

# **BEMIDJI CITY COUNCIL**

## ***Special Work Session Agenda***

**Monday, November 4, 2013**

**City Hall  
Conference Room  
5:30 p.m.**



- 1. CALL TO ORDER**
  
- 2. DISCUSSION: FIRE/RESCUE JOINT POWER AGREEMENT**
  
- 3. ADJOURN**

## JOINT POWERS AGREEMENT

THIS AGREEMENT made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2013, by and between the Cities of Bemidji, Turtle River and Wilton, Minnesota, (also referred to herein at Cities), and the Townships of Bemidji, Durand, Eckles, Fern, Frohn, Grant Valley, Helga, Lake Hattie, Liberty, Northern, Port Hope, Rockwood, Schoolcraft, Turtle Lake and Turtle River, Minnesota, (also referred to herein as Townships), collectively hereinafter referred to as "Members", located in Beltrami and Hubbard Counties, Minnesota, pursuant to the provisions of Minnesota Statute Section 471.59.

WITNESSETH:

WHEREAS, the Members hereto are each authorized by law to provide fire protection and rescue service to their residents; and

WHEREAS, the Members hereto have determined that such power may best be exercised jointly; and

WHEREAS, M.S.A. 471.59 authorizes two or more governmental units by agreement of their governing bodies jointly to exercise any power common to the contracting Members to provide for a joint board representing the Members to the agreement; and

WHEREAS, the presently own firefighting/rescue equipment listed in attached "Exhibit A"; and

WHEREAS, the City of Bemidji owns a fire station, located at 318 5<sup>th</sup> Street NW, known as Fire Station 1, leases a second fire station, located at 1915 5<sup>th</sup> Street SE, known as Fire Station 2; and also occupies space at 3810 Moberg Drive NW, known as Fire Station 3; and

WHEREAS, fire protection has been provided by the Bemidji Fire Department through a mutual agreement with the City of Bemidji and the Bemidji Rural Fire Association; and

WHEREAS, after conference and study the respective governing boards of the Members to this Agreement have found and hereby find it to be necessary and advisable to continue to use presently owned buildings and equipment and to jointly purchase firefighting/rescue equipment in the future for use in preventing and extinguishing fires and provide technical rescue services in the areas designated; and

WHEREAS, this Agreement is provisioned upon successful state legislation that provides the option for funding operational and capital needs through fire protection fees and the adaptation of the initial Organizational Bylaws, said approval being 75% of the governing boards of the members. Any member who finds the initial Organizational bylaws unacceptable may withdraw from this agreement immediately without delay or penalty.

NOW, THEREFORE, it is hereby agreed that the purpose of this contract is to establish the "Bemidji Area Fire Department", hereinafter referred to as "Organization" which would be responsible for fire suppression, fire prevention, technical rescue and non-transport emergency medical services for the Cities of Bemidji, Turtle River and Wilton and the Townships of Bemidji, Durand, Eckles, Fern, Frohn, Grant Valley, Helga, Lake Hattie, Liberty, Northern, Port Hope, Rockwood, Schoolcraft, Turtle Lake and Turtle River.

The Organization would have the authority to operate a Fire/Rescue Department which would include; but not be limited to:

- Establish an administrative structure
- Establish and execute operating and capital improvement budgets
- Receive and disburse funds
- Enter into contracts
- Hire/terminate employees
- Own, lease and operate equipment, vehicles and facilities
- Perform other functions necessary for protection of the public

This Agreement has been authorized by all Cities and Townships mentioned herein.

## **ARTICLE I.**

### **Governance**

A Governing Board and Board of Directors is hereby created to facilitate the performance of this Agreement throughout its life. Such Boards shall have powers specifically given in any other articles of this agreement and shall have power to make recommendations to the Members to improve cooperation and efficiency in carrying out the intent of this Agreement and to make recommendations for amendments and supplements to this Agreement.

### **Governing Board**

The Organization shall have a "Governing" board that approves budgets and major policies. The governing board shall meet quarterly or as needed.

- All Members of this Agreement shall have one representative on the governing board for the Organization.
- The representative shall be an elected official and appointed by the member's governing board.

