Staff going out and starting to talk with a couple of Architects to get the Study done.

Mayor Bartholomew replied that he believed the Council was in agreement. He suggested being mindful of the scope, make sure it is all encompassing, and gets them to where they need to go. It is an opportunity now that they have that property.

3. <u>Fire Relief Association Request for Benefit Increase & Vesting Change</u>

City Administrator Wilson said Evan Bohlman and Scott Oswald from the Fire Department's Fire Relief Association are in attendance. They are the President and Treasurer of that Association. They are bringing forward a request for the Council to consider an increase to the benefit and vesting schedule. She mentioned for those watching who may not be familiar with the terminology, a Fire Relief Association has one purpose, it funds a Pension Benefit for Paid on Call Fire Fighters. She said later on they would also be discussing Full time Fire Fighters. Their Pension is part of the Pension System for all other City Employees. Paid on Call Fire Fighters draw a Pension out of the Relief Association. They would be walking the Council through projections, numbers, and the requests they are bringing forward.

Evan Bohlman, President of the Relief Association introduced himself.
Scott Oswald, Treasurer of the Relief Association introduced himself.
Mr. Bohlman introduced Brian McKnight, who is a Partner with Parr McKnight Wealth Management Group who represents the firm that invests their Retirement Fund.

Mr. Bohlman stated they were presenting information about the Relief Association, the Relief Association's Pension Fund, their yearly Benefit increase process, Fund Investment Strategy, and to provide information on a current benefit increase request for which they are seeking eradification and proposed changes to the number of years required to be vested in the plan. The Relief Association is a 501c4 Non-Profit Organization and is a separate entity from the Inver Grove Heights Fire Department. Their membership consists of all Paid on Call Fire Fighters within the Inver Grove Heights Fire Department. The Relief Association Board is comprised of Trustee's beginning with the Fire Chief, an Elected City Official, Finance Director, and Elected Members from the Association, four of which are Officers of the Board. They have an established set of Bylaws they follow. The Board is responsible for executing decisions and dispersing funds based on the Bylaws.

He said their Auditor from Abdo, Eick, and Meyers has completed this year's analysis of the Pension Fund and the 10-year forecasted Fund projected. These are items they have performed every year in order to determine what their benefit adjustment would be for the following year. The Auditor's 10-year Forecast Analysis along with the State Auditor's Maximum Benefit Worksheet support their Pension benefit being raised to $13,650 per year of service, while still leaving their Fund at 112% Funded in

2022. He mentioned as will be noted in Mr. Oswald's presentation, the Fund stays well above 105% funded in future years, which is one of the items stipulated in their 6-year Agreement with the city. This adjustment in their benefit level also leaves surplus money in the fund to support their forecasted minimum benefit increases for those 10 years out. This is another item in their Agreement with the city. To aid in recruitment and retention with Paid on Call Fire Fighters, they have made proposed changes to their Bylaws to reduce the number of years required for a member to be vested in the Pension Fund. Currently it is 10 years of service to earn 60% and 20 years of service for 100% vesting. The proposed changes are to reduce it to 7 years for 60% vesting and 15 years for 100% vesting. The State minimum requirements are 5 years for partial vesting and 10 years for full vesting. He stated that a few years ago the State made a law change to the vesting requirement to aid with recruitment and retention across the State. Both of these changes will not require an increase in the city contribution outside of what is already in the Agreement and will not require any budget adjustments to the Fire Department's Budget.

Mr. Bohlman stated the Council will be hearing from Brian McKnight who will be presenting their funds Investment Performance Report. After Brian presents, Treasurer Scott Oswald will be presenting their analysis data which shows that the fund can support the benefit adjustment along with the change in vesting.

Brian McKnight, Financial Advisor, Parr McKnight Wealth Management Group, stated that he helps the Relief Association manage their Pension assets. In addition to working with Inver Grove Heights, he works with over 60 other Relief Associations in the State of Minnesota. He participates with the State at the State Auditor level helping with their working group, does the Investment Education pieces for State Fire Schools, and helps several Relief Associations on a path with their cities to consistently increase their benefit levels. He will present the investment performance of their Fund. He said he had a couple of other points of interest he wanted the Council to keep in mind: they are making a municipal contribution now, it is not required, its voluntary. The Relief Association thanks them for that. When the funding ratio of the Relief Association drops below a 90% funding level is when the city is required to make a city contribution. The voluntary contribution they would be making right now, if continuing, would count toward a required contribution.

He said the plan he advocates for with Clients jointly with cities is that they maintain a funding ratio that is over 100% but under 110%. He likes to have funding between 100% and 110%. The reason for that is that he likes it when Relief Associations are able to come to the Council at a time, they are not being requested to ask for a contribution from the city. He said the Relief Association Pension is very different than almost every other Pension they would be dealing with, with regards to the city and State. Because they invest their own money, they have an Investment Policy Statement that falls under their Bylaws regulating how they invest their money.

He stated with the report distributed as of November 30th, there were some questions about how the Relief is done longer term, and how the Relief is done this year. The following update was given:

- The Relief Association Special Fund (Investment Fund) started the year with a little over $5.6 million dollars.

- Have had net payouts this year of over $165,000.
- The difference in that is $5,437,000. They call that Net Invested Capital.
    - How much money did you have working for you.
    - Break those cash flows out.
- In dollar terms the investment results through November 30th of this year; they have made $334,000.
- This year in the fund ending balance, November 30th, $5,771,000.
- Up 6.2%.

He said their team has worked with the Inver Grove Heights Relief Association since 2012. This is pretty much inline with what they have averaged long term with the group, with about 6%-6.5% per year.

- Assume in all of the illustrations that are put forth by the Actuaries and Accountants, a 5% rate of return, which is in line with State Statutes.
- Have exceeded that long term.
- They do not get a positive rate of return each and every year.
- Because they are invested in the Stock Market:
    - At least 60% of their money is invested in the Stock Market.
    - The other 40% is invested in Stocks and Bonds.
- The Relief Association is inline with their Policy Statement currently, in terms of their overall allocation.

Scott Oswald, Treasurer, Relief Association, said he has been Treasurer for 12 years. He gave the following PowerPoint Presentation discussing the following two topics:

- Adjustment to their benefit level. (Something they are expected to do on a yearly basis).
- Change to the vesting schedule.

Terms:

- The Relief Association: A Governmental entity separate from the city, town, or independent Non-Profit Fire Fighting Corporation with which it is affiliated.
- Defined-Benefit Lump Sum Plan: Vested members get a one-time payment at retirement (must also be aged 50+).
- Maximum Benefit Worksheet (MBW): Maximum lump-sum benefit level the Relief Association is authorized to establish for the year.
    - This is something that is a part of the audit generating that number.
- Funding Ratio: Current assets expressed as a percentage of the actuarial accrued liability.
    - Will be discussing how much money they have and how much money they would have to payout; that is the funding ratio.
- Benefit Level: The benefit level is multiplied by the years of service and the percentage vested to determine the benefit amount at retirement.
- Vesting: Point of entitlement to a share in a Pension Fund.
    - 10 years is the current minimum vesting.
    - 20 years is the full vesting.

