



METROPOLITAN EMERGENCY SERVICES BOARD BOARD MEETING AGENDA

May 10, 2023, 10:00 a.m.

1. **Call to Order** – Commissioner Mike Warring, 2023 Board Chair
2. **Oath of Office (if needed)** – Commissioner Warring
3. **Approval of Agenda** – Commissioner Warring
4. **Consent Agenda** – Rohret
 - A. Approval: March 8, 2023 Meeting Minutes (**page 3**)
 - B. Approval: February 2023 Treasurer's Report
 - C. Approval: March 2023 Treasurer's Report
 - D. Approval of New Appointments to SECB Committees/Workgroups
 - E. Approval of City of St. Paul Waiver to SECB Standard LMR-53
 - F. Approval of Hennepin Co. Waiver to SECB Standard LMR-53
 - G. Correspondence
5. **Acceptance of 2022 MESB Financial Audit** – Jill Rohret/Andy Hering, Redpath & Co. (**page 23**)
6. **Radio Items** – Tracey Fredrick, Radio Services Coordinator
 - A. Approval of Amendments to Metro Standard 6.3.0 – Site Lease, Property Insurance and Utility Costs (**page 97**)
7. **9-1-1 Items** – Jake Jacobson, 9-1-1 Manager – None
8. **EMS Items** – Greg Hayes, EMS Coordinator
 - A. Approval of Lease with Fairview EMS for MIR Bus Housing (**page 101**)
9. **Administrative Items** – Jill Rohret, Executive Director
 - A. Approval Regional Needs Document (**page 113**)
10. **Reports**
 - A. Legislative Report (includes update on MESB initiatives) – Margaret Vesel/Matthew Bergeron
 - B. Statewide Emergency Communications Board (SECB) Reports:
 - 1) Finance – Rohret/Fredrick
 - 2) Legislative – Rohret/Atkins
 - 3) Steering – Fredrick/Rohret
 - 4) Other SECB Committees – Fredrick/Jacobson
 - 5) Board – Commissioner Matascastillo/Rohret
11. **Old Business** – None
12. **New Business** – None
13. **Adjourn**



METROPOLITAN EMERGENCY SERVICES BOARD BOARD MEETING AGENDA

May 10, 2023, 10:00 a.m.

Metropolitan Emergency Services Board Members

Anoka County

Commissioner Mike Gamache*
Commissioner Mandy Meisner

Carver County

Commissioner Gayle Degler* (2023 Secretary)
Commissioner John Fahey

Chisago County

Commissioner Rick Greene*

City of Minneapolis

Council Member Andrew Johnson* (2023 Treasurer)

Dakota County

Commissioner Joe Atkins*
Commissioner Mary Hamann-Roland

Hennepin County

Commissioner Irene Fernando*
Commissioner Chris LaTondresse

Isanti County

Commissioner Mike Warring* (2023 Chair)

Ramsey County

Commissioner Trista Matascastillo* (2023 Vice Chair)
Commissioner Mai Chong Xiong

Scott County

Commissioner Dave Beer
Commissioner Tom Wolf*

Sherburne County

Commissioner Gregg Felber*

Washington County

Commissioner Gary Kriesel
Commissioner Fran Miron*

*Denotes Executive Committee member

METROPOLITAN EMERGENCY SERVICES BOARD

BOARD MEETING MINUTES

March 8, 2023

Commissioners Present:

Joe Atkins, Dakota County
 Dave Beer, Scott County - **absent**
 Gayle Degler, Carver County
 John Fahey, Carver County - **absent**
 Gregg Felber, Sherburne County
 Irene Fernando, Hennepin County
 Mike Gamache, Anoka County
 Richard Greene, Chisago County
 Mary Hamann-Roland, Dakota County - **absent**

Andrew Johnson, City of Minneapolis - **absent**
 Gary Kriesel, Washington County - **absent**
 Chris LaTondresse, Hennepin County
 Trista Matascastillo, Ramsey County
 Mandy Meisner, Anoka County
 Fran Miron, Washington County
 Tom Wolf, Scott County - **absent**
 Mai Chong Xiong, Ramsey County - **absent**

Staff Present: Greg Hayes; Kelli Jackson; Jill Rohret; and Martha Ziese.

Others Present: Brittany McCormick, *Board Counsel*; and Margaret Vesel, *Larkin Hoffman*.