Powers of the Governing Board. The Governing Board shall have, and is hereby given, all powers, duties and functions enumerated in this Agreement and provided by law, and all such further powers necessary to carry out the intent and purpose of the Organization as set out in this Agreement including, but not limited to, all of the following:

- (a) Provide policy leadership and approve the general policies of the Organization relating to budget, operations, personnel, vehicle and equipment acquisition, maintenance, and replacement, finance, and legal matters;
- (b) Contract with professionals, a third party, or a Member for auditing, accounting, administrative, financial, legal, or other services as it determines is necessary and convenient;

- (c) To promulgate, establish, and adopt suitable bylaws governing operations of the Governing Board and Board of Directors;
- (d) To cause reports, plans, studies, and recommendations to be prepared;
- (e) To consider applications from additional local units of government or other entities for Membership in the Organization;
- (f) To adopt bylaws, rules, policies, guidelines, and regulations for the operation of the Organization and its vehicles, equipment, and facilities;
- (g) To establish a yearly operating budget for the Organization and a capital improvement program/finance plan (including an equipment replacement schedule) of not less than ten (10) years' duration;
- (h) To purchase, operate, and maintain capital equipment, to purchase or lease land, and to cause the construction of buildings to implement the purposes of the Organization;
- (i) To lease or purchase equipment (including capital equipment) and supplies necessary for the proper operation, care, maintenance, and preservation of Organization;
- (j) To negotiate and enter into mutual aid agreements with area Emergency Service providers to offer and receive assistance;
- (k) To incur debt, no greater than 10 years in length, and approve financial obligations of the Organization. Governing Board approval is not required for payment of budgeted items paid by the Operating budget and approved by the Board of Directors as provided herein;
- (l) To acquire, operate, maintain, replace, and dispose of Organizational vehicles, equipment, and supplies as may be deemed expedient in carrying out the purposes of this Agreement;

- (m) May cause an independent audit or review to be made of its accounts, books, claims, and funds as the Governing Board may determine is appropriate or as may be required by law. An audit of the Organization may also be called by a majority of the Members upon action of their respective governing bodies requesting such an audit;
- (n) To support a Firefighters' Relief Association for the benefit of Members of the Organization, including the power to determine whether to approve a pension benefit increase, and to make such contribution to the fund of the Firefighters' Relief Association as the Governing Board deems appropriate or as is required by law; and
- (o) To exercise such other powers of the Organization as are necessary to carry out, and that are consistent with, the purposes of this Agreement.

#### Board of Directors

The Organization shall have a "Board of Directors" that oversees the operations of the Fire Department that include supervision of the Fire Chief and the Organization's Business/Office staff, approval of all expenditures, establishes budgets and policies. The Board of Directors shall meet monthly or as needed.

- The Board of Directors shall have 5 Members from the Organization's Governing Board. All directors shall have equal authority on the board.
  - One director shall be the elected official from the City of Bemidji who is on the Governing Board.
  - Four directors shall be from the Governing Board and shall have two year staggered terms.
  - The Fire Chief shall be a staff position to the board with administrative responsibilities for the department operations.

- o The Organization's Business/Office personnel shall be a staff position to the board with administrative support and clerical responsibilities of the Organization.

## **ARTICLE II.**

### **Maintenance and Control**

A. Apparatus. All equipment shall be stored and maintained at the Fire Stations, in the Bemidji, Minnesota area, or such other location as approved by the Governing Board.

B. Fire Station(s) and Equipment. By execution of this Agreement, the City of Bemidji and Members of the Bemidji Rural Fire Association agree to the following:

- All current equipment and vehicles owned by the City of Bemidji and the Bemidji Rural Fire Association shall be transferred to the Organization. The Organization shall compensate the City of Bemidji \$1.00 and the Bemidji Rural Fire Association \$1.00 for the assets.
- The City of Bemidji and Bemidji Rural Fire Association shall "true-up" the capital fund balances per the current contract and transfer the balances to the Organization for the purpose of future capital purchases
- The City of Bemidji shall allow the Organization to negotiate the lease of any current fire station(s) until such time the Organization has no need for the structure.

## **ARTICLE III.**

### **Operating and Capital Improvement Budgets**

The Members agree that annually, prior to the commencement of each calendar year of this Agreement, the Governing Board shall approve a budget of operating expenses and capital expenditures for the ensuing calendar year as may be recommended by the Board of Directors. Such budgets shall be fully funded by adopted fire protection fees.

The Governing Board shall require a quarterly accounting of this fund, showing a record of receipts and disbursements, which shall be forwarded to the member's governing boards within 30 days following the close of the quarter.