Councilmember Piekarski Krech asked for clarification on the Defined Benefit Lump Sum. She said they can retire before they are 50 but cannot get the lump sum payment until they turn 50. Mr. Oswald responded that was correct.

Councilmember Piekarski Krech stated it sounded like you have to be 50 to retire. Mr. Oswald replied they can retire before that, their particular Relief Association does not offer any type of interest, so if they were to retire at 40, with 10 or 20 years, the money would be at that fixed level. If retiring at 40 and took the money out at 50, it would not increase. That is one of the downsides to retiring early in their particular Relief Association. He said they have to be 50 to receive money, but do not have to be 50 to retire.

Mr. Oswald discussed the Maximum Benefit Worksheet (MBW) further, stating it is a part of the audit process to determine this number. It has impacted them in past years when they were not able to get a raise even though they had the funds there because their MBW was at their current benefit, and they could not go up.

- 3 year rolling average of (sources of income):
    - State Fire and Supplemental Aid
    - 10% of Special Fund Surplus. Currently 149% funded.
        - If looking at the extra 49% funded that they are, 10% of that is a part of this calculation.
    - City Contribution
        - Thankful for this, part of their total compensation.
    - Number of Rostered Firefighters

If making a change to one of these items, one thing to take into consideration is because it is a three-year rolling average, even if making a change now they will not see that impact right away, it is spread out over a number of years. In his opinion, it is to even things out, not have any drastic changes.

- Table lookup sets the maximum allowed benefit level per the State.

Currently operating under a six-year agreement with the city (2018-2023).

- Agreement only applies to city contribution, not a guaranteed yearly increase in benefit level nor a cap on increases.
    - This is not setting what the increase is going to be or expected to be.
    - Just setting what the contribution is. That is all the Agreement is doing.
    - It does outline a bit.
    - Do have another Agreement with the city in terms of the process to follow to determine what their compensation would be.
- Part of the total compensation.
    - This was brought up during the creation of the six-year Agreement.
    - Hourly pay.
- Another stipulation was that they try to maintain a 105% funding ratio.
- Raises are subject to yearly benefit projections.
    - Trying to answer what the largest increase they can get this year without causing a change to the city contribution in the future or falling below 105% funding ratio in the future.

Benefit Projections: Rules and Assumptions:
Projection is done by an Auditor. The following rules and assumptions are something that the Auditor has with feedback from them and the city.

- 10 year forward projection.
- State Aid: 3% increase over prior years.
- Interest and Investment returns: Projected at 5%.
- Municipal Contributions Increases: 3% per year.
    - Even as past their current agreement, which is also one of the agreements of forward-looking projections, the city was fine with them projecting forward a 3% increase, although it is past their agreement. Their agreement only has two years left in it.
- Deferred: All members were assumed paid at age 50 if they were deferred.
    - If someone did retire before 50 and had money in there, the assumption is as they turn 50, they would request their money.
- Active: Assumes members would retire at 50 years of age or a known date.
    - Do have some members that are past the age of 50, past 20 years of service. Normally their input would be that, that person is going to retire for their projection.
    - In some cases, they know the individuals have told them they are not retiring. If they know that is not the case, they do not want this projection to have that in there.
    - Have let them know, for certain individuals, are not retiring so they do not have that be a part of the calculation that the person is going to go on for longer.

Mayor Bartholomew asked how they keep that from skewing the number if they decide to change their mind. Mr. Oswald responded they give a date of 1 or 2 years in the future. Then anybody could leave at any time, that would change numbers as well. The actuality is hoping it actually improves accuracy.

Mr. Oswald continued with Benefit Projections: Rules and Assumptions:

- Administrative Expenses: There are expenses associated with running a Relief Association, those are increased 3% per year.
- Calculated Municipal Benefit: Calculation is required, municipal contribution was completed.
    - In this case its if there was a required municipal contribution, if the forward projection had one, this is the method they are using.
    - Part of the Audit process that the Relief Association has to go through every year.
    - Includes the calculation of whether or not a municipal contribution is required.
    - Do this for all years going forward to make sure it is not required as a part of that estimate.
- Vesting: Members are vested 100% in their Pension after 15 or 20 years of service.
- Maximum Benefit: Was computed.
    - Shows it has recently changed.
    - Use the new method.

Voluntary Municipal Contribution:

- Starting in 1997.
- Increases until 2005, hit a zero.
- Went back and increased.

- Hit a couple of years with zeros.
- In 2011, $25,000. This may have been a five-year agreement.
- 2018, when the current 6-year agreement started.
- There are figures through this year when they have the money they have received.
- Two years left in that agreement. Planned but not received. (Voluntary).

Vesting Requirements:

- Put out by the State Auditor's office, a change was made in State Statute for what they could do as far as their vesting schedule is concerned.

Mr. Oswald read as follows: "Beginning on January 1, 2020, Relief Associations with a defined benefit plan (which they are) may elect to offer a fully (100 percent) vested service Pensions to members who have completed at least ten years of active service. Previously, members of defined benefit plans were required to complete at least 20 years of active service for full vesting. Permitting a shorter vesting requirement is seen by some as a way to help Fire Departments that are facing challenges in the recruitment and retention of Firefighters."

If looking at Vesting Schedules in other Relief Associations: (Information is from 2019, the State is a little behind in reporting). Looking 2-3 years back, this is the most up to date data they have from them:

- In 2019, 87 of 449 (19.4%) lump-sum plans had a lower than 10-year minimum vesting schedule.
- In 2019, 28 of 80 (35%) had a defined-contribution plan (different from ours, but also for Relief Associations) had lower than a 10-year minimum vesting schedule.
- Vast majority of those were at five years. This request is to go to a 7 and 15 year.

Inver Grove Heights Fire Department Years of Service at Retirement: From years 2009-2021 (the years he has been in the Treasurer position):

- 11 members left within the first year. (Never achieved one year of service).
    - Could be members that came on and decided this was not the job for them.
    - Could have been way more than they were expecting as far as the commitment required.
    - These are not members they are expecting to retain.

He said the ones he is concerned about are the 2, 3, 4-year ones, maybe even 6 and 7.

- By lowering it to 7 and 15, can they push those members up to getting at least the 7–10-year range.
- The ones that are in the 10–11-year range, by lowering it from 20 to 15, can they get them to stay around for the extra 5 years.
- In the last 13 years there is not a huge number of people that make it to 20+.
    - Jeff is at 45, which is the one exception.
- In today's day and age, there are not a lot of people that are willing to do Paid on Call or a volunteer type position for 20 years. It is asking a lot in today's society.
    - This justifies why they want to make that change.

Retirement Histogram:

- For 0-9 years, from 2009 to 2021, there were 44 members that did not receive any money.
- Adding the next three groups together totals 43 people.
    - In actuality have had more than 50% of people that left without any Pension portion.
    - Were paid per hour but did not get anything as far as a Pension was concerned.

Vesting Schedules:

- At year 10 they are currently, at 60%.

- At year 20 they are at 100%. (4% per year to get to this point).
- When switching to a 7- and 15-year Vesting Schedule at a Board/Membership approved:
    - At year 7, they are at 60% vested.
    - At year 15, they are at 100%.
- What they are saying here is that currently they have a $10,000 per year of service.
    - At year 7, if going to this, someone would get 7x$10,000x60%; that would be their benefit level.
    - Currently, they would be zero, because the vesting is zero.
    - If someone put 10 years on currently, it would be 60% times that.