1. Call to Order

The meeting was called to order at 10:05 a.m. by the 2023 MESB Chair, Commissioner Mike Warring.

2. Oath of Office

Commissioner Warring administered the oath of office to Commissioners Atkins, Gamache, LaTondresse, and Matascastillo.

3. Approval of the Agenda for March 8, 2023

Motion by Commissioner Degler, seconded by Commissioner Fernando to approve the March 8, 2023 agenda. Motion carried.

4. Approval of Consent Agenda

Motion by Commissioner Miron, seconded by Commissioner Matascastillo to approve the March 8, 2023 Consent Agenda. Motion carried.

5. Radio Items

A. Approval of South Metro Fire Department Waiver to SECB Standard LMR-53

Jill Rohret stated South Metro Fire Department requests a waiver to Statewide Emergency Communications Board (SECB) Standard LMR-53 for a non-ARMER radio connection. South Metro Fire Department will establish six interfaces for LMR talkgroups to Long-Term Evolution (LTE) devices. The LTE devices used will be compliant with the State of Minnesota's approved device list. Dakota County will provide system administration of these devices.

Motion made by Commissioner Matascastillo, seconded by Commissioner Degler to approve South Metro Fire Department waiver to SECB Standard LMR-53. Motion carried.

6. 9-1-1 Items

A. Approval of Amendment 2 to Agreement with Blue Peak Consulting

Rohret said for years the 9-1-1 TOC has sought resiliency training for telecommunicators. At the May 11, 2022 MESB meeting, the Board awarded a resiliency training contract to Blue Peak Consulting in the amount of \$75,000.00, which was funded out of grant funds. Amendment 1 to the Blue Peak Consulting Agreement was approved by the Board on September 14, 2022, changing contract amount to \$231,200.00.

METROPOLITAN EMERGENCY SERVICES BOARD

Staff recommend transferring unused grant funds marked for the canceled Public Safety Conference in the amount \$11,900.00 to the resiliency training project. With that additional allocation, the total amount of funds available for the resiliency training project is \$243,100.00.

Motion by Commissioner Meisner, seconded by Commissioner Fernando to approve Amendment 2 to Agreement with Blue Peak Consulting. Motion carried.

7. EMS Items

A. Award of RFP for Teambuilding and Leadership Development

Greg Hayes said there a lot of turnover on the EMS Technical Operations Committee due to retirements, etc. The MESB issued a request for proposals (RFP) for EMS team-building and leadership development, which was intended to provide the EMS TOC with some team-building as it prepares to plan for EMS operations over the next several years.

Hayes said the RFP was issued on January 9, 2023 for EMS team-building and leadership development. The deadline for submissions was Friday, January 27, 2023. One response was received. Staff recommends the proposal be awarded to the only respondent, Prouty Project. The proposal includes a cost of \$21,300.00 for training and team-building for 40 participants that hold leadership positions and are on the EMS TOC. This item falls under the budget for the EMS Volunteer Training Reimbursement (VTR) grant.

Motion made by Commissioner LaTondresse, seconded by Commissioner Meisner to approve the award of the RFP for EMS team-building and leadership development to Prouty Project. Motion carried.

B. Acceptance of FY 2023-2025 Narcan Reimbursement Grant

Hayes said MESB staff recommend Board acceptance of a subgrant agreement with West Central EMS for funds for Naloxone reimbursement for fiscal years 2023 through 2025 and authorize the Chair to execute the agreement once it is available.

Hayes said the MDH grant makes reimbursement for Narcan purchases available throughout the region. A few years ago, MDH opted to have a grant agreement with only one EMS region, West Central EMS. This requires Metro Region EMS to enter into a subgrant agreement for its share of the grant funds.

Commissioner Matascastillo asked if there were adjustments discussed due to the fact that the drugs used on the street are laced with horse tranquilizers and Narcan is not effective against those. Hayes said the average dose of 4 mg is not as effective against these new more potent drugs.

Commissioner Meisner asked if the only options are to use more Narcan or cocktail it with something else. Hayes said at this time just more Narcan is given.

MOTION BY:
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PASS/FAIL

METROPOLITAN EMERGENCY SERVICES BOARD

Rohret said the majority of reimbursements are to law enforcement agencies because they are first to arrive.

Commissioner LaTondresse asked if it was possible to quantify the effectiveness of Narcan. Hayes said there are no numbers yet.