#### **ARTICLE IV.**

##### **Use of Equipment**

The equipment owned by the Organization hereto shall be used within the area of said Cities and said Townships and elsewhere as follows:

- a. In adjacent areas where a fire may spread to such Cities or Townships.
- b. The area served by a contract with other Cities or Townships.
- c. To assist other emergency services agencies as may be mutually agreed under a reciprocal agreement(s).
- d. Any area adjacent to the Cities and the Townships with which a future contract for protection may be negotiated.

It shall be the duty of the Governing Board to provide personnel in sufficient numbers to maintain a staff of firefighters to answer emergency calls and to staff available equipment in such a manner so as not to fall below minimum standards as adopted by the Governing Board.

The dispatching and operation of the firefighting equipment shall be the responsibility of the Chief of the Fire Department, or in their absence the Fire Department's lines of authority shall be followed.

#### **ARTICLE V.**

##### **Liability – Governmental Functions – Protective Clause**

In all of the joint agreements defined in this Agreement, the Members shall be deemed to be exercising their governmental functions so that neither shall be liable to the other for any negligence of its officers, employees, firefighters or agents.



Specifically, without limiting the effect of the foregoing language in the preceding paragraph, the Members and their officers, employees and firefighters shall not be liable for any of the following acts or omissions; failure to answer a call promptly or at all; or for any trespass or damage to persons or property whether necessary or unnecessary in connection with going to or returning from any fire or fire call.

## **ARTICLE VI.**

### **Funding**

The Organization shall have a funding mechanism that finances the fire department adequately, both operationally and for capital improvement, which would provide for the effective and efficient delivery of services being provided as follows:

- Fire Protection Fee for those who are the beneficiaries of the services.
- The fee would be based upon the building value.
- Building values would be determined by the Members Assessor's Office.
- The fee amount would be established by the Governing Board on an annual basis.
- The Organization or its Members would assess this fee via the property tax collection system, direct billing or any other legally authorized means.

## **ARTICLE VII.**

### **Life of this Agreement**

This Agreement will be in effect until dissolved by all Members. All Members will be notified in writing at least two (2) years in advance of the desired dissolution date.

Upon a total dissolution, the remaining property jointly acquired shall be sold for a reasonable price on competitive bids and the proceeds divided between the Members as their interest appears in "Exhibit B". The Members may be bidders at any such sale.

Should an individual member to this Agreement wish to withdraw, at least a twelve (12) month notice from the start of the Organization's next fiscal year, in writing, must be given to the Governing Board. Any investment by a withdrawing member shall be forfeited.

No member may submit a notice of withdrawal from the Organization for five (5) years from the effective date of this Agreement.

## **ARTICLE VIII.**

### **New Members**

The Organization may accept new Members upon approval of the Governing Board and all Organizational requirements have been met.

## **ARTICLE IX.**

### **Amendments**

No amendment to this Agreement shall be valid unless it is in the form of a written resolution and approved by 75% of the governing bodies of the Members. An amendment to this Agreement may be proposed by the Governing Board or by any Member. A Member proposing an amendment shall forward the details of its proposed amendment and the reason(s) for the amendment to the Governing Board for review. The Governing Board shall review the proposed amendment and issue a report with its recommendations to the Members within ninety (90) days of presentation of the amendment. The Governing Board shall issue a report on all proposed amendments, including those initiated by the Governing Board, and include in its report a joint resolution reflecting its recommendation regarding the proposed amendment. Members shall act on a proposed amendment within ninety (90) days after the Governing Board issues its report concerning the proposed amendment.

## ARTICLE X.

### Dispute Resolution

Dispute Resolution Process. The Members agree to engage in good faith to attempt to resolve any disputes that may arise over the establishment, operation, or maintenance of the Organization. If a dispute is not resolved informally, the Members agree to use the following process to attempt to resolve any dispute they may have related to the Organization:

- (a) Written Notice of Dispute. Any Member with a dispute regarding the Organization or the Board(s) may submit a written explanation of its dispute to the Organization and to each Member. The explanation of the dispute must be detailed, not repetitive of a dispute already addressed by the Governing Board regarding the same Member, relate directly to a matter within the scope of the Organization or of the Governing Board's powers, and must suggest a solution.
- (b) Review and Response by Board. Upon the Organization's receipt of a written dispute it shall be placed on the agenda of the Governing Board's next scheduled regular meeting for consideration. The Governing Board shall respond in writing to all properly submitted disputes within three (3) months and shall provide each Member a copy of its response.
- (c) Mediation. If the Member with the dispute is not satisfied with the Governing Board's response, it may file a written request with the Organization for mediation. If the Member and the Governing Board are not able to mutually agree on a mediator, the Member and the Governing Board shall each select a mediator and the two mediators shall select a third. Each party to the mediation shall be responsible for the cost of the mediator it selected and shall share equally in the costs of the mediation and of the third mediator.