Projection: 20-year Vesting Schedule:
All those assumptions outlined also shows voluntary contribution as well as the 3% increase through year 2031.

- Shows benefit level. Supports adjustment to $13,650.
- MBW is currently at $15,000. That is the number they cannot have or do not want to go below what they are currently at.
    - Historically, for example, they have had where they were sitting at a given benefit level, they have funding to go for an increase, but because the MBW was below or right at where they were at, they were not able to get an increase.

Mayor Bartholomew asked Mr. Oswald to restate that. Mr. Oswald responded in the past, because in those years when they did not have a city contribution, since that is a rolling three-year average and those zeroes were a part of that calculation, that MBW number, for example, say the MBW number right now is at $15,000. In the past maybe it was at $10,000. If it was at $10,000 today and the benefit level was at $10,000 even though they have excess funds in there, they would not be able to access them because that MBW number is a limiter. You are not allowed to go above that. He said if the city contribution were to change, or go back to zero, which they would not want to happen, that is when they would see that influence. It has a negative influence on their MBW.

Mr. Oswald stated their liability, assets, and surplus was shown. This shows a raise to the benefit level with no change in the vesting schedule. They are currently at 149% funded. It would drop to 116%, 120% as the years go on. He said they had them run the same set of numbers with the same sort of inputs, except changing it to a 15 year and 7 years:

- It was 116, currently it is 112. It is a 4% hit for doing that alone.
- Changing it from 20 to a 15-year vesting is about a 3-4% hit to their funding percentage.
- Even with a 15-year vesting schedule going to $13,650. They are never, in this projection, below 111% funded.

Councilmember Murphy asked if that was based on the same attrition rates as shown in the previous graph previous. Mr. Oswald responded no; it would be better if they had that. If putting those into this, all those numbers would go up. This is under what he considers a worst case, everybody stays. As far as the funds are considered, that is a bad thing because then they get the money.

Mr. Bohlman stated after many meetings and discussions over the past year, the Relief Association Board and Association Members both approve the changes as the Treasurer has mentioned to the benefit level and vesting schedule. He said they believe these changes will support the recruiting and retention of the Inver Grove Heights Paid on Call Fire Fighters. He thanked the Council for their time and continued support of their Paid-on Call Fire Fighters.

City Administrator Wilson provided additional detail that frames the request in context of historical increases the city has provided to the benefit as well as in the context of what some other cities are doing in terms of their Fire Relief Association Pension. She stated she supports an increase to the Pension benefit. She has concerns that the increase being requested is excessive. She said she has shared these concerns with Scott Oswald and Evan Bohlman previously, so they are aware. She shared the following history:

- When they entered the current 6-year agreement January 1, 2018, the benefit level was $8,050 per year of service.
- The next year it went up by $50.00 to $8,100.
- Then it went up by $500.00 to $8,600.
- Then it went up by $1,400 to $10,000.

There have been noticeable increases each year of the agreement. The request in front of the Council would be to have that go up to $13,650. This would be a 36% increase in the benefit in a single year.

She stated the city entered into a 6-year agreement with the Relief Association. It was approved by the City Council in June, 2017 and provided projections for 2018-2023. She said she agrees that these were projections, they were not adopted as caps. She said in her opinion, they did lay out what was anticipated, and they certainly show the information that the City Council had at the time, that the Council agreed to these increases. She provided the following information:

- The city contribution that was proposed for the 6 years ranges from 2.76 to 2.85, have been the increases they have been providing during the life of this Agreement.
- The forecast the Council just saw assumes they would bump the increase up a little bit to 3% and would keep a 3% increase going until the year 2031. Well beyond the life of their current 6-year Agreement.
- At the time, under the possible benefit level request, it proposed that by 2022, by providing this increase the Relief Association might have a benefit of $8,500 per year of service.
- The request in front of the Council this evening is for $13,650.

She said it was significantly different than what was put out there as an example at the time the Council entered into this Agreement.

City Administrator Wilson said there are a number of different types of Relief Association Pension Plans allowed for in the State of Minnesota. Different cities can have slightly different structures to their Relief Association Benefit. This city has a Defined Benefit Plan, that is why they are discussing the benefit level. There are many cities in Minnesota that have this plan, and many of them are quite small cities. There are a number of sizeable suburban communities that use this exact same type of Relief Association Benefit. A list was shown depicting those of a 20,000 population or greater according to the 2019 data that is published by the Minnesota State Auditor's office. Unfortunately, the 2019 data is

the most recent. It takes them almost two years to get them out and will not have another Comprehensive Report from the State Auditor until May 2022.
She mentioned that time the city of Inver Grove Heights was at the $8,100 benefit. Without an updated Auditor's Report, she reached out to several of the cities on the list. She did not receive responses back from all of them yet, but shared information from the responses she did receive:

- Rosemount:
    - Recently approved an increase of $400.00 from $7,800 to $8,200.
    - That left their fund 152% funded.
    - The City of Rosemount has a Policy on benefit increases.
      Where Inver Grove Heights tries to keep ours at 105% funded. The City of Rosemount says there would be no increase unless it is 122% funded. In which case it would be $150.00.
- Lakeville:
    - Recently approved an $805.00 increase taking them from $9,195 to $10,000.
    - Leaving their fund 163% funded.
    - They do not provide a voluntary contribution the way Inver Grove Heights has, they have not since 2014.
- Shakopee:
    - Approved an $800.00 increase from $9,000 to $9,800.
    - Leaving their fund 136% funded.
    - They also have a Policy on benefit increases. Theirs calls for a certain percentage increase rather than a dollar amount.
    - In this city they decided it needs to be at least 112% funded before they would consider an increase.
    - The maximum increase they would consider would be a 6% increase.

The request in front of the Council this evening is for a 36% increase in the benefit. She wanted to reiterate that she is supportive of an increase. She believes more work needs to be done to come to a reasonable dollar amount of that increase that is more in line with what you typically see in compensation structures. She said there was a sizeable increase to get to this year, it was a $1,400 increase. The year prior to that had a $500.00 increase. She said this just keeps getting bigger and bigger and more and more. She questions whether saying the fund needs to keep 105% is the right threshold. Per examples from neighboring cities, they have set a higher bar than that. She believes that is worth exploring before making this magnitude of an increase.

Councilmember Piekarski Krech said she sees a lot of variables here:

1 is in the increase,
2 is the city contribution
3 is the percentage of what they want to keep for funding

She definitely thinks they need to do something to increase and maintain. She is fully supportive of 7 and 15 vesting. She was unsure what the amount is. She commented that maybe the Investment Advisor may have information about what is happening in different places, what percentage seems to be the most comfortable. City Administrator Wilson responded Actuaries actually do the projections of what the city can afford as opposed to the Investment Advisor. The Relief Association has a number of

other scenarios showing other benefit level increases, other than the one brought forward tonight. This was just the one their organization voted to support. Other data exists.