Motion made by Commissioner Degler, seconded by Commissioner Gamache to accept FY 2023-2025 Narcan Reimbursement Grant. Motion carried.

C. Approval of Amendment 1 to MOU with EMSRB for Seatbelt Funds

Hayes said last year's Office of Legislative Auditor (OLA) audit of the EMSRB included a directive to update language in its agreements which allocate funds. Included in the Amendment 1 to the Memorandum of Understanding for seatbelt funds are changes for what these funds may be used for, budget adjustments due to those changes, and updates to the MESB's authorized representative for agreement execution.

Motion made by Commissioner Gamache, seconded by Commissioner Fernando to approve Amendment 1 to the MOU with the EMSRB for seatbelt funds. Motion carried.

D. Approval of Amendment 2 to EMSRB EMS Fund Grant

Hayes said Amendment 2 to the EMSRB EMS Fund Grant extends the term of the agreement from June 30, 2023 to December 31, 2023. Additionally, an item which had been included under the Seatbelt MOU was moved to this grant.

Motion made by Commissioner Green, seconded by Commissioner Degler to approve Amendment 2 to EMSRB Fund Grant. Motion carried.

E. Approval of Budget for FY24-25 EMSRB Grants

Hayes said a base grant plan is needed to apply for the bi-annual EMSRB grants. Estimates were used to create the budget as the exact amount of funding is not yet known. The Board will be advised of actual grant dollars when known and if any additional grants are received.

Rohret said budgets are approved by the MESB in March because the opportunity to apply occurs in April before the May MESB meeting.

Motion made by Commissioner Matascastillo, seconded by Commissioner LaTondresse to approve FY24-25 EMSRB grants budget. Motion carried.

8. Administrative Items

A. Approval Executive Director Travel Requests

Rohret said she requests approval to travel to two industry conferences this summer. The first is the National Emergency Numbers Association (NENA) conference in June. The second trip is the Association of Public Safety Communications Officials (APCO) conference and the national meeting of the Motorola Trunked Users Group (MTUG) in August. Both conferences were included in the 2023 MESB operational budget.

MOTION BY:

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METROPOLITAN EMERGENCY SERVICES BOARD

Motion made by Commissioner Matascastillo, seconded by Commissioner Gamache to approve the Executive Director travel requests. Motion carried.

B. Approval of Appointment to SECB Legislative Committee

Rohret said in January the MESB appointed Commissioner Matascastillo as the primary representative and Commissioner Atkins as the alternate representative to the SECB Legislative Committee. Commissioner Matascastillo has a scheduling conflict and cannot be the representative. Staff recommend appointing Jill Rohret as the primary representative; Commissioner Atkins will remain the alternate.

Motion made by Commissioner Miron, seconded by Commissioner Matascastillo to approve Rohret as primary representative to the SECB Legislative Committee. Motion carried.

9. Reports

A. Legislative Report

Margaret Vesel said the MESB grant appropriations bills, SF 2454/HF 2431, have been introduced and sent to the Senate Judiciary Committee and the House Public Safety Committee. This bill includes appropriations for CAD Interoperability between PSAPs, bi-directional amplifiers for metro region schools, and statewide mapping of public schools.

Vesel said also moving forward are efforts to support and make permanent increased EMS Support Act Funding. Chapter 403 discussions and re-writes are ongoing. Larkin Hoffman continues to monitor and provide assistance where needed.

Rohret said ECN is particularly concerned with statewide school mapping. ECN apparently has a quote that is in the millions of dollars. The metro numbers from the same vendor did not match and ECN is also not pleased that an independent local entity is proposing this legislation.

Commissioner Fernando asked for an update on the status of reorganizing the EMSRB as a result of the OLA audit of it last year.

Vesel said early on in the session there was talk of creating a standing committee specifically for the EMSRB and EMS. That has not happened.

Commissioner Matascastillo said the deadline for submitting radio requests for federal dollars is coming up. Ramsey County is submitting requests based on their own particular radios.

B. Statewide Emergency Communications Board (SECB)

1. Finance

Rohret said at the February meeting the Finance Committee approved a grant transfer for Renville County so it could use some grant funds for some NG9-1-1 GIS work.

Rohret said per state statute the SECB is allocated one million dollars per year through ECN. In the past, ECN always managed the money and made requests to spend the money to the

MOTION BY:

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PASS/FAIL

METROPOLITAN EMERGENCY SERVICES BOARD

SECB. In the last few years, ECN has spent the SECB money without SECB approval. It has been suggested a memorandum of understanding (MOU) be drafted to clarify the rules and responsibilities between the parties. An MOU was presented to the February Finance Committee, but it was not approved. The Finance Committee meets again tomorrow.

