

Pursuant to due call and notice thereof a regular meeting of the Albany Area Fire Board was called to order by Chairman Tom Kasner at 6:00 o'clock in the evening on Tuesday, February 18, 2020, at the Albany Fire Hall, 221 4th Street, in and for the City of Albany, Stearns County, Minnesota.

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| Board members present were: | Town of Albany | John Greer |
| | Town of Farming | Dan Stommes |
| | Town of Krain | Scot Laing |
| | City of Albany | Tom Kasner |
| | Fire Chief | Gary Winkels |

Board members absent were: none

Others present were: Tom Schneider, Clerk/Adm., Randy Hartung, Krain Township Supervisor, Derrick Dirkes, Assistant Fire Chief, John Klasen, Assistant Fire Chief, Greg Mueller, Secretary, and Steven Frericks, Treasurer. Scott Reber, Leon Toenies, Jon Siegle, Josh Pelzer, Steve Pelzer, Steve Mader, Jim Stueve, Kurt Richter, Kevin Spohn, Kurt Beuning, Matt Carlson, Mike Frericks, and Meryl Didier, Firemen, were also present.

Chairman Tom Kasner called for any corrections or additions to the minutes of the meeting held on July 25, 2019 and hearing none declared the minutes approved as written.

Gary Winkels, Fire Chief, informed the Board that the following individuals are officers of the Albany Fire Department for the year 2020:

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| - Gary Winkels, Fire Chief | - John Klasen, Assistant Chief |
| - Derrick Dirkes, Assistant Chief | - Steve Frericks, Treasurer |
| - Greg Mueller, Secretary | |

Kevin Spohn, President, Albany Firemen's Relief Association, appeared before the Board to present the January 2019 Actuarial Valuation Report for the period January 2018 through January 2019 to satisfy the accounting requirements under GASB Statements 67 and 68 as prepared by Hildi, Inc. Mr. Spohn noted the department's pension is 158% funded compared to 130% in 2016. Mr. Spohn noted the investments are doing very well which resulted in the pension being adequately funded. Mr. Spohn also noted the current benefit level for a fireman who retires is \$2,100 per year of service and the current pension plan would support \$2,800 per year. Mr. Greer questioned if the benefit only applies to active firemen or if retired firemen continue to receive a benefit. Mr. Winkels noted only active firemen are eligible for the benefit. Mr. Spohn noted the goal of the association is to eventually reach \$2,800 per year of service, but would recommend the Board consider the first step increase to be \$2,500 per year. Mr. Stommes questioned if the increase affects the Board's annual contribution of \$24,250 to the relief association. Mr. Spohn informed the Board an increase does not affect the Board's annual contribution. After due discussion, a motion was made by John Greer and seconded by Scot Laing to approve \$2,500 per year of service to those who retire from the department effective when the by-laws are amended to reflect the increase. All voted for the motion and it carried.

Steve Frericks, Treasurer, appeared before the Board to present the 2019 year-end fund balances for the following: general fund checkbook, savings, donations, and accounts receivable. Mr. Frericks informed the Board the department will submit to the Board for payment the 2019 training expenses in the amount of \$4,741. Chairman Tom Kasner, with the consensus of the Board, thanked Steve Pelzer, Manager for charitable gambling activities, and his assistants, for their due diligence in maintaining appropriate state reporting documents and gaming devices at Shady's Hometown Tavern and Events Center.

Mr. Frericks presented to the Board the departments equipment replacement summary and capital equipment fund projections. Mr. Frericks noted the SCBA equipment is proposed to be replaced if a FEMA grant is approved, but noted the largest expenditure facing the department is replacing Unit #2, the