Councilmember Piekarski Krech said she definitely wants to do whatever it is they need to do to maintain fire safety in this community. One of the things they are having trouble with is recruitment and retainment. They need to have the carrots there for people to come and for people to stay. She questioned what the fine line was, where the balance is. She said it has been discussed if they should give more in terms of wages and put city contributions toward that versus in the Relief Association. She asked where the percentages were. In the end this contribution and their wages is what they are placing on the value to them and the value they are providing to the city. She said she believes we need to increase that because at one time the Fire Fighters were getting paid, may still be getting paid, less than what the high school kids who were cutting grass in the summer got paid. That to her is a gross inequity.
Councilmember Gliva questioned the funding ratio that City Administrator Wilson was discussing about other communities being 122%, she asked if the city was not at 108%. City Administrator Wilson responded we were at 149%. It is well funded. Shakopee is at 136%, Lakeville is at 163%, and Rosemount is at 152%. Looking at much more modest increases.

Councilmember Gliva said anytime it is said a 36% increase, that is a lot. She said she would be more inclined to look at the hourly wage as that is pretty important right now. She thought maybe they need to look at the full circle. She said she thought 7 years may be a better starting point for vesting. She said 10 years, for any vesting period, Pension, 401K, is a long time.

Councilmember Murphy said he is fully supportive of the 7 and 15 vesting schedule. He is struggling with the 36.5% increase in contribution rate. He said he cannot think of other times he has seen this happen. He said there was a vote on this at some point, he asked what that vote was. He asked if there were descending votes. Mr. Bohlman asked if he meant votes against. Councilmember Murphy responded yes. Mr. Bohlman responded there were two, but those were more towards the 7- and 15-year item. He said from what he recalls it was not toward what is being discussed.

Mr. Bohlman said one side is looking at this as a percent increase. The way the Relief Association views the fund and increases. He said he verified this point of view with the State Pension Director, that the Special Fund where all this money is sitting, is the Fire Fighters money or members money. What they are looking to do is redistribute that fund. He said he was told if they do not distribute that fund down to an acceptable level, each city/Relief Association has their own level they like to be at. Then you are shortchanging members that leave early. He said they have a couple of members who are looking to retire next year. He would hate to see them leaving a substantial amount of money behind that is still in that fund, the surplus. He said he tried to discuss with her as to where they would be at for level, they will not give them a number. He said he told her they like to be between 105%, which is the minimum with the city, and 110%, her response was that we were inline with other metro departments on where they try to keep their fund. He said that is the Fire Fighters point of view and he is trying to stay aligned with the State Pension Director too, with how business is conducted and seem to be inline there. That is the reason, he is trying to get the fund distributed to the members. It is a larger number this year. Each

year that is what they have been trying to do. He said last year they did have some excess numbers in there, but the State max was 10,000, it was changed. They could have gone back, changed the numbers, and went for a higher amount, but they chose not to. As a membership and Board, they explained that they could, but all chose to keep going with these numbers. They are already halfway through the audit process with the Auditor. Knowing that it would come around for this year was the assumption and the hopes there.

Mr. Bohlman addressed Councilmember Murphy's question about the voting process. He said the Board reviews all information first. They start their audit process in February, they make a recommendation to the membership. They say what they recommend, the membership approves or denies, does anything they want from there. After that step is where they are at now, coming before the Council. He said they are asking the Council to approve the liability of that fund. If the fund goes way south, they get in a deficit situation as Brian explained, then the Council would have to make a plan to amortize payments over a 10-year period. That is what they want to stay away from. That is why they have a lot of safeties in that 10-year projection to keep them out of that situation. It is important to get the fund distributed down to a lower number they like to be at, the 105% and 110%. After this they are still above that. He said these projections are very conservative and safe. As the Council has seen, the outcome is actually better than projected.

Councilmember Dietrich asked how the Fire Fighters feel about the hourly wage. She asked if it was something that has been discussed. Mr. Bohlman responded yes. He said he is not speaking for everybody, but as Councilmember Piekarski Krech alluded to, they are disheartened at the level of hourly compensation as compared to other roles in the city, compared to the service they provide, and the risk they put to their health and safety for citizens. The way they offset that in their minds is the Retirement Benefit. They feel it is good, they are not saying they do not have a good benefit. That has been helpful to offset the wage conversation. He said with the amount of surplus money in there, and looking to redistribute that this year, it was a big message to the membership to help boost morale and keep retention there. He said he feels it could be used as a great recruitment tool if they could advertise this more on their postings, what those other benefits are.

Councilmember Dietrich asked if it were something that would be a fair negotiation as far as what they are discussing tonight and what the City Administrator alluded too, about putting that on the table. Mr. Bohlman responded they have definitely talked about it. In other meetings is where that city contribution could go year to year, if it needed to move. He said as Scott alluded to, they cannot have zeros in there for city contribution to the relief side because the State MBW Form has it in there with rolling averages. It does catch up to them in the future. He said he does not want to put them in a situation like they were 3-5 years ago before he was in this position, where they were limited by the MBW keeping them down. He said they could definitely look at shifting some, as long as it is coming to the Fire Fighters in one way or form in compensation, the Fire Fighters would be happy with that.

Councilmember Dietrich said before tonight she did not know anything about this. She thanked them all for the education. She appreciates that it is their money. Mr. Bohlman responded what they are looking for is approval to be able to access their money and distribute it to them.

Councilmember Piekarski Krech stated there has been a Fire Relief Association for 50 years or better. Mr. Bohlman replied since the beginning of the Fire Department was his understanding. She asked if other cities were not increasing by more because of the MBW. Mr. Bohlman responded he does not understand conversations that are happening in other cities.

Councilmember Piekarski Krech questioned if their funding is so much greater because they are not meeting the State maximum, therefore, cannot increase. That automatically makes the percentage funded that much higher.

Mr. McKnight spoke regarding the 149% funding ratio, the increase the Relief is asking for is supported by their own funds. It does not require additional money to come from somewhere else to move the benefit level up. When having a funding ratio like this, having it 149% funded, means someone retires and is paid $1.00 but the fund could have paid them $1.49. They are leaving a lot of money on the table. For example, a person retires and takes that $1.00 but could have received $1.49, the 149% funding ratio automatically goes up because you have people taking less money out of the fund then what the fund supports. Then get into a scenario where you are now at 160% funded, then 175% funded. He said part of this exercise in the big jump from $10,000 to over $13,000 right sizes the benefit level with what the fund is supporting. He asked the Council to keep that in mind too.

Councilmember Murphy said he is missing the part where this is the Relief Funds money. This is not an increased contribution in any way. He asked if this could be cleared up for him. Mr. McKnight responded this was based upon current assets in the fund versus current liabilities. Currently the Relief Association has $1.49 of assets for every $1.00 of liabilities in the fund. Mr. Bohlman said the city's contribution is the voluntary contribution number around $84,000/$85,000. They are not asking for any additional money from the city or the Fire Departments Budget to do these two changes. The money to do these two changes are already in their fund.

Councilmember Murphy said a 36.5% increase, everybody stays 20 years, and their number is what. Mr. Bohlman asked him to restate the question. Councilmember Murphy said they do a 36.5% increase, everybody stays 20 years, he referenced the previous presentation and asked what the number would be. Mr. Bohlman responded with the 20-year vesting schedule their percent funded for next year is 116% funded. If going down in the vesting schedule to 7 and 15 years it would be 112% funded, which is inline with what their goals are.