2. Legislative

Rohret said the Legislative Committee meets every month. There are updates on legislation and the telecommunicator re-certification.

3. Steering

Rohret said the Steering Committee met in January and will meet again this afternoon. Sarah Booker from Todd County is the new chair.

4. Other SECB Committees

Rohret said the Land Mobile Radio Committee in February and March. The only metro item discussed and approved was the South Metro Fire Department waiver approved earlier in this meeting. at the NG9-1-1 Committee, the committee has been discussing making statewide transfer of texts to 9-1-1 feasible.

5. SECB

Commissioner Matascastillo said the work continues on the 403 update. There will be an SECB Symposium in St. Cloud May 8-10.

10. Old Business

A. Resolution of Chinander Litigation

Rohret summarized the events of the litigation against the MESB by a former employee. MESB received a favorable summary judgement dismissing two of the three claims; MESB was ordered to pay \$4,348.81 to Mr. Chinander. MCIT paid for MESB's defense and the matter is now closed.

11. New Business – None

12. Adjournment

Motion made by Commissioner Degler, seconded by Commissioner Gamache to adjourn the meeting. Motion carried.

The meeting adjourned at 11:14 a.m.

MOTION BY:
SECONDED BY:
MOTION:

PASS/FAIL



METROPOLITAN
EMERGENCY SERVICES BOARD

2099 UNIVERSITY AVENUE WEST
SAINT PAUL, MINNESOTA
55104-3431

PHONE 651-643-8395
WWW.MN-MESB.ORG

TO: Metropolitan Emergency Services Board

FROM: City of Minneapolis Councilmember Andrew Johnson, MESB Treasurer

RE: Treasurer's Report – February 2023

DATE: March 22, 2023

As Treasurer for the Metropolitan Emergency Services Board, it is necessary to review the following documents:

- Monthly summary financial reports for Administration, 9-1-1, Radio and EMS
- Explanation for significant variance from budget report for Administration, 9-1-1, Radio and EMS.

The review was conducted on March 22, 2023.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew Johnson", written over a light blue horizontal line.

Andrew Johnson
Councilmember, City of Minneapolis
Treasurer, Metropolitan Emergency Services Board



METROPOLITAN
EMERGENCY SERVICES BOARD

2099 UNIVERSITY AVENUE WEST
SAINT PAUL, MINNESOTA
55104-3431

PHONE 651-643-8395
WWW.MN-MESB.ORG

TO: Metropolitan Emergency Services Board

FROM: City of Minneapolis Councilmember Andrew Johnson, MESB Treasurer

RE: Treasurer's Report – March 2023

DATE: April 25, 2023

As Treasurer for the Metropolitan Emergency Services Board, it is necessary to review the following documents:

- Monthly summary financial reports for Administration, 9-1-1, Radio and EMS
- Explanation for significant variance from budget report for Administration, 9-1-1, Radio and EMS.

The review was conducted on April 25, 2023.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew Johnson", written over a light blue horizontal line.

Andrew Johnson
Councilmember, City of Minneapolis
Treasurer, Metropolitan Emergency Services Board



METROPOLITAN EMERGENCY SERVICES BOARD

Meeting Date: May 10, 2023
Agenda Item: 4D. Approval of Appointments to SECB
Committees and Workgroups
Presenter: Fredrick

RECOMMENDATION

The Radio Technical Operations Committee (TOC) recommends the Board approve new representatives to the Statewide Emergency Communications Board (SECB) Strategic Technology Reserve (STR) workgroup and Land Mobile Radio (LMR) Committee for the remainder of calendar year 2023.

BACKGROUND

The Metropolitan Emergency Services Board, per Minnesota Statute Chapter 403, has a seat on the SECB, and has maintained seats on all SECB committees since the SECB's inception. The MESB makes its annual appointments to the SECB and its committees each January. Statute states the MESB representative to the SECB is the Chair, though some Chairs have chosen to delegate that assignment.

The SECB governs the ARMER system, Next Generation 9-1-1 (NG9-1-1) and interoperable data (FirstNet).

