

**SANDSTONE CITY COUNCIL
SPECIAL MEETING – SANDSTONE FIRE HALL
February 3, 2020, 7:00 p.m.**

CALL TO ORDER: 7:00 p.m.

ROLL CALL:

Council Members present: Pete Spartz, Phil Kester, Randy Riley, Val Palmer

Fire Department Members present: Andy Spartz, Ross Degerstrom, Matt Haugen, Matt Johnson

Staff present: Administrator Kathy George

Township Representatives present: Jeff Schute (Danforth); Keith Carlson, Ailene Croup, Jon Dorau and Gary Hinsch (Sandstone); Erik Fossum (Finlayson); Dan O’Flanagan, Nick Harris and Randall Davis (Dell Grove); Bill Erickson (Kroschel); Alanea White with the Pine County Courier

SPECIAL ITEMS OF BUSINESS:

2019 Review

Fire Chief Spartz provided information regarding 2019 fire calls and training. The Fire Department received training throughout the year from Fire Instruction & Rescue Education, which is reimbursed through the MN Board of Firefighter Training & Education. The Department conducted two training burns in 2019.

There was some discussion about the number of firefighters reporting to calls and how that is determined. Attendance is reported on the State Incident forms and staff uses that information to calculate manhours for each entity. Township representatives stated that some firefighters arrive late, or don’t stay for the whole time. They would like to see more accurate reporting, since the manhours are a large part of the Fire Formula calculation.

2020 Plans

Spartz reported the Department is planning to apply for FEMA funding to replace air packs.

Administrator George updated the Townships on the Fire Hall repair/improvement project, which is now complete. Township representatives asked why the project was so expensive (about \$500,000). The scope of the project included:

- Replacing exterior windows and pedestrian doors
- Exterior masonry repair and tuck-pointing
- Replacing exterior wall paint finishes
- Adding insulation
- Adding a new makeup air system and dehumidification units in the Apparatus Bay
- Adding a CO/NO2 gas detection system in the Apparatus Bay
- Adding a condensing unit to the existing forced air furnace
- Adding a compressed air system
- Modifying 1 garage door to accommodate the new ladder truck
 - Addressing the fill pipe in the ceiling
- Siding material
- Architectural improvements

Fire Call Fees were discussed. Last year, the Townships were informed that the City will no longer charge a fee to property owners for fire calls. Some Township representatives felt that they were being charged more because of that; however, it was explained that the fire formula works with the annual budget, not with actual revenues/expenditures. Any extra revenue that is received will be held in the Fire Fund for Fire Department purposes.

Sandstone Township raised a concern over the manhours incurred for two calls to the same property on December 29th. It was explained that the State Fire Marshall called the Department out after the fire had been extinguished because two people were missing. Firefighters assisted in searching for the missing people, who, as it turned out, were not on the property and were safe. Sandstone Township disputed the manhours, stating that they should not be charged for them.

Township representatives stated that the City should talk to the State about the Fire Department providing traffic control on State Highways. This has been suggested in the past as well.

2021 Fire Formula

Administrator George provided updated Fire Formula documents, stating that changes were made after the packet of information had been sent to all Township representatives regarding the proposed 2021 Fire Formula. The 2019 “Actual” column has been updated to reflect year-end adjustments. Market value numbers were changed as well. It was discovered that the County Auditor provided incorrect numbers, which affected the tax-exempt building valuation numbers. In looking further into this, George discovered that Sandstone City, Finlayson, and Sandstone Townships market value numbers included tax-exempt buildings; however, the other townships only included taxable buildings. She stated that market value calculations have now been adjusted so that each entity’s taxable building valuations are used. Tax-exempt valuations are no longer used for any entity. This change affected the Fire Formula Contributions, Cost Share, and Comparison of Fees sheets. The Equipment Fund / Building Rep & Maint Fund sheet was updated to add interest income.

Proposed 2021 Fire Department Budget – The proposed budget shows total expenses of \$187,689, with operating costs being \$103,203, which is \$25,953 more than the 2020 budget. The biggest change is the addition of the bond payment for the building improvement project.

Cost Share – This sheet takes the percentage of the 5-year total manhours for each entity and the percentage of valuation to come up with the overall percentage for each entity that is applied to the total needed. George explained that the Distribution Reduction amount has been reduced to 10%, as the City is phasing out this reduction. For the 2022 Formula, the Distribution Reduction will be eliminated. Some felt that the City should be paying more, since the City owns the building and equipment.

Market Value – This sheet shows the breakdown of each entity’s market value, along with prior years for comparison purposes. For FY2020, George explained, Taxable Building valuations are used for all entities. Tax Exempt Building valuations are no longer used.

Fire Call Hours – This sheet shows the total fire call hours for each entity for the past 5 years, along with prior 5-year totals for comparison purposes. George noted that one of Sandstone Township’s calls was inadvertently listed under the City of Sandstone. These 4.5 manhours will be moved to Sandstone Township.

Comparison of Fees – This sheet shows a comparison of fees for each entity for each year from 2014 to 2021. It also shows the breakdown of Operations, Long Term Equipment Depreciation, and Building Fund amounts for each entity.

Equipment Depreciation – This sheet shows the equipment that is being depreciated, both long term (15 years) and short term (5 years).

Equipment Fund / Bldg Rep & Maint Fund – This sheet shows the breakdown of depreciation for each entity, along with an accounting of the Equipment Fund, the Building Repair & Maintenance Fund, and the two loans the City has been paying into the fund (building improvements and fire truck purchase).

It was noted that the proposed budget and formula will be finalized at the February 19th Council Meeting.

ADJOURN

With no further discussion, the meeting was adjourned at 8:30 p.m. Township representatives were invited to stick around for dinner hosted by the Fire Department.

Peter Spartz, Mayor

Kathy George, Administrator