Councilmember Murphy said that is with the increase and everybody staying long term, averaging 5% a year net of cost. The response was yes (off camera). Mr. McKnight said numbers presented tonight on the returns were all net.

Mr. McKnight stated the State maximum benefit that cities are allowed to grant a Relief Association cannot currently have anything over $15,000 per year of service. That is the maximum the State allows. City Administrator Wilson said that just went up from $10,000 to $15,000 last year. She asked if it was known how long it had been at $10,000. Mr. McKnight responded it had been too long. He said he says

that because there are a lot of Relief Associations that are over $10,000 but have significantly higher funding ratios over 100% because they could not get over that cap. He felt it had been at $10,000 for 10 years maybe longer.

City Administrator Wilson said they may be waiting awhile for it to go up again. Mr. McKnight responded it does not change often.

City Administrator Wilson said they have been discussing how this is entirely their funds and that it is not being predicated on the city, but it is; the vesting schedule they are showing the Council shows that the city would continue to make a voluntary contribution and that they will increase that voluntary contribution by 3% every year until 2031. Without the continued voluntary contribution and the increases to those voluntary contributions, this percent funded does not sustain. It is predicated on, just beyond this year and next year, the city continuing that level of support. She said she does not necessarily recommend they change or not support the fund looking city wide, the increases they would typically see in wages, benefits, and compensation, all in one step. She said she had suggested to the group that they look at a $1,000 increase each year for the next five years to take them up to $15,000 which is still a very generous increase in Pension benefit.

Councilmember Murphy wanted to clarify that if the city cannot make their voluntary contribution for some particular reason, just increased it to $13,650. Now they run into a scenario that if it is not properly funded, they would have mandatory contributions. City Administrator Wilson responded that is technically possible. She said she cannot do the actuarial work now but stopping the voluntary contribution does have an impact on the fund and maximum benefit levels. It all flows from a certain set of assumptions. Changing one of those assumptions, you have to redo the work.

City Administrator Wilson said the Council is in a Work Session, this is not a decision for tonight. The Relief Association request is to bring forward for ratification, their request at next Monday night's Council meeting. If that is Council's desire and feel ready to vote on that request next Monday, then they would need that direction. If needing more information, more time to think, or another variation such as something different be brought forward next week, Staff is looking for direction for if and what to prepare.

Councilmember Piekarski Krech said she does not believe that anyone disagrees with 7 and 15 years for vesting. Mayor Bartholomew said he believes it is a good idea. He believes the vesting makes sense.

Councilmember Piekarski Krech said the amount does not run on an annual basis, it runs when you retire. If this benefit level were changed on February 1st. City Administrator Wilson responded that is legal, it has not been their practice in the city. Mr. Bohlman responded both of these changes do not have a compliance date. The January 1st date has been the historical date the Relief Association and the Council have done changes like this. He said he does have a list of other items that would go into that as well such as things to consider before delaying. If thinking about delay, they could discuss those other factors the Council should consider.

Mayor Bartholomew said he cannot support it as it is right now, he needs more information. If there is something that can convince him regarding delays, he requested hearing them.

Mr. Bohlman responded with items to consider before delaying:

- The Board and Membership have approved these two items and the effective date of January 1st
    - If not having that approval from the Council, he would have to go back to the Board and Membership and see how they want to proceed.
- Members that are vested in the plan and retire before the effective date would be shorted funds that are left behind in the fund.
    - Includes members who may have obtained full time jobs with the city.
    - A handful of their members are going to apply for those full time Fire Fighter positions. He would hate to see, while they would get those positions, money left behind in the fund.
    - Anybody getting those positions are going to retire and leave the Relief Association to go over to the new plan full time. He does not want to see them be shorted any money for the time they have put in and what they have earned up to that date.

Councilmember Murphy referenced "shorted money" and asked if he was talking about the vesting schedule or the potential increase. Mr. Bohlman responded both.

Councilmember Murphy said they would not be shorted money if they made the vesting schedule and there was no increase. They would still get what they were owed. Mr. Bohlman responded they would get what they are owed, but it is the viewpoint the Relief Association and Pension Director for the State looks at. The Special Fund is the Associations money therefore the Membership's money. They do feel it would be shorted if they leave before an increase. Councilmember Murphy commented because it is overfunded. Mr. Bohlman agreed.

Mr. Bohlman stated that is what he would hate to see. They did have one person that got one of those jobs the last time, he had 9.5 years on, and they had a 10-year plan. He said they did not have time to react and move fast enough to do these changes for those people, but they do not want to see that happen again. They have the ability now to make that change. He said the team has been working diligently to look at all of this this year, knowing the SAFER Grant could get approved. That is why they are trying to move quickly here because he does not want to see some more members in the 7–10-year range not get any money. If this change is made, they would get some money after they turn 50.

Mr. Bohlman mentioned another item to consider before delaying:

- They start audit preparations beginning in February for the next year. These are more substantial changes; it is best to have these done so they can reflect that through their Roster and would change liabilities on members.
    - It is possible to go back with the Auditor to change all of that, it does cost money with the Auditor, his, and Scott's time. If possible, they like to have that done before they start the next Audit which is another reason for the January 1st date.

- Have had a couple of members who have voiced they are intending to retire. Would like to get this done so they could do that if they choose.

Mr. Bohlman asked the Council what other information they would like. He could gather and prepare in the next week and send it to the Council.

Mayor Bartholomew responded he did not know; he has a long way to go. They just received information from Staff regarding their concerns. It is his first take at Staff's concerns. He commented all they have is the information presented. He said if he had to vote tonight it would not approve. He is unsure of where he would be next Monday, he needs more information. He said he is one vote.

Mayor Bartholomew asked City Administrator Wilson what information can be given to the Council so they can see both sides. He asked if the Council could receive something put together from the city, from the Finance Department, and from the City Administrator, so they can weigh things out. He said he still has some questions in his mind that would take 45 minutes to an hour to flesh out. He is concerned about talk of leaving money on the table. A lot of dollars are coming in from the city and have funded this well over the years. He said he does not want to fall into a trap of accused of not funding this well. He said he wants to make sure they are looking at this in a balanced way.

City Administrator Wilson responded if talking in the next week, the Actuaries, the vesting tables that show that the fund could afford a certain benefit level and certain changes to the vesting schedule, have other scenarios. These are run by Abdo, Eick, and Meyers; the city and the Relief Association split the cost of that analysis. She said they have been sharing throughout the other scenarios. Those could be provided to the Council. She said they could continue to reach out to other substantially sized suburban communities that have this same type of fund and get a little more information from more cities as well as finding out if they had the ability to go higher than what is there. She said those would be the pieces of information she could see them working to pull more together.

She added that the next item for discussion would be an update about the hiring process for the SAFER Grant. The start date for those positions would be Monday, February 28th. People that might be retiring from the Relief Association in order to take one of those positions, will not need to retire from the Relief Association until February 27th. If that is a factor the Council wants Staff to work with, there are a couple of Council meetings into the new year to consider action and still provide for any new situation whether it be vesting or benefit amount to be effective in time for anybody who is retiring to take one of the full-time jobs. It would be four Council meetings.