ISSUES & CONCERNS

In January 2023, the Board appointed Nick Schatz from Scott County and Mike Parker from Hennepin County as respective primary and alternate members to the SECB STR Workgroup for 2023.

Mr. Schatz has left employment at Scott County and a new representative is needed.

For the Radio TOC, the Board appointed Nate Timm from Washington County and Nick Schatz from Scott County as respective primary and alternate members to the SECB LMR Committee. For the same reason listed above, a new alternate member must be designated. Mr. Timm will remain as the primary representative to this committee.

To replace Mr. Schatz on the two groups, the Radio TOC recommends appointing Jake Thompson (Hennepin County) as the primary representative and Ron Jansen (Dakota County) as the alternate representative to the STR Workgroup. The Committee recommends appointing Mike Mihelich (Ramsey County) as alternate representative to the LMR Committee.

MOTION BY:
SECONDED BY:
MOTION:

PASS/FAIL



METROPOLITAN EMERGENCY SERVICES BOARD

Meeting Date: May 10, 2023
Agenda Item: 4D. Approval of Appointments to SECB
Committees and Workgroups
Presenter: Fredrick

FINANCIAL IMPACT
None to the MESB.

MOTION BY:
SECONDED BY:
MOTION:

PASS/FAIL



METROPOLITAN EMERGENCY SERVICES BOARD

Meeting Date: May 10, 2023
Agenda Item: 4E. Approval of City of St. Paul Waiver
to SECB Standard LMR-53
Presenter: Fredrick

RECOMMENDATION

The Executive Committee recommends the Board approve of a waiver request to SECB Standard LMR-53 for the City of St. Paul.

BACKGROUND

St. Paul is an ARMER participant under Ramsey County, which currently utilizes a full ARMER participation plan with DPS-ECN.

ISSUES & CONCERNS

The City of St. Paul requests a waiver to SECB Standard LMR-53, Foreign Radio System and non-ARMER Radio Connections.

St. Paul would like to add 20 permanent interfaces between city-owned talkgroups and LTE devices using donor radios and a radio gateway. The request will support all of St. Paul emergency management radios and possible other city and Ramsey County users.

The initial setup will use two XTL 2500 mobile radios set to low power and the package implemented will be AT&T Enhanced Push-to-Talk.

FINANCIAL IMPACT

None to MESB.

MOTION BY:
SECONDED BY:
MOTION:

PASS/FAIL



METROPOLITAN EMERGENCY SERVICES BOARD

Meeting Date: May 10, 2023
Agenda Item: 4F. Approval of Hennepin County Waiver
to SECB Standard LMR-53
Presenter: Fredrick

RECOMMENDATION

The Executive Committee recommends the Board approve a waiver request to SECB Standard LMR-53 for Hennepin County.

BACKGROUND

Hennepin County is an ARMER participant, currently utilizing a full ARMER participation plan with DPS-ECN.

ISSUES & CONCERNS

Hennepin County is requesting a waiver to SECB Standard LMR-53, Foreign Radio System and non-ARMER Radio Connections.

Hennepin County will use the MotoTRBO application to connect to the dispatch Cloud-Connected Gateway (CCGW) device to allow officers access through the radio. The officers will only connect to this service when assigned to Target Field events, so they do not have to carry two radios. Hennepin County Sheriff's Office technical staff will be responsible for monitoring and usage of the device.

FINANCIAL IMPACT

None to MESB.

MOTION BY:
SECONDED BY:
MOTION:

PASS/FAIL



METROPOLITAN
EMERGENCY SERVICES BOARD

2099 UNIVERSITY AVENUE WEST
SAINT PAUL, MINNESOTA
55104-3431

PHONE 651-643-8395
WWW.MN-MESB.ORG

March 2, 2023

Representative Kelly Moller
509 State Office Building
St. Paul, MN 55155

RE: Support for HF 1075 – Statewide Public Safety Radio Communication System Equipment
Grant Program Established, and Money Appropriated

Dear Chair Moller:

The Metropolitan Emergency Services Board writes in support of HF 1075, which would establish and fund a grant program for statewide public safety radio communication system (ARMER system) equipment.

Effective radio communication is the backbone of public safety in the State of Minnesota. First responders, firefighters, emergency medical personnel, and law enforcement personnel depend upon it to effectively perform their jobs. Emergency radio communication saves lives and serves every resident of the State of Minnesota.