- (d) Binding Arbitration. If the dispute is not resolved in mediation, the aggrieved Member or the Governing Board may initiate a binding arbitration process. The Members agree the decision of the arbitrator shall be binding on the Organization and its Members. Each party to the arbitration shall share equally in the costs of arbitration.

IN TESTIMONY WHEREOF, the Members to this contract have hereunto set their hands on the date indicated.

Exhibit "A"

Exhibit "B"

# **Bemidji Area Fire Department concept**

(9/15/2013)

## **History:**

Currently the Bemidji Fire Department is a City of Bemidji entity. Within the city limits the fire department provides fire protection, rescue and non-transport Emergency Medical Services. City of Bemidji provides fire protection and rescue services to the Bemidji Rural Fire Association through a contract. The rural association is comprised of the Cities of Turtle River and Wilton and the Townships of Bemidji, Durand, Eckles, Fern, Frohn, Grant Valley, Helga, Lake Hattie, Liberty, Northern, Port Hope, Rockwood, Schoolcraft, Turtle Lake and Turtle River.

Both parties jointly contribute to the operating budget, with the funding formula based upon historical data, and have purchased equipment independently and jointly over the years. The past few years the City of Bemidji has contributed approximately 56% of the budget and the Bemidji Rural Fire Association 44%. Governance of the department is with the City of Bemidji and all of the department staff are employed by the city.

The city and rural fire association have informally discussed the establishment of a joint fire protection agency for the Bemidji area for several years. In the fall of 2010 the city and rural fire association established a "research" committee to explore the concept of creating a joint fire protective agency. The Bemidji Area Fire/Rescue Services research committee has been meeting regularly since its creation and commissioned a study in spring 2011 from Emergency Services Consulting International (ESCI) which was funded by a State Fire Marshal's Office grant. The results of this study showed that operationally the Bemidji Fire Department is performing its mission very well; however governance and long term stability issues are present. The study provided the committee with four recommendations, including the creation of a joint fire protection organization to provide fire/rescue services to the Bemidji area. After lengthy discussions and numerous meetings with stakeholders, the committee has recommended to its governing boards (Bemidji Rural Fire Association and Bemidji City Council) the creation of "Bemidji Area Fire/Rescue Department" through a joint powers agreement. Both City of Bemidji and the Bemidji Rural Fire Association have expressed support of this concept and have directed the committee to begin the process of implementation.

## **Research committee members include:**

- John Chattin, City Manager
- Ron Eischens, City Finance Director
- Roger Hellquist, Bemidji City Council
- Bruce Hemstad, POC Fire Captain
- David Hoefler, Fire Chief
- Ron Johnson, Bemidji City Council
- Mike Kelly, Northern Township
- Brian Merschman, Bemidji Township
- Mel Milender, Rural Fire Association
- Ted Vankempen, Rural Fire Assoc.
- Mike Yavarow, Career Firefighter

## **Population and geographic area to be included:**

The permanent population is estimated to be approximately 35,000 residents. The service area is 522 square miles in size and includes three cities and 15 townships located in Beltrami and Hubbard counties.

## **Jurisdictions:**

Cities of Bemidji, Turtle River and Wilton and the Townships of Bemidji, Durand, Eckles, Fern, Frohn, Grant Valley, Helga, Lake Hattie, Liberty, Northern, Port Hope, Rockwood, Schoolcraft, Turtle Lake and Turtle River.

## **History of working together successfully:**

The City of Bemidji and the Bemidji Rural Fire Association have had an on-going relationship for many years. Recently three additional townships have chosen to join the association. The two entities have completed joint purchases and routinely share equipment with one another.

## **Committee recommendation:**

The Bemidji Area Fire/Rescue Services research committee recommends the creation of a joint fire protective organization, Bemidji Area Fire/Rescue Department, through a joint powers agreement between all local units of government (LGU) currently being served by the Bemidji Fire Department. The Bemidji Area Fire/Rescue Department would be responsible for fire suppression, fire prevention, technical rescue and non-transport emergency medical services for its members that would include the Cities of Bemidji, Turtle River and Wilton and the Townships of Bemidji, Durand, Eckles, Fern, Frohn, Grant Valley, Helga, Lake Hattie, Liberty, Northern, Port Hope, Rockwood, Schoolcraft, Turtle Lake and Turtle River.