Councilmember Piekarski Krech asked if any of the scenario's the City Administrator was talking about go with different benefit levels. She questioned what would happen if they went to $12,000. City Administrator Wilson responded they ran a variety of benefit levels; she cannot remember the exact ones. Both sets were run on both vesting schedules, a couple were run without a city contribution, a couple were run with a sustained city contribution. There were a lot of financial runs.

Councilmember Murphy asked if there was a summary of those. City Administrator Wilson responded they could put one together.

Councilmember Murphy said this was a lot of information, a summary would be great. He said he is with the Mayor; they need to do something. He was unsure if next week would be enough time.

Mayor Bartholomew said given what he knows tonight, he could not support the request. They need more information; they need it fast. He was fine with going into February, but there were several concerns not to, he understands those. He said he just wants to be sure they are spending the money the right way. It is a big increase; he wants to see all of the variables and scenarios.

Councilmember Piekarski Krech asked if they could go with the 7- and 15-year scenario in the meantime so they get that on the table and done. Mr. Bohlman responded they could definitely look at that. He could bring that back to the membership, if they are fine with doing one and not the other right away.

Councilmember Piekarski Krech said it may give some people a little more piece of mind, you will not know exactly how much your benefit level would be but would be getting vested at 7 instead of having to wait until 10 years.

Mayor Bartholomew said he was supportive of the 7 and 15 year if they could do that. Mr. Bohlman responded it would help some of those members that are in the 7–10-year mark. If receiving one of those full-time positions and hypothetically they did not get to a situation with the benefit increase amount, that would be out of the way and takes it out of play. There is a lot of data to look at.

Councilmember Piekarski Krech said she would like to move forward with something, people want more information. Mayor Bartholomew agreed.

Councilmember Piekarski Krech suggested moving forward with something so they would at least have that done at the next Council meeting.

Councilmember Dietrich asked if the Council could get an idea from the Relief Association about wages. City Administrator Wilson responded not by next Monday, but with a little more time Staff can provide estimates of what wage scenarios cost. For example: How far would the money here go in terms of wages.

Councilmember Murphy said he completely agrees with the rest of the Council on the vesting schedule. He asked why 7 and 15 years and not 5 and 10 years. Mr. Bohlman responded the Fire Chief may also weigh in on the response, but he spoke with the Fire Chief about that change. The reason they decided not to go down to 5 and 10 years is that it takes 2-3 years to train a Fire Fighter up to adding value and be more independent out on a scene and in the Stations. If dropping vesting to 5 and they leave 2 years later at 5 years, the city did not really get that investment back out of that person. That is why they did not go all the way down to 5. They both felt 7 was better. When they get to 3-4 and

may be thinking about leaving, they may think it is only a few more years until 7 years. The change would get them to 7 years, past that hard point in the beginning of their career, get them to 7, and then hope to get them to 15. He said that was the logic behind the numbers and where they are at.

Councilmember Murphy asked if the Association and Fire Chief were in agreement with this. Mr. Bohlman responded the first conversation about these items were with the Fire Chief to make sure he had her support.

Mayor Bartholomew stated to summarize what the Council is saying, is to get the 7- and 15-year vesting in front of the Council for Monday and then more information to follow on the contribution. Council agreed.

4. <u>Fire Department SAFER Grant Update</u>

City Administrator Wilson stated on September 27th, the Council voted to accept a SAFER Grant. This is a Federal Grant that stands for Staffing for Adequate Fire and Emergency Response. The city was awarded $3.4 million dollars to fund all wages and benefits for three years for a total of 9 full time positions; 6 full time Firefighters and 3 full time Lieutenants. This will provide the city with two 4-person Duty Crews on duty in the city 24/7. She said at the time they accepted the Grant the Council had a number of questions about how this would work and what the plans were for utilizing those funds and bringing it about. The Fire Chief, herself, the Assistant Chief, and others, have been working through this. In the short term, it left them with three To Do's:

- Hire 9 new Staff. Go through the functional process.
- Determine how they might measure results. The Grant is intended to:
    - Reduce response time, improve coverage.
    - Having two Duty Crews should reduce the number of times they have to call out people who are at home. There would be an increased rate to which you would come in, serve your planned shift, and then have fewer interruptions in your life outside.
- There is the challenge of maintaining and building teamwork and a positive culture in the Department when there is a combination of Paid on Call and Full time Staff.

Staff Hiring Process:

- Positions were posted for internal applicants only.
    - Wanted to provide this opportunity to our Firefighters who have already served the city of Inver Grove Heights and our residents.
    - Wanted our residents to realize a return on that investment and training. The city has very well-trained Firefighters and has invested a lot in them just as they have invested in the community.
    - Making these opportunities available to internal applicants helps everybody.
- The focus has been on hiring for both "soft" and "hard" skills.

A copy of the posting for the position that went out was shown:

- Posted on November 24th, 2021.
- Application Deadline was December 1st, 2021.
- Identified the starting pay for Firefighters and Lieutenants.

- Below that, before even getting to the typical description of what the Firefighters and Lieutenants would do, they included in their posting some key candidate characteristics they are looking for. If just having the hard skills, they are confident that all of their Firefighters, maybe with the exception of some of the newer Recruits, have those trainings and those certifications. They are also looking for people who are:
    - Respectful
    - Demonstrate high integrity
    - Team players
    - Self-motivated
- Playing along with the hiring process will be the training, certifications, and the years on. Will also look for those key candidate attributes they are looking for in their Firefighters.

There is a collaborative hiring process. She had the chance to work with the Fire Chief and Assistant Fire Chief on this, as did the Human Resources Manager. All candidates have:

- Submitted a written application
- Going through oral interviews
- Tested on a scenario
- In the case of the Lieutenant positions, they would be having a Leadership Assessment by the Organizational Psychologist at Martin-McAllister of which both the city and Fire Department works with.

Staff Hiring – Timeline:

- Posted November 24th, Application Deadline was December 1st.
- Interviews for Lieutenant are December 9th
- Interviews for Firefighter are December 15-16
  (Allowed Candidates to apply for both) Running the Lieutenant process first and selecting Lieutenants. If putting in for Lieutenant, were not selected, and still interested in a full time Firefighter job, could have the chance to go for that Lieutenant promotion someday down the road. Can come back and interview December 15th and 16th for one of the Firefighter jobs.
- Will spend January and early February:
    - Completing the Assessments
    - Background checks
    - Medical evaluations and drug screens
    - Seeking Council approval
    - Giving Candidates time to give notice to their current employer
- Start Date is Monday, February 28, 2022. This is the date they can start drawing down Grant funds. They are trying to maximize that and be ready to go the first day that the Grant is.

Councilmember Dietrich asked if there were medical evaluations and drug screening for Volunteer's as well. City Administrator Wilson responded yes; Paid on Call Firefighters go through those as well. Councilmember Dietrich asked if this was in addition to those. Fire Chief Judy Thill responded they have required physicals at the beginning of the hire. They do not know for sure the exact nature of those physicals of people that have been on 7, 8, 9, 10 years or more. Per the Grant, they are required to have a specific NFPA 1582 Physical. She said they thought it best to have everyone run through it just to make sure and also to make sure, even though they provide annual physical updates which is this

month, they want to make sure everyone is in tip top shape before hiring them full time. They do provide initial for all Paid on Call and annual for all Paid on Call and full time.