In many local jurisdictions, the radios currently operating on the ARMER system are outdated. Radios are costly to maintain and replace and, in local communities, where budgets are tight, it is very difficult to plan for the costly process of replacing these critical communication tools. The replacement of public safety radios directly affects local taxpayers. Radios are critical to deploying resources, protecting property and life, and protecting our workers. However, they often get overlooked for replacement in many areas of the state because there is no dedicated funding source. Emergency services departments rely on the ARMER radio system to provide the interoperability between the departments at the local, regional, state, and federal levels.

Many radios currently operating on the ARMER system were purchased before year 2011, and no longer receive vendor support. It is extremely difficult to find parts to fix or maintain these radios and it would be in the best interest of everyone for these radios to be replaced. In addition to outdated equipment, other radios currently in use will require software upgrades in order for communications to be encrypted, which is now required by the Federal Bureau of Investigations when transmitting criminal justice data.

Prices of new radios range from \$2,500 to \$4,800 each; this expense does not include costs to program the radios or any additional equipment or supplies required to add the radio onto the statewide ARMER system.

Local governments across the state support the creation and funding of a grant program allowing for the critical upgrade of public safety radios, as well as a sustainable program which supports ongoing replacement of these radios.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mike Warring".

Mike Warring
Chair, Metropolitan Emergency Services Board
Isanti County Commissioner

A handwritten signature in black ink, appearing to read "Jill Rohret".

Jill Rohret
Executive Director
Metropolitan Emergency Services Board



METROPOLITAN
EMERGENCY SERVICES BOARD

2099 UNIVERSITY AVENUE WEST
SAINT PAUL, MINNESOTA
55104-3431

PHONE 651-643-8395
WWW.MN-MESB.ORG

March 2, 2023

Senator Ron Latz
3105 Minnesota Senate Building
St. Paul, MN 55155

RE: Support for SF 1576 – Statewide Public Safety Radio Communication System Equipment Grant Program Established, and Money Appropriated

Dear Chair Latz:

The Metropolitan Emergency Services Board writes in support of SF 1576, which would establish and fund a grant program for statewide public safety radio communication system (ARMER system) equipment.

Effective radio communication is the backbone of public safety in the State of Minnesota. First responders, firefighters, emergency medical personnel, and law enforcement personnel depend upon it to effectively perform their jobs. Emergency radio communication saves lives and serves every resident of the State of Minnesota.

In many local jurisdictions, the radios currently operating on the ARMER system are outdated. Radios are costly to maintain and replace and, in local communities, where budgets are tight, it is very difficult to plan for the costly process of replacing these critical communication tools. The replacement of public safety radios directly affects local taxpayers. Radios are critical to deploying resources, protecting property and life, and protecting our workers. However, they often get overlooked for replacement in many areas of the state because there is no dedicated funding source. Emergency services departments rely on the ARMER radio system to provide the interoperability between the departments at the local, regional, state, and federal levels.

Many radios currently operating on the ARMER system were purchased before year 2011, and no longer receive vendor support. It is extremely difficult to find parts to fix or maintain these radios and it would be in the best interest of everyone for these radios to be replaced. In addition to outdated equipment, other radios currently in use will require software upgrades in order for communications to be encrypted, which is now required by the Federal Bureau of Investigations when transmitting criminal justice data.

Prices of new radios range from \$2,500 to \$4,800 each; this expense does not include costs to program the radios or any additional equipment or supplies required to add the radio onto the statewide ARMER system.

Local governments across the state support the creation and funding of a grant program allowing for the critical upgrade of public safety radios, as well as a sustainable program which supports ongoing replacement of these radios.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mike Warring".

Mike Warring
Chair, Metropolitan Emergency Services Board
Isanti County Commissioner

A handwritten signature in black ink, appearing to read "Jill Rohret".

Jill Rohret
Executive Director
Metropolitan Emergency Services Board



METROPOLITAN EMERGENCY SERVICES BOARD

Meeting Date: May 10, 2023
Agenda Item: 5. Acceptance of 2022 MESB Financial Audit
Presenter: Rohret/Andy Hering, Redpath & Co.

RECOMMENDATION

The Executive Director recommends acceptance of the 2022 MESB financial audit.

BACKGROUND

The Metropolitan Emergency Services Board hires an auditing firm to conduct its annual financial audits. The firm which conducted the 2020 audit is Redpath and Company. The audit report must be accepted by the Board.

