



MEMORANDUM

**DATE:** July 11, 2022  
**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Dave Perrault, City Administrator  
**SUBJECT:** Lake Johanna Fire Department Long Range Planning Discussion

Budgeted Amount:	Actual Amount:	Funding Source:
N/A	N/A	N/A

**For Council Consideration**

Chief Boehlke will be present to give an overview of the fire department’s long range plan to the City Council. One major item for Council to be aware of is should the department be awarded the SAFER Grant, the board of directors would like to move quickly to accept the grant and begin hiring additional full-time staff in late 2022.

**Background**

The Lake Johanna Fire Department, which serves the cities of Arden Hills, North Oaks, and Shoreview, has been discussing their long range plan with its Board of Directors. The Board of Directors is made up of City representatives and fire department personnel, there are a total of seven voting members with Arden Hills having one vote, Shoreview having two votes, North Oaks having one vote, and three members of the fire department having one vote each. In late 2021, the fire department presented the board its long range plan, which stressed the need for additional personnel. Three potential options were discussed, and will be explained in more detail. This comes on the heels of the three cities and the fire department working together to acquire land in Arden Hills for a new headquarters to serve the three cities. This memo will walk through current operations, future staffing proposals, and the status of the new station.

***Current Operations***

The Lake Johanna Fire Department serves the three cities utilizing two 24/7 staffed stations located in Shoreview (Station 140) and North Oaks (Station 120) and one day-time staffed station (Station 130) in Shoreview; Station 130 is not staffed 24/7, command and administrative staff will support the other two stations as needed during normal office hours. The department operates with a Chief, Assistant Chief, two Deputy Chiefs, and an Office Manager, the firefighters are made up of 84 part-time firefighters that work 24/7 duty crews. In 2021, the department responded to 4,050 calls of which 1,178 were in Arden Hills, or 29 percent. The department’s average response time is approximately 5 minutes and 38 seconds overall, with Arden Hills averaging 5 minutes and 54 seconds. The department’s biggest coverage gap is the north-eastern area of North Oaks and

northern Shoreview. One point of discussion by the board was the types of calls the department responds to, this largely revolved around medical calls. The department responds to all types of medical calls (non-life threatening to emergency), the board voted not to consider changing their call response matrix. The department's 2021 Annual Report is attached for more background on fire department operations.

The department has noted in their long range plan that calls for service are increasing approximately 8.5 percent annually, and will likely continue to increase as development in the three cities continues. In 2021, the department noted they had 580 instances of two calls occurring at the same time, and 113 instances of three or more calls occurring at the same time. Also, in 2021, the department notes that 4.5 percent of their shift hours went unfilled, which equates to one or two positions unfilled of the four to six personnel on duty.

### ***Future Staffing***

The department has reviewed its existing operations and believes to best serve the three cities, it needs to staff a third station (Station 130 on County Road I and Lexington Ave) 24/7 to provide adequate coverage to northern Arden Hills and Shoreview, as well as, North Oaks. The department presented three options to the board for discussion.

#### **Option #1 – Hire an additional 40-50 part-time firefighters**

This option was largely viewed as unrealistic by the fire department and board. The two big reasons being inability to manage that many additional firefighters without hiring additional command staff and the lack of ability to recruit that many additional part-time firefighters.

#### **Option #2 – Hire 6 full-time captains/3 full-time shift commanders (recommended option by the board)**

This option was the recommended option by both the fire department and the board, it consists of hiring six full-time captains in the nearer-term to work on and oversee the existing duty crews, and later hiring three full-time shift commanders. This would be broken down into two phases, with Phase I consisting of hiring the full-time captains, and Phase II consisting of the hiring of the full-time shift commanders. This option and the financial implications will be explained in more detail.

#### **Option #3- Transition to an all-career department**

This option was also viewed as largely unrealistic as it would significantly increase the cost when compared to the other two options.

#### **Option #4 – Maintain current model**

This option was not viewed as feasible as the department and board wants to increase the service levels for areas that are currently underserved.

Following discussion by the board, the board voted that Option #2 was the staffing direction the board wanted to pursue, but did not attach any timelines to the option, nor did it give the department any authority to begin implementing the option. The board also directed the fire department to present to each of the City Councils.

#### ***Option #2 – Hire 6 full-time captains/3 full-time shift commanders***

While the board did not vote to begin pursuing this option, it did vote to authorize the department to pursue a SAFER Grant through FEMA. The SAFER Grant would provide funding for new full-time positions for the department for the first three years, and the cities would then have to fund the positions following the first three years. The total amount of anticipated wages and benefits across

all three years for the six captains is approximately \$2.4 million. This does not include the three shift commanders also proposed as those would come at a later unspecified date. Should the department be awarded the grant (awards expected in August/September), they will need to accept it within thirty days of award or lose the funding. The board's intention, if the grant is awarded, is to have all three cities already on-board and ready to move forward. The timeline would be to begin hiring the six captains in late 2022, for the first three years this will not affect the three cities' budgets as the grant will cover the added cost, but the three cities should begin to budget as at the end of those three years the cities will be responsible for those added positions.

