

**Moose Lake Area Fire Protection District
600 Hwy 73
Moose Lake, Minnesota 55767
Tuesday, February 27, 2024, 6:30 p.m.**

MLAFPD Board members present were Steve Aldrin, Guyal Nelson, Walt Lower III, John Lund and Jeff Kirk. Others in attendance were Alyssa Owens, Phil Etner, Robert Moffett, Tracy Matuseski, Fire Chief Jim Michalski, Assistant Chief Corey Hibke, Captain Steve Trenhaile, Second Lieutenant Joyce Hibke, and Substitute Recording Secretary Kimberly Wesley.

The meeting was called to order by Chair Steve Aldrin at 6:30 p.m.

Aldrin indicated the purpose of this special meeting was to discuss the Emergency Response Center building lease agreement between the City of Moose Lake and the Moose Lake Area Fire Protection District.

Owens first posed the question of whether MLAFD was interested in providing training by the Fire Department for the community in CPR. Nelson indicated they want to do CPR as a course offering for the public. To do so they would need to purchase Resuscitation Annies and payment for the instructors. The total cost was estimated to be \$25,000. Owens asked for an itemized cost list to present to the March 13, 2024 Moose Lake City Council meeting by March 8, 2024, submitted directly to her.

Owens then brought up a second area of concern – the pond in front of the MLAFD building. She asked if it would be helpful to add landscaping or a possible fence. Nelson indicated the pond was basically forced upon them. The gravel was taken from that area and the MLAFD got nothing for it. Owens asked if there were any possible solutions to the problem. Aldrin asked that the grass be maintained. Owens offered flowers or a fence. The City of Moose Lake is prepared to get gardeners if needed. J. Hibke said the area won't have water. It's purpose is to filter the run off water. Aldrin indicated that mowing was enough. Owens asked how much gravel was taken. Aldrin estimated about 500 yards. Chief Michalski shared it was part of the trail development.

Owens then inquired if all MLAFD members had copies of the current lease agreement for the Emergency Response Center building between the City of Moose Lake and the MLAFD dated September 27, 2011. Aldrin answered he didn't remember seeing it. Owens passed copies out to all who needed. She proceeded to indicate the MLAFD obviously can choose to prepay the bond if desired. She inquired where the desire to do so was coming from. Nelson responded the MLAFD doesn't trust the City of Moose Lake anymore. Owens stated the bond lasts until 2029. If the bond is prepaid there was concern that interest would be paid twice, paying interest on the payments and paying interest on the new financing. Currently the bond interest rate is 3.1%.

The City of Moose Lake pays 5% of the debt obligation. According to the lease agreement the City of Moose Lake has the opportunity in perpetuity to use the office space in the Emergency Response Center building beyond 2029. Trenhaile questioned whether this was true even when the bond was paid in full. Owens indicated it was, because of the 5% the city paid. Chief Michalski asked if the MLAFD portion of the obligation was completed in 2027. Owens referred to the final page of the document that confirms the final payment in 2027. She pointed out on page 11 that the others end payments on August 1, 2029.

On page 21 of the agreement it describes the City of Moose Lake's lease payment for the offices as 5% of the maintenance and operating costs. Aldrin commented that it was a good deal for the amount of space involved. Owens brought a floor plan to discuss the space if desired. Nelson expressed concern that the electric heat and lights have created outrageous expenses. Trenhaile added the in-floor heat also added to the costs. Owens inquired what heating was being used currently. Nelson informed her that it was a mini-split. Electric heat had been added without any discussion with the MLAFD. Aldrin suggested a sub-panel with a separate meter that the City of Moose Lake would pay. Etner asked if the in-floor heat was zoned. Aldrin responded it was. The floor heat is shut off because of huge spikes.

Owens indicated they would like to come up with long term solutions. They want the opportunity to discuss possibilities both parties could live with, as the agreement attaches both parties indefinitely. Nelson informed her there have been past problems with the city back as far as the old fire building. The MLAFD doesn't want to be tied down again. Trenhaile explained they have been in the situation before, building feelings of mistrust. Owens reminded that the lease will be 5% of maintenance and operating costs. It would be best to have a dialogue before August 1, 2029. She would like both parties to work on what it will look like upon convergence.

Kirk offered that there needs to be a plan moving forward. It should be put down in black and white and done to a legal standard. That would go far towards improving the lack of trust. There should be a timeline included. Nelson indicated the City of Moose Lake is now paying approximately \$1600 per year. That is such a good deal for the space provided. Payments are made on August 1 and February 1. Kirk asked if the county moves in and pays \$2,000 in rent, does the MLAFD get 5% and the City of Moose Lake receives the rest?

Owens asked how the two parties could work on things to change what can be changed. Chief Michalski offered that the space should be restricted to Law Enforcement only. Owens indicated that could be written in a new agreement. The City of Moose Lake needs to know the convergence date to go forward planning with Carlton County. Nelson asked if the city was paying the lease for the county. Owens responded that at this time they are not asking for rent from the county. There is a one time expense of \$4500 for the existing office computers and office equipment. That will change once the convergence happens, now or in 2029.

Lower inquired what the possible financing options look like. Nelson answered that there have been discussions with the bank and he should find out tomorrow more about what that might be. Kirk added that there need to be more conversations between the MLAFD and the City of Moose Lake regarding this matter. There needs to be more answers before any decisions are made. It is a long way from a completed deal. Owens reminded that the interest rate is 3.1% currently, moving to a 3.4% rate in 2027.

Kirk stated that MLAFD would want to have their lawyers look at the options. It is not going to happen overnight. Setting up guidelines and rules is crucial to make it work. Nelson added that they need to know what happens with the county. Nelson restated the \$150 per month is not adequate compensation for the amount of office space given. Owens indicated the City of Moose Lake has not gotten attorneys involved in this unless the prepayment happens. They are waiting on what the MLAFD decides before proceeding.

Owens felt the current situation was a benefit to all parties because of the interest rate given in the current agreement. Lund offered that there may be interest rate reductions soon. One is expected in

June and up to 4 by January of 2025. He felt there was a lot to digest in the current agreement. He's hoping both parties will find something amenable that they can live with.

Owens requested someone from the MLAFD as a contact. Aldrin volunteered and Chief Michalski offered to help also. Etner asked for a contact in the Fire Department. Trenhaile was suggested. Owens asked if the MLAFD was willing to consider the sub-panel option. Aldrin agreed they should look into costs.

Aldrin motioned to adjourn the meeting and Kirk seconded. The meeting was adjourned at 7:30 p.m.

Respectfully submitted by Kimberly Wesley, Substitute Recording Secretary.