ISSUES & CONCERNS

The 2022 audit is a clean audit. Please refer to the supporting documentation for this agenda item for more complete information and opinions from the auditors.

FINANCIAL IMPACT

None. The expense for the annual audit is included in the MESB's operational budget.

MOTION BY:
SECONDED BY:
MOTION:

PASS/FAIL



To: Metropolitan Emergency Services Board

From: Redpath and Company, Ltd. Andy Hering, Partner

Date: May 1, 2023

Re: Summary of Audit for the Year Ended December 31, 2022

GENERAL COMMENTS

Audit reports have been completed and dated May 1, 2023.

We have been invited to the MESB Board Meeting on May 10, 2023. In the meantime, you can contact me, Andy Hering, with any questions or comments: 651-407-5877 or ahering@redpathcpas.com.

AUDIT OVERVIEW

Our opinion on the financial statements is unmodified, sometimes called “clean.” (pp. 3-6)

There were no findings on compliance or internal control.

For 2022, a federal single audit (The Uniform Guidance) was not required because expenditures of federal funds (including pass through) were less than \$750,000.

The Management’s Discussion and Analysis is prepared by MESB management and is intended to “tell the story behind the numbers.” (pp. 7-14)

The fund balance for all funds decreased by \$33,209 in 2022. The General Fund decreased \$771, the 911 Fund decreased \$32,472, the EMS Fund increased \$2,983, and the Radio Fund decreased \$2,949.

Budgetary comparison schedules (Statement 6 and Statement 7) are presented for the General Fund and the 911 Fund. A \$13,000 decrease in fund balance was budgeted for the General Fund (actual decrease was \$771). A \$14,000 decrease was budgeted for the 911 Fund (actual decrease was \$32,472).

Metropolitan Emergency Services Board

Summary of Audit for the Year Ended December 31, 2022

Page 2

MESB follows accounting standards established by the Governmental Accounting Standards Board (GASB). Based on the requirements of GASB, the following liabilities have been recorded on the Statement of Net Position (Statement 1):

- Compensated absences payable (\$148,503)
- Lease liability (\$394,728)
- Other postemployment benefits (\$288,596)
- Net pension liability (\$823,683)

The requirement to record a lease liability is new in 2022. It should be noted that these liabilities all contain a long-term component and are not required to be "paid off" in 2023.

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

The Communication with Those Charged with Governance letter includes required communications to MESB's Commissioners. We consider the communications to be of a routine nature.

Significant highlights include:

- GASB Statement No. 87, *Leases*, was implemented during 2022.
- No difficulties encountered in dealing with management in performing and completing our audit.
- There were no uncorrected misstatements identified during the audit.

Thank you.

**METROPOLITAN EMERGENCY
SERVICES BOARD**

FINANCIAL STATEMENTS

December 31, 2022

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METROPOLITAN EMERGENCY SERVICE BOARD**TABLE OF CONTENTS**

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Metropolitan Emergency Services Board
St. Paul, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Metropolitan Emergency Services Board, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Metropolitan Emergency Services Board's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Metropolitan Emergency Services Board, as of December 31, 2022, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Metropolitan Emergency Services Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Report on Summarized Comparative Information

We have previously audited Metropolitan Emergency Services Board's 2021 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities and each major fund in our report dated May 2, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Metropolitan Emergency Services Board's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Governmental Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Metropolitan Emergency Services Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Metropolitan Emergency Services Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Change in Accounting Principle

As described in Note 16 to the financial statements, Metropolitan Emergency Services Board adopted new accounting guidance for the year ended December 31, 2022, Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, and the schedules of OPEB and pension information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required

supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 1, 2023, on our consideration of Metropolitan Emergency Services Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Metropolitan Emergency Services Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Metropolitan Emergency Services Board's internal control over financial reporting and compliance.

Redpath and Company, Ltd.

REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

May 1, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of Metropolitan Emergency Services Board's (MESB) financial performance provides an overview of MESB's financial activities for the fiscal year ended December 31, 2022. Please consider it in conjunction with MESB's financial statements.

Effective January 1, 2022, the Joint Powers Agreement was renewed for a five year period by each of the governing bodies of the members and thru December 31, 2026.