pumper truck (engine), with another or a ladder truck. Mr. Winkels informed the Board the Insurance Service Organization (ISO) completed a Public Protection Classification (PPC) survey in October 2019. Mr. Winkels noted the survey reviews water flow, lineal feet of fire hose, fire equipment, and buildings/businesses within the fire district. Mr. Winkels noted the City’s ISO rating is five (5) and the township’s ISO rating is six (6). Mr. Winkels also noted if you live more than 5 miles from the fire hall the ISO rating is ten (10); whereas insurance premiums for homes and businesses are less if the ISO rating is less. Mr. Schneider questioned if an insurance agent can provide written information to the Board as to how the ISO rating relates to insurance premiums paid by property owners. Mr. Winkels noted if the department were to purchase a second engine/pumper or a ladder truck, which is considered an engine, it’s his opinion the ISO rating may be less. Mr. Winkels noted the closest fire department that has a ladder truck is Melrose and St. Joseph. Mr. Laing questioned if a ladder truck is really needed. Mr. Winkels informed the Board the truck committee has been working very hard to gather specific information on each truck to determine what equipment would best benefit the service area. Mr. Winkels presented to the board on behalf of the truck committee, the estimated cost of a new engine, \$495,000, and a new ladder truck, \$947,000. Mr. Frericks presented to the Board information how each new truck would be funded with existing monies, future funding, and a loan from Stearns Electric Association. Mr. Stommes questioned if a ladder truck would actually be used on a regular basis or how could the board justify spending close to a million dollars. Mr. Schneider noted the information presented relies on charitable gambling funds as a future revenue source, but questioned how the Board would pay a loan in the event charitable gambling activities cease. Mr. Schneider questioned how the Board would afford to replace a ladder truck in twenty-years being the manufacturer’s cost to build a truck increases each year. Mr. Carlson informed the Board the cost of a new fire truck increases nearly eight-percent (8%) annually. Mr. Stommes questioned if a ladder truck would fit in the fire hall. Mr. Winkels noted a ladder truck would fit in the fire hall, but some existing equipment would need to be moved around a bit. Mr. Laing informed the Board a ladder truck is no benefit to a township. Mr. Winkels noted he surveyed the firemen to determine if a ladder truck would be beneficial to the service area and 90% of the firemen supported the idea. Mr. Greer questioned what the cost would be to each governmental unit if a ladder truck were purchased. Chairman Tom Kasner, with the consensus of the Board, thanked Mr. Winkels and the truck committee for providing the aforementioned information to the Board and directed Mr. Winkels to prepare a financial analysis for each truck that would include funding sources, loan payments, budget impact, and future annual truck replacement funding to be discussed at the July meeting. No action was taken by the Board related to an engine or ladder truck.

Mr. Muellner presented to the Board the following activity report for the department from January to December, 2019:

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| • Fire Calls/C02 alarm | 15 |
| • Calls | 149 |
| • Auto accidents | 15 |
| • Gasoline spills/leak | 3 |
| • Mutual Aid | 1 |
| • Other Misc. | 27 |
| Total: | 210 |

Mr. Schneider presented to the Board a financial report for operations of the department for the year 2019 and proposed contribution to the 2020 Capital Equipment Fund. Mr. Schneider reminded the Board the capital equipment fund contribution increases three-percent (3%) annually. Mr. Schneider also noted several deferred maintenance improvements were completed at the fire hall. Mr. Winkels noted the department received charitable gambling funds, training refunds, a DNR grant, and CenterPoint Energy grant. Mr. Schneider informed the Board the charitable gambling fund and capital equipment fund is nearly \$280,000. Mr. Schneider noted the expenses were within the budget, but revenues, specifically fire/medical service calls, were less than projected. After due discussion, a motion was made by Dan Stommes and seconded by John Greer to approve the aforementioned 2019 Fire Department operations reimbursement and 2020 Capital Equipment Fund contribution. All voted for the motion and it carried. The reimbursement is attached to the minutes as Exhibit A.

Mr. Winkels updated the Board on the following:

- Charitable gambling donated to City \$77,300+/- for fire equipment.
- \$19,500 was received from Blattner Family Foundation annual 2019 Golf Tournament.
- March 28th is the Annual Firemen's Banquet to be held at the Albany Golf Club. All Board members are invited to attend.
- April 11th is the annual Firemen's Dance at Shady's Hometown Tavern and Event Center. The annual event raises \$17,000+/- for future equipment purchases.
- Andrew Bruder, a new fireman, is completing training courses.

Chairman Tom Kasner adjourned the meeting at 7:15 PM.

Tom Schneider
Clerk/Adm.