Councilmember Dietrich asked about the Drug Screens, how often, and if they were random. Fire Chief Thill responded the Drug Screen is initially and if there is an instance with driving, such as an accident involving a Firefighter. Councilmember Dietrich said she meant prior to the hire, everyone that is working now. Fire Chief Thill responded everyone prior to the hire gets a Drug Screen, Medical Evaluation, Psychological Evaluation, and a Background Check. Everybody goes through the exact same thing whether they are Paid on Call. She said with the physicals themselves, they are not sure of the consistency of the quality in the past, they want to make sure they are abiding by Grant requirements.

Fire Chief Thill stated they have a total of 16 Applicants. 2 of those were for Lieutenant only. The remainder were for Lieutenant or Firefighter. If the two that applied for Lieutenant would happen to get it, that means they would have 14 interviewing for Firefighter. If those two do not get it and three others would, it would be down to 11 for Firefighters. There are some pretty good numbers and some excellent people to choose from.

City Administrator Wilson discussed who would be involved in the Hiring/Selection Process:

- Fire Chief Thill
- Assistant Fire Chief Bergum
- Shift Captains
- Would draw on Fire Officer(s) from neighboring communities
    - People who have high expertise in the field and no preformed opinions about the candidates
- Human Resources Manager
- Paid on Call Firefighter(s) on both the interview panel and evaluating the scenario responses.

From amongst those people who are not applicants for the full-time job but will work alongside whoever gets the full-time job. They will have a chance to evaluate candidates as well.

Measuring Outcomes:

- The goal here is that they are doing regular data collection and are sharing that data specifically with the Council as policy makers.
    - Can also make it available to the public and anybody else who wants it.
- The Fire Department has a lot of data about their calls and call response. A lot of that has gone off to Citygate as part of their evaluation.
    - She believes there is room for improvement in which they share with the City Council and possibly the public.
    - Making sure the Council is getting quantitative and qualitative.
    - In the Friday update the Council would hear about calls that have happened in the past week. If there is a major call the Council may get a text from the City Administrator passing along information that the Chief has shared.

- Also want to make sure the Council receives regular quantitative data that helps the Council understand the number and types of calls the Department is responding to and how that is evolving and changing over the time.
    - What the demand on Firefighters is.
    - How often is the Duty Crew able to handle the situation or call, or how often they have to call back additional Paid on Call to assist.
    - How often they are providing aid to neighboring communities.
    - How often are we relying on their aid to meet our calls here in the city.

She shared a Draft that Fire Chief Thill, Assistant Chief Bergum, and Mr. Oswald, who does a lot of the data for the Department, have put together. It is a mockup of what a Call Report might look like. She said their goal with showing this tonight is to see if Council believes it would be helpful, if it is understandable, if there is anything different the Council would request or ask for.

She said one of her goals in asking the Fire Department to pull together and share this data is that we rely on data they are already collecting. This is not a major new undertaking. She said it could be estimated at maybe an hour a month would go from what they are doing to generating this report, not something that takes 10-12 new hours per month to generate. The Fire Department collects a lot of data, it already reports it to various other entities. They are trying to put it into a format they thought would be helpful to the Council. That is what they want Council feedback on.

Mr. Oswald stated there is two months of data shown on the Draft that was displayed by the City Administrator. It is all data they have in their system; they are just pulling the numbers out. They tried to make it easier to have the numbers relate to a certain type of call:

- Medical calls
- Mobile/Property Fire Calls
- Fire Other
- Rescue Calls, not a medical call
- Hazardous Conditions
- Service/Good Intent Calls
- False Alarm

Resource Requested on Call:

- Single Engine (Duty Crew) If the Duty Crew is paged, and only the Duty Crew, that would be shown in the column.
- Two Engines (in the future, both Duty Crews). Whether it is an engine or a ladder it depends on the call. Referring to them as two engines.
    - When both engines are requested, they would start adding numbers to that column.
- 1 Station Call Back. Not talking about Stations 1, 2, and 3, talking about how many Stations were called back.
    - For example, for the month of October, 23 times an individual Station was called to assist the Duty Crew. This could be from Station 1, 2, or 3.
- 2 Station Call Back.
    - Once in October, 2 Stations were requested.

    - That all has to do with their paging system. They enter into their paging system what type of call it is and what kind of response they want.
    - They are telling Dispatch how to get the units to them that they want requested for those types of instances.
    - The fact that there is only 1, there are not a lot of calls that end up resulting in two stations being called back.
- 3 Station Call Back (All Call).

Response Mode to the Station. Do not have data for this going back further. Recently upgraded the recording system they use. This was not a part that was mandatory with the older system but is now. Now that they can record this, if looking at the Response Mode, it is the response mode of apparatus to the call.

- Was it an emergency (were they on their lights and sirens)
- Was it a non-emergency
- Pages emergency (while they were enroute it was downgraded)
- Non-emergency that was upgraded
    - Occurred once in October
    - Did not occur at all in November
- Auto Aid. What it means for example: In the northern part of the city, they have an Auto Aid Agreement with South Metro, the neighboring Department to the north. If it is in a certain residential address, or address north of a certain location, South Metro is automatically paged to that call as well. That is what the Auto Aid number is.
    - Auto Aid can either be received or given.
    - The City of Inver Grove Heights is Auto Aid for certain Departments including South Metro. If they have a fire, they automatically page the city as well and we send a unit.

Mr. Oswald said this information would show the Council how often they are getting help from other cities and how often we are helping other cities.

He said this is good because there are some Departments, he does not see that around here, but more often outstate, some cities underfund their departments, cannot respond to the calls, and rely on their neighbors to get things done.

    - The Council can look at this and see that it is a good way to know whether or not your balanced.
    - Are we giving as much help as we are receiving. That, to him, is a good way of saying our agreements we have, we are not being burdened by another city.
- Mutual Aid.

Response Times:

- Median Response Time: What is the halfway point. Half the calls are going to be faster, and half the calls are going to be slower.
- 90th Percentile: National Standard when evaluating the Department.
    - For response times, they are from the time the Department is paged until they are on scene.
    - They do not include the time for the call taker (Dispatch).
    - These times are from Dispatch, when the pager goes off, to the time they are on scene.

    - This gives a way to compare response times.
    - When the request was related to the SAFER Grant. This response time could be used to help show while having two units available. Would expect or hope those times would go down and that could be used as a measure.
- Adding a Year to Date: Summation of where they are at.
    - Could go back for previous months this year, they have the data. But because it is on a different system, they would not necessarily get the same numbers and did not want to cause confusion.
        - For example, the Response Mode was not required in the earlier system.
        - Will be starting it here in October, that way it is all coming from one data set.
        - The objective would be to show a running total over the year and have a Year to Date.
        - Keep the previous year's numbers for comparison and the ability to see trending.
        - Could see if fires or anything else was having any major changes.
        - Watch the number of medical calls grow over time.

He said one thing to note with this, they could look at that on a monthly basis, would have normal fluctuations within those numbers from month to month.

- Would not necessarily see the same number of medicals.
- During certain times of the year, they are more likely to see a brush fire or a chimney fire in the winter.
- There are influences that are outside of these numbers.

He suggested not expecting the numbers to be consistent from month to month.