The Organization would have the authority to operate a Fire/Rescue Department which would include; but not be limited to:

- Establish an administrative structure
- Establish and execute operating and capital improvement budgets
- Receive and disburse funds
- Enter into contracts
- Hire/terminate employees
- Own, lease and operate equipment, vehicles and facilities
- Perform other functions necessary for protection of the public

## **Governance:**

A "Governing Board" and "Board of Directors" would be created to facilitate the performance of the joint powers agreement. Such Boards shall have powers specifically given to them in the articles of the agreement and shall have power to make recommendations to the organization's members to improve cooperation and efficiency in carrying out the intent of the agreement and to make recommendations for amendments and supplements to the agreement.

### **Governing Board**

The Organization shall have a "Governing Board" that approves budgets and major policies. The Governing Board shall meet quarterly or as needed.

- All members of the agreement shall have one representative on the governing board for the Organization.
- The member representative shall be an elected official and appointed by the member's governing board.

### **Board of Directors**

The organization shall have a "Board of Directors" that oversees the operations of the Fire Department that include supervision of the Fire Chief and the Organization's Business/Office

staff, approval of all expenditures, establishes budgets and policies. The Board of Directors shall meet monthly or as needed.

- The Board of Directors shall have 5 Members from the Organization's Governing Board. All directors shall have equal authority on the board.
  - One director shall be the elected official from the City of Bemidji who is on the Governing Board.
  - Four directors shall be from the Governing Board and shall have two year staggered terms.
  - The Fire Chief shall be a staff position to the board with administrative responsibilities for the department operations.
  - The Organization's Business/Office personnel shall be a staff position to the board with administrative support and clerical responsibilities of the Organization.

#### **Funding:**

The Organization shall have a funding mechanism that finances the fire department adequately, both operationally and for capital improvement, which would provide for the effective and efficient delivery of services being provided as follows:

- Fire Protection Fee for those who are the beneficiaries of the services.
- The fee would be based upon the building value.
- Building values would be determined by the Members Assessor's Office.
- The fee amount would be established by the Governing Board on an annual basis.
- The Organization or its Members would have the ability to assess this fee via the property tax collection system, direct billing or any other legally authorized means.

#### **Current Assets:**

- All current equipment and vehicles owned by the City of Bemidji and the Bemidji Rural Fire Association shall be transferred to the Organization. The Organization shall compensate the City of Bemidji \$1.00 and the Bemidji Rural Fire Association \$1.00 for the assets.
- The City of Bemidji and Bemidji Rural Fire Association shall "true-up" the capital fund balances per the current contract and transfer the balances to the Organization for the purpose of future capital purchases.
- The City of Bemidji shall allow the Organization to negotiate the lease of any current fire station(s) until such time the Organization has no need for the structure.

#### **Proposed Timeline:**

- Present recommendation in fall 2013 to all LGU representatives.
- 2014 Legislative session – Seek Special state legislation for the fire protection fee
- 6/1/2014: Final Agreement completed and presented to all LGUs
- 1/1/2015: All LGUs enter into agreement
- 6/1/2015: Governing Board and Board of Directors created.
- 12/31/2015: 2017 Budget approved and Organizational Bylaws adopted
- 6/1/2016: Organizational and Department regulations/policies adopted. Staff recruitment begins.
- 1/1/2017: New fire protection organization begins

### **Committee recommendation based upon:**

- Currently the City of Bemidji and the Bemidji Rural Fire Association partner to provide fire protection, fire prevention and rescue services to an area comprising of 15 townships and three cities; 522 square miles and approximately 35,000 people.
- The Bemidji Fire Department operates and has operated as a regional fire department since 1966 with the incorporation of the Bemidji Rural Fire Association.
- The operational and capital improvement costs of the fire department are shared between the City (56% of the costs) and the Rural Fire Association (44% of the costs).
- Fire Department operations are exceptional, as identified by the ESCI study completed in 2011, and serve the Bemidji area well; however concerns were identified with long term stability related to governance and finance.
- Governance of the fire department is with the City of Bemidji. With the increase in building values and population in the rural service area, the rural partners should have input into the governance of the fire department.
- Funding of a fire department has been a major issue. Since the City of Bemidji consists of 53% tax exempt property there is a large tax base that cannot be collected through the current tax formula to fund a fire department fairly for both the City of Bemidji and the townships.
- Decreased LGA could reduce or eliminate funding under current situation. A JPE would most assuredly maintain or perhaps even improve the current combination staffing.
- One option to generate revenue from those tax exempt buildings is a "Fire Protection Fee" that would need to be approved by state legislators to collect from all benefited buildings in order to provide revenue for a Fire Department.
- Concerns to this legislation may come from tax-exempt property owners since their building value is proposed to be included in the "Fire Protection Fee" concept; therefore, shifting the burden from taxable building owners only to all building owners.
- The general public is surprised to hear that tax-exempt building owners do not pay for fire protection.
- Investment in fire protection is a wise investment since insurance costs can increase if fire protection decreases. Changes in insurance premiums can affect all building owners, both taxable and tax exempt.
- The Joint Powers Agreement would allow for a governance structure in which all residents of fire department service area will have input and fairly/equitably distribute fire department expenses to all those who may benefit from the service.