If the department does not receive the grant, the fire department, board, and cities will need to further discuss how to move forward and the timeline of hiring additional full-time personnel. The main goal of tonight's discussion is to introduce the City to the long range plan, and begin to get some level of comfort with the proposed SAFER Grant.

### ***Future Station***

This staffing discussion comes on the heels of the cities and department working cooperatively to acquire a piece of land on Pine Tree Drive for a future fire station. The proposed department would act as the new headquarters for the department and would replace Station 140. The cities also entered into a Joint Powers Authority to oversee the project should it receive State bond funding. Since entering into the JPA, it appears unlikely that any State bond money will be allocated towards this project. The cost of the project was previously estimated at approximately \$12 million, but given recent inflation trends and material pricing, that number is likely low. If no State money is used for the project, the three cities would be responsible for the entire amount. The cities do have an agreement that states the new station must start construction by no later than June 30, 2026, unless otherwise mutually agreed upon. The board discussed the cost implications of both a new station and the proposed staffing and asked the fire department which one is a higher priority. The fire department indicated it would prefer to see the staffing issues addressed before the new station.

### ***Funding Implications***

The fire department and the Shoreview City Manager prepared a financial breakdown of different scenarios for staffing and new station construction. The breakdown included three scenarios: Scenario 1 assumed the department received the SAFER Grant, Scenario 2 assumed no SAFER Grant and the hiring for the captains was split with three in 2024 and three in 2028, and Scenario 3 assumed no SAFER Grant and hiring three captains in 2024 and three in 2025. In all three scenarios, it was assumed the station would have been funded with approximately \$7 million in bond funding and the remaining be funded by the three cities. The scenarios also assume the cities would begin putting money away in 2023 to help flatten the curve of future budget increases due to the new full-time positions. Two tables of only Arden Hills information have been provided below to help understand the implications to the City. For the sake of comparison, the tables below also use similar assumptions to the information provided in Attachment C.

Table 1: Projected Costs Assuming Safer Grant and Hiring Captains in late 2022

Projected Costs with SAFER Grant									
	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Operating Budget Impacts</b>									
Operating Budget	701,675	736,758	773,596	812,276	852,890	895,890	940,311	987,327	1,036,693
Additional Captains Cost	-	-	-	-	138,658	192,676	253,716	272,028	279,353
Money Set Aside for Future Cost	-	25,000	55,750	93,265	-	-	-	-	-
<b>Sub-total</b>	<b>701,675</b>	<b>761,758</b>	<b>829,346</b>	<b>905,541</b>	<b>991,548</b>	<b>1,088,566</b>	<b>1,194,027</b>	<b>1,259,355</b>	<b>1,316,046</b>
% Change Year Over Year	N/A	9%	9%	9%	9%	10%	10%	5%	5%
<b>Capital Budget Impacts</b>									
New Station Cost	-	-	135,000	135,000	135,000	135,000	135,000	135,000	135,000
Capital Budget	230,125	8,500	67,650	423,750	143,000	234,450	206,795	222,500	-
<b>Sub-total</b>	<b>230,125</b>	<b>8,500</b>	<b>202,650</b>	<b>558,750</b>	<b>278,000</b>	<b>369,450</b>	<b>341,795</b>	<b>357,500</b>	<b>135,000</b>
% Change Year Over Year	N/A	-96%	2284%	176%	-50%	33%	-7%	5%	-62%
<b>Total Impacts</b>									
<b>Total</b>	<b>931,800</b>	<b>770,258</b>	<b>1,031,996</b>	<b>1,464,291</b>	<b>1,269,548</b>	<b>1,458,016</b>	<b>1,535,822</b>	<b>1,616,855</b>	<b>1,451,046</b>
% Change Year Over Year	N/A	-17%	34%	42%	-13%	15%	5%	5%	-10%

Table 2: Projected Costs Assuming No Safer Grant and Scenario #3 Hiring Captains in 2024/2025

Projected Costs with no SAFER Grant and Hiring Six Captains in 2024/2025									
	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Operating Budget Impacts</b>									
Operating Budget	701,675	736,758	773,596	812,276	852,890	895,890	940,311	987,327	1,036,693
Additional Captains Cost	-	31,250	93,750	181,250	226,250	241,250	256,250	270,000	278,750
<b>Sub-total</b>	<b>701,675</b>	<b>768,008</b>	<b>867,346</b>	<b>993,526</b>	<b>1,079,140</b>	<b>1,137,140</b>	<b>1,196,561</b>	<b>1,257,327</b>	<b>1,315,443</b>
% Change Year Over Year	N/A	9%	13%	15%	9%	5%	5%	5%	5%
<b>Capital Budget Impacts</b>									
New Station Cost	-	-	135,000	135,000	135,000	135,000	135,000	135,000	135,000
Capital Budget	230,125	8,500	67,650	423,750	143,000	234,450	206,795	222,500	-
<b>Sub-total</b>	<b>230,125</b>	<b>8,500</b>	<b>202,650</b>	<b>558,750</b>	<b>278,000</b>	<b>369,450</b>	<b>341,795</b>	<b>357,500</b>	<b>135,000</b>
% Change Year Over Year	N/A	-96%	2284%	176%	-50%	33%	-7%	5%	-62%
<b>Total Impacts</b>									
<b>Total</b>	<b>931,800</b>	<b>776,508</b>	<b>1,069,996</b>	<b>1,552,276</b>	<b>1,357,140</b>	<b>1,506,590</b>	<b>1,538,356</b>	<b>1,614,827</b>	<b>1,450,443</b>
% Change Year Over Year	N/A	-17%	38%	45%	-13%	11%	2%	5%	-10%