He said he was unsure if there was something more the Council was looking for. There are other numbers they can provide. They are trying to provide something that has some clarity to it.

Mayor Bartholomew responded that he thinks this adds great clarity. He asked if these are reflective of some of the data points that are required by the SAFER Grant or if there is no connection at all. He questioned if this was something for their efficiencies. Fire Chief Thill responded there is no connection other than response time and the number of people that show up at structure fires. Those are the two most important things for the SAFER Grant that they would be looking at for improvement.

Mayor Bartholomew said he was curious if it fit in. He mentioned that he knows they are collecting the data and are able to report to the SAFER Grant how the Department is responding. This was everything he would expect to see.

Fire Chief Thill wanted to add something regarding the number of applications she had discussed previously. She said when pulling out those that did not quality for Lieutenant, and just wanted to have those that applied for Lieutenant only, there are 9 interviewing for 3 Lieutenant spots. There are 9 for Lieutenant, and 10-14 interviewing for 6 Firefighter spots.

Councilmember Piekarski Krech requested clarification when it was said their response time is from the time, they get the page. She said the DCC is ring to ding. We are doing to site. Fire Chief Thill agreed.

Fire Chief Thill said she thought Citygate was looking at it initially from when the call came in to DCC to when they arrived on scene. She said Scott has been working with them on trying to improve that data set too, to make sure they take out the ring to ding, the DCC processing time so it is strictly what they have control over.

Councilmember Murphy referenced what Mr. Oswald said about when the pager goes off. He asked if that was when they were at the Station, at their home, or on call. Fire Chief Thill responded it would be any place, the house, the Station. She said the Firefighters do a pretty good job of trying to get out the door in one minute during the day and two minutes at night. At night, they get up from a sound sleep, get their gear on, and get the truck out. They do a pretty good job of meeting that all of the time.

City Administrator Wilson asked if the information presented was useful and helpful to the Council. Council responded yes.

City Administrator Wilson said it would take awhile to get accurate year to dates. They would build this data over time. They would add December, January, and February. When the 2nd Duty Crew starts February 28th, the Council would have a couple of months built up and have information from both before and after the SAFER Grant. They would have a good five months of data from the "before" period.

City Administrator Wilson mentioned she is interested in a little deeper dive into their medical calls, what their Firefighters respond to, Police respond to, and how they are utilizing the cities resources to meet those needs in the community. This is not meant to be discussed this evening but in the future. She said they would have conversation, information sharing, education of the new City Administrator, and will share some of that with the Council once they begin. This would take place sometime in the first quarter of 2022 with more detail being provided on how and why they respond to certain types of medical calls, what Police does, what Fire does, and how that fits into the bigger picture. She said they have not had enough time to get to it yet.

She shared the following final thoughts:

- Knows the Fire Chief has given substantial thought to how they maintain and continue to build teamwork in a positive culture.
- The city has a combination department. She has heard it said that being the Chief of a combination department is the most difficult job in Public Service. She is sure that Fire Chief Thill's years of experience with our department will go a long way in helping that out.
- Challenges of an internal hiring process.
    - The switch to an even greater combination department is a challenging time for any Fire Department.
        - They made a conscious choice to post these positions as internal only.
        - Have really good Firefighters that are invested in the community.
        - It makes sense to utilize them assuming they are interested, which a number of them are, to fill these full-time opportunities.

    - The reality of the internal hiring process is both the people that got the jobs and the people that did not get the jobs are still a part of the organization and team.
    - People know the other candidates.
        - Most everyone will have an opinion about who ought to have received the positions, or someone should have had the position over this person.
        - May have an opinion on how people view their own qualifications and that of their peers.
- She said she would not be surprised if Councilmembers hear from members of the Fire Department over the coming months as decisions shake out, with people expressing their views of who they think should have or should not have received those jobs.
    - She requested the Council view this as an Administrative Process.
        - The Council's role is in the Policy side.
        - Deciding to apply for the Grant, accept the Grant, determine a Staffing level, setting a level of service that the Council wanted to see provided to the Community.
    - The task of selecting the specific individuals falls to the team of people previously mentioned by job title.
    - If Council hears from anyone that thinks there was anything unethical or illegal about the hiring process Staff is underway with, please send them to the City Administrator's door. She said she would be happy to receive their complaint and investigate it. She does not believe they would have that problem; she has full confidence in the process that has been outlined and the people involved. She fully expects the Council may hear from people who have opinions about the selection, which is different than they are being a problem with the selection process.
    - Beyond the selection process this is a big change for the Department and the city. It is important to keep the lines of communication open. The Fire Chief's door, phone, and email is always open to the Council, as is the City Administrator's.
    - If the Council hears things or has concerns, she requested giving Staff an opportunity to look into them, share the information that Staff has to try to get to the bottom.
    - She said they may try to do things one way and then decide it may be better to shift a bit. Not in terms of who they hire, once they are hired, they would be their crew. But other policies and procedures that have to be worked out in order to make this change. They are being done thoughtfully and based on the best information they have available. If getting new information or new experiences, they would adjust and change as it goes along.
    - Requests some degree of patience and a high degree of communication about any concerns or questions the Council may have.

Fire Chief Thill stated she has never heard the comment that this has been one of the hardest jobs. She said this is something that is needed, has been something that has been needed for the Fire Department as she has expressed for years. She appreciated the Council's support on this Grant. She is grateful they were able to receive the Grant and for all of the Council for accepting it. She said it is going to be a challenge for her to make sure that everybody understands it is going to be one Fire

Department. Not full time Firefighters, not Paid on Call Firefighters, drop the labels. She said that is going to be one of her biggest, hardest challenges of the time she has been here, is trying to maintain that.

They are going to try to make it very clear with some of the questioning in the interviews, try to vet out some opinions, as well as the Lieutenant assessment. She said those that are being hired full time have to remember they are here to supplement the Paid-on Call, not the other way around. This is basically a Paid-on Call Fire Department; they are supplementing it with some full-time people to help the Paid-on Call. That is the way she looks at it, that is the way she is going to make sure they start off. She stated that there is a one-year probationary period. She also understands that people can fake it for a year or more. They would make sure they look for any trends if some of the full time is trying to show they are more superior or make comments. She said she is not saying that is going to happen. She has spoken with other Chiefs who have gone through this process. She wants to make sure those people understand. There are going to be talks right at the very beginning to make sure everybody understands that this is one Fire Department and those type of attitudes would not be tolerated. They are there to supplement the Paid-on Call.

Mayor Bartholomew thanked the Fire Chief for those comments. He appreciated the candor. He said he knows she does not underestimate the challenges ahead. He is certain of her ability to meet those challenges and is confident of the Department, with her as their leader Staff will prevail and work things out. He said she has all of his support, and he wishes her the best.

Fire Chief Thill thanked the Council for their support.

Mayor Bartholomew thanked the City Administrator for her presentation. He said direction has been sent to Staff regarding items they would need by the meeting next Monday. He said it looks like it is going to be a pretty busy schedule.

B. <u>Adjourn</u>
Motion by Gliva to adjourn the meeting at 9:23 p.m.

Ayes: 5
Nays: 0 Motion carried.

Minutes prepared by Recording Clerk Sheri Yourczek.