### **Letters/Resolutions of Support to explore the concept of creating the "Bemidji Area Fire/Rescue Department" received (as of 9/2013):**

- |  |                         |
|--|-------------------------|
| ○ Bemidji Township                                       | ○ Bemidji, City of      |
| ○ Northern Township                                      | ○ Eckles Township       |
| ○ Port Hope Township                                     | ○ Liberty Township      |
| ○ Wilton, City of  | ○ Rockwood Township     |
| ○ Minnesota Professional Firefighters Association        | ○ Lake Hattie Township  |
| ○ International Association of Firefighters – Local 2302 | ○ Turtle Lake Township  |
| ○ Bemidji Pioneer Firefighters Association               | ○ Helga Township        |
| ○ Schoolcraft Township                                   | ○ Frohn Township        |
| ○ Turtle River Township                                  | ○ Grant Valley Township |



BEMIDJI AREA FIRE SERVICES RESEARCH COMMITTEE  
CITY OF BEMIDJI  
Meeting Minutes – July 11, 2013

**Present:** Dave Hoefler, Ron Eischens, Brian Merschman, Mike Yavarow, Ted VanKempen, Ron Gangeness, Mel Milender, John Chattin

**Call to Order**

The meeting began at 7:00 a.m.

**Business**

**Legislative Update**

Hoefler stated that legislators keep pushing having an agreement in place before they seek any funding legislation. Hoefler is seeking a recommendation from the committee on how to proceed. Milender stated there are issues from Rural Fire members with the proposed agreement. Those issues are (1) governance; (2) funding, including possible exemptions of certain tax-exempt properties, and (3) administration, including personnel, legal support, etc. Milender feels individual meetings covering each topic would be beneficial in educating members and answering questions and concerns that have come up. Discussion continued regarding concerns and questions of the LGU's of the process and work done by this committee and how to alleviate those concerns.

The committee decided that three special meetings should be held; with each meeting being focused on a specific topic to help clarify the process and content in the proposed Joint Powers Agreement. All of the special meetings will be held at the Fire Hall beginning at 6:00 p.m. All LGU's are invited to attend. The topics and dates for those special meetings are as follows:

1. Governance – July 25
2. Administration/Funding – August 15
3. Wrap up – August 29

The goal is to have a new draft of the joint powers agreement done by October for the townships and cities to review and approve the concept of the agreement so that legislators can move forward with any funding bills.

**Educational Materials**

The educational materials will be printed but will be "held" for distribution at a later date.

The next regular meeting will be Thursday, September 5 at 7:00 a.m. at City Hall.

**Adjournment**

The meeting adjourned at 8:30 a.m.

Respectfully Submitted,



Michelle R. Miller  
Deputy City Clerk

SPECIAL MEETING  
BEMIDJI AREA FIRE SERVICES RESEARCH COMMITTEE  
CITY OF BEMIDJI  
Meeting Minutes – July 25, 2013

**Present:** Dave Hoefler, Howie Schultz, Al Lidstrom, Pat Lessman, Mel Milender, Roger Hellquist, Ted VanKempen, Mike Kelly, Terry Diffley, Bruce Hemstad, Donna Anderson

**Call to Order**

The meeting began at 6:10 p.m.