**Budget Impact**

The City has been planning on the new station in previous budget cycles and has accordingly been increasing its tax levy to accommodate a station being constructed in 2025, this assumes the full cost of the station at \$12 million. Different factors will play into how much truly needs to be put away for additional staffing and a new station, and those numbers will be further refined as the department knows whether or not it received the SAFER Grant. Regardless if the SAFER Grant is received or not, there will be implications on the levy with the addition of new full-time staffing in the department. At full complement, the cost of the captains are approximately \$1,000,000 in 2022 dollars, which means Arden Hills’ share would be around \$250,000 annually. This does not include the cost for the proposed shift commanders. Over the next 8 years (through 2030), the operational changes will require almost a 14% increase in the City’s levy. Below is the City’s previous CIP for Public Safety, which does not include operating costs.

City of Arden Hills, Minnesota  
**Capital Improvement Plan**  
**SOURCES AND USES OF FUNDS**

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>Public Safety Capital Fund</b>											
<b>Beginning Balance</b>	<b>125,623</b>	<b>135,423</b>	<b>105,843</b>	<b>313,843</b>	<b>516,093</b>	<b>203,593</b>	<b>150,593</b>	<b>8,043</b>	<b>(93,752)</b>	<b>(226,252)</b>	<b>(136,252)</b>
<b>Revenues and Other Fund Sources</b>											
Charitable Gambling	15,000	30,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Interest Income	-	500	-	-	-	-	-	-	-	-	-
Tax Levy	120,000	170,000	220,000	270,000	295,000	295,000	295,000	295,000	295,000	295,000	295,000
<b>Total Revenues and Other Fund Sources</b>	<b>135,000</b>	<b>200,500</b>	<b>235,000</b>	<b>285,000</b>	<b>310,000</b>	<b>310,000</b>	<b>310,000</b>	<b>310,000</b>	<b>310,000</b>	<b>310,000</b>	<b>310,000</b>
<b>Total Funds Available</b>	<b>260,623</b>	<b>335,973</b>	<b>340,843</b>	<b>598,843</b>	<b>826,093</b>	<b>513,593</b>	<b>460,593</b>	<b>318,043</b>	<b>216,248</b>	<b>83,748</b>	<b>173,748</b>
<b>Expenditures and Uses</b>											
LJFD Engine/Ladder Replacement	22-Pub-001	-	(187,500)	-	-	(400,000)	-	(210,000)	-	(222,500)	-
LJFD Rescue/Chief/Utility Vehicle Replacement	22-Pub-002	(26,220)	(20,500)	(2,000)	(57,750)	-	(143,000)	(22,550)	(85,500)	-	-
LJFD General Equipment	22-Pub-003	(17,190)	(17,050)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(121,295)	(15,000)	(15,000)
LJFD Station Capital	22-Pub-004	(1,190)	(5,080)	(10,000)	(10,000)	(12,500)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Lake Johanna Fire Dept Fire Station	25-Pub-005	(80,600)	-	-	-	(195,000)	(195,000)	(195,000)	(195,000)	(195,000)	(195,000)
<b>Total Expenditures and Uses</b>		<b>(125,200)</b>	<b>(230,130)</b>	<b>(27,000)</b>	<b>(82,750)</b>	<b>(622,500)</b>	<b>(363,000)</b>	<b>(452,550)</b>	<b>(411,795)</b>	<b>(442,500)</b>	<b>(220,000)</b>
<b>Change in Fund Balance</b>	<b>9,800</b>	<b>(29,580)</b>	<b>208,000</b>	<b>202,250</b>	<b>(312,500)</b>	<b>(53,000)</b>	<b>(142,550)</b>	<b>(101,795)</b>	<b>(132,500)</b>	<b>90,000</b>	<b>90,000</b>
<b>Ending Balance</b>	<b>135,423</b>	<b>105,843</b>	<b>313,843</b>	<b>516,093</b>	<b>203,593</b>	<b>150,593</b>	<b>8,043</b>	<b>(93,752)</b>	<b>(226,252)</b>	<b>(136,252)</b>	<b>(46,252)</b>

**Attachment**

Attachment A: Long Range Plan Presentation

Attachment B: 2021 Annual Report

Attachment C: LJFD Board of Directors Memo on Long Range Planning June 21, 2022