**Business**

The purpose of this meeting is to discuss the Governance section of the Joint Powers Agreement. Attendees were given the current draft of the governance section to review and comment. Discussion included the following:

- Work with current document and change or start over
- Current law does allow the formation of a fire district; however, the funding does not work as it would be based on property taxes and tax capacity and would shift the burden less from the City and significantly more to the Rural
- Get the agreement in place without impacting the tax-exempt properties; that could be a second phase brought in later
- Mel Milender supports the authority to have a different funding mechanism available for each LGU
- Mike Kelly feels that allowing each LGU to decide how and who to access this fee, i.e. non-profits/tax exempt properties, you would be putting one LGU against another. For example does each LGU decide if one school is accessed while another school is not accessed?

After significant discussion about the Governance section of the agreement the following changes were made:

**Governance:**

The ~~organization~~JPE shall have a "Governing" board that approves budgets and major policies. The governing board shall meet quarterly or as needed.

- All governmental units that are parties to the agreement shall have one representative representation on the governing board for the organizationJPE.
- ~~The number of representatives from each LGU shall be determined by population of the LGU with one representative per 3,000 people. (0 – 3000 = 1 rep, 3001 – 6000 = 2 reps, 6001 – 9000 = 3 reps, etc)~~
- The representative~~(s)~~ of the local governmental unit shall be an elected official from that local governmental unit and shall be appointed by the LGU being represented.

The organizationJPE shall have a "Board of Directors" that oversees the operations of the Fire Department that includes supervision of the Fire Chief, approval of all expenditures, establishes budgets and policies, etc. The Board of Directors shall meet monthly, or as needed.

- The Board of Directors shall have 5 members from the ~~appointed by the JPE~~ organization's Governing board. All directors shall have equal authority on the board of directors.
  - One director shall be ~~the an~~ elected official from the City of Bemidji who is on the governing board ~~and shall have a two year term.~~
  - ~~Four~~ Three directors shall be elected officials from the Governing body and shall have two year staggered terms.
  - ~~The maximum number of elected officials from any one LGU on the Board of Directors shall be two.~~
  - ~~One director shall be from the public at large, who is residing within the fire department service area, and appointed by the governing board for a two year term. The governing board shall establish a process to allow the public an opportunity to serve in this position. This At Large director shall be the Chairperson of the Board of Directors. This director shall not be an employee of the Fire District or immediate relative.~~
  - The Fire Chief shall be a staff position to the board with administrative responsibilities of the career and paid on call staff.

The next special meeting will be Thursday, August 15 at 6:00 p.m. at the Fire Hall.

**Adjournment**

The meeting adjourned at 8:15 a.m.

Respectfully Submitted,



Michelle R. Miller  
Deputy City Clerk

SPECIAL MEETING  
BEMIDJI AREA FIRE SERVICES RESEARCH COMMITTEE  
CITY OF BEMIDJI  
Meeting Minutes – August 15, 2013

**Present:** Dave Hoefler, Brian Merschman, John Rowles, Mel Milender, Ted VanKempen, Mike Kelly, Terry Diffley, Donna Anderson

**Call to Order**

The meeting began at 6:10 p.m.

**Business**

The purpose of this meeting is to discuss the Funding and Administration sections of the Joint Powers Agreement. The overall operating budget responsibility is 54% for the City and 46% for the Rural Fire Association. Currently the Rural and the City each pays 5% of their portion of the operating budget to cover administrative costs. Administrative costs provided by City Hall include payroll, payroll/benefit reporting, budget reports, accounts payable, billing, human resources, legal and various support staff at City Hall. Approximately \$38,000 is paid from the Rural to the City for their share of administrative costs. If a new organization is established all of those duties would either fall on one individual or some duties could be contracted out with a full or part-time person doing other administrative duties.

The structure of Administration was discussed as follows:

Governing Board consisting of one person from each LGU ← Five person Board of Directors (as outlined in the Governance section of the JPA) would report to the Governing Board ← Fire Chief and Office/Business Manager would report to the five person Board of Directors.

Committee members stated it must be clear that administratively this is a stand-alone operation and the functions currently provided by the City are handed over to the new Fire Department entity in a smooth and dedicated timeline to be set by the Governing Board.

**Funding Discussion**

Committee members discussed that the fee should be based on building value because the building is being protected. The following changes were proposed to the funding paragraph:

The Organization Fire District shall have a funding mechanism that finances the fire department adequately, both operationally and for capital improvement, which would provide for the effective and efficient delivery of services being provided as follows:

- ~~Service/special assessment~~ Fire Protection Fee for those who are the beneficiaries of the services.
- The fee would be based upon the building value.
- Building values would be determined by the Assessor's Office.
- The fee amount would be established by the Governing Board on an annual basis.
- The Organization JPE or its members would have the ability to assess this fee via the property tax collection system or direct billing.

**Adjournment**

The meeting adjourned at 7:30 p.m.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "Michelle R. Miller".

Michelle R. Miller  
Deputy City Clerk

SPECIAL MEETING  
BEMIDJI AREA FIRE SERVICES RESEARCH COMMITTEE  
CITY OF BEMIDJI  
Meeting Minutes – August 29, 2013

**Present:** Dave Hofer, Brian Merschman, Mel Milender, Ted VanKempen, Mary Isrealson, Terry Diffley, Bruce Hemstad, Isidore Tabyanan

**Call to Order**

The meeting began at 6:10 p.m.

**Business**

The purpose of this meeting is to review and wrap up the suggestions of the Joint Powers Agreement that were provided at two previous special Bemidji Area Fire Services Research Committee Meetings.

The document was displayed on the screen and the group went through it together, discussed various issues and made appropriate changes to the document.

In the last "Whereas" language was added to include the adoption of organization Bylaws in addition to successful state legislation.

Article VII – Life of this Contract, "Contract" was changed to "Agreement" and changes were made to clarify the wording of the first paragraph regarding a total dissolution of the organization. Additionally, members decided that in the third paragraph regarding an individual member withdrawing and that 12 months is sufficient notice to the organization and must be given 12 months from the start of the organization's next fiscal year. It was also added that no member may withdraw from the organization for five years from the date of the agreement.

Members feel that this agreement should be non-specific with the development of By-Laws being more specific and defining of items such as duties of the Governing Board and Board of Directors.

After reviewing the joint powers agreement from Walker the group added language from that agreement to the Bemidji Joint Powers Agreement. Language from the following paragraphs were added:

- Governing Board
- Amendments, with approval of 75% of the governing bodies
- Dispute Resolution

The next regular meeting will be Thursday, September 5 at 7:00 a.m. at City Hall.

**Adjournment**

The meeting adjourned at 8:15 p.m.

Respectfully Submitted,



Michelle R. Miller  
Deputy City Clerk

BEMIDJI AREA FIRE SERVICES RESEARCH COMMITTEE  
CITY OF BEMIDJI  
Meeting Minutes – September 5, 2013

**Present:** Dave Hoefer, Ron Eischens, Brian Merschman, Mike Yavarow, Ted VanKempen, Mel Milender, John Chattin, Bruce Hemstad

**Absent:** Mike Kelly, Roger Hellquist, Ron Johnson

**Call to Order**

The meeting began at 7:00 a.m.

**Business**

**Legislative Update**

Dave presented the July 25, August 15 and August 25 special minutes from the three meetings held to discuss and change specific portions of the proposed Joint Powers Agreement. Dave highlighted some of the changes that were made to the agreement. It was suggested that Members' interest should be identified on an Exhibit upon a total dissolution of the organization.

John suggested that under Article IX "Amendments" that approval of any amendments should be by a majority of the members instead of approval of all governing bodies of the members. After discussion, committee members suggested a majority vote of 75% would be a fair standard.

Ron suggested that language regarding sharing of the costs of arbitration should be included in the "Binding Arbitration" paragraph.

Bruce suggested clarifying that the office staff person would provide administrative "support" responsibilities to the board. There was confusion regarding this position in that it was an administrative support position and not an administrative "manager" position and adding "support" to that sentence would help clear up the functions of that position.

The committee discussed the following:

- The suggestion that by-laws be drafted before the legislative process begins
- The option for LGUs to not participate in the new entity
- If LGUs opt out and decide to buy back into the joint fire entity the cost to buy in would be significant

**Motion by Hemstad, seconded by Eischens to approve the Joint Powers Agreement as amended and recommends a resolution in support of the Joint Powers Agreement to the Rural Fire Association and City of Bemidji in order to proceed with legislative action. Motion passed by a unanimous vote with Merschman abstaining.**

The Committee will present the Resolution and Joint Powers Agreement to the City Council on September 30 and to the Rural Fire Association on October 8.

A special committee meeting with elected officials will be scheduled in October or November if approved by the City Council and Rural Fire Association to discuss the legislative process.

**Educational Materials**

The educational materials will be disbursed to the public in October or November.

The next meeting will be Thursday, November 7 at 7:00 a.m. at City Hall.

**Adjournment**

The meeting adjourned at 8:10 a.m.

Respectfully Submitted,



Michelle R. Miller  
Deputy City Clerk