Financial Highlights

- The assets of MESB exceeded its liabilities at December 31, 2022 by \$2,306,629 (net position). Of this amount, \$1,919,496 (unrestricted net position) may be used to meet MESB's ongoing obligations.
- MESB's total net position decreased by \$151,131. In 2022, MESB experienced depreciation in the value of assets and an increase in pension liability.
- During the year under audit, the MESB implemented GASB 87 – *Leases*, which resulted in right to use leased assets and lease liability on the Statement of Net Position.
- As of December 31, 2022, MESB's governmental funds reported combined ending fund balances of \$3,307,779, which is a \$33,209 decrease from the prior year. The decrease in fund balance is primarily due to three factors. First, a 15-year employee retired in March 2022, and a large payout of accrued Flex Time Off (FTO) hours occurred. Second, the replacement for a staff member who retired in 2021 was hired at a higher pay rate than was anticipated in the 2022 operational budget. Third, in planning for a former staff person's retirement, it was determined that the MESB needed contractor assistance in drafting an NG9-1-1 transition plan and assisting in drafting and evaluating an RFP with the State of Minnesota. This contract was not included in the MESB's 2022 operational budget. The contract with this consultant was further amended in 2022 to provide technical guidance during the transition to NG9-1-1.

Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Statements 1 and 2) provide information about the activities of MESB as a whole and present a longer-term view of MESB's finances. Fund financial statements are presented on Statements 3 and 4. These statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report MESB's operations in more detail than the government-wide statements by providing information about MESB's most significant funds.

Reporting MESB as a Whole

The Statement of Net Position and the Statement of Activities

One of the most important questions to be asked about MESB's finances is, "Is MESB as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about MESB as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report MESB's net position and changes in them. An analysis of MESB's net position – the difference between assets and liabilities – is one way to measure MESB's financial health or financial position. Over time, increases or decreases in MESB's net position are one indicator of whether MESB's financial health is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, all Board activities are classified as governmental. MESB does not have any activities that are classified as business-type.

- Governmental activities – all of MESB's services are reported here. County assessments, intergovernmental revenues and user fees finance most of these activities.
- The EMS Fund is an independent fund and program separate from the General, 911 or Radio Fund and program whose revenues finance the EMS Program. The Metro Region EMS System programs are recommended by the EMS Technical Operations Committee, approved by MESB and submitted in grant form to the Emergency Services Regulatory Board (EMSRB). The EMS Fund revenues can only be used for the EMS Program in accordance with the grant parameters as approved by the EMSRB when the grant is awarded. EMS Grant funds are accounted for separately from MESB's General, 911 or Radio Fund. Interest accrued on EMS funds is applied to the EMS Fund.
- The EMS Grant reimburses MESB for the Metro Region EMS Program costs of proportional rent, office supplies, office indirect and insurance.
- MESB's reserve funds are invested with Hennepin County and grow through interest income. The interest income is applied on a quarterly basis and allocated back to the Reserve Fund.
- By contract and statute, MnDOT owns and operates the radio system. MESB does not own any infrastructure or equipment associated with the radio system except for a few subscriber units. MnDOT maintains all regional sites and equipment; locals are responsible for their own equipment and infrastructure. Operational costs such as rent and utilities at tower sites are allocated by MESB to equipment owners based on the percentage of equipment at each site. MESB pays these costs up-front, but is reimbursed by local entities. MnDOT pays MESB for its portion of the costs at the beginning of each quarter.

Management's Discussion and Analysis

Reporting MESB's Funds

The fund financial statements (Statements 3 and 4) provide detailed information by fund. MESB's four funds are considered to be governmental-type and use the following accounting approach:

- *Government funds* – focus on how money flows into and out of these funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of MESB's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance MESB's programs. We describe the relationship (or differences) between *governmental activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation at the bottom of Statement 3 and also Statement 5.

Financial Analysis of MESB as a Whole

MESB's assets exceeded liabilities by \$2,306,629. Our analysis below focuses on the net position and changes in net position of MESB's governmental activities.

NET POSITION

	December 31,	
	2022	2021
Current and other assets	\$3,663,417	\$3,692,248
Capital assets and right to use leased assets	434,704	598,400
Total assets	<u>\$4,098,121</u>	<u>\$4,290,648</u>
Deferred outflows of resources	<u>\$280,983</u>	<u>\$400,673</u>
Current liabilities	\$359,971	\$356,747
Long-term liabilities	1,655,510	1,433,377
Total liabilities	<u>\$2,015,481</u>	<u>\$1,790,124</u>
Deferred inflows of resources	<u>\$56,994</u>	<u>\$443,437</u>
Net position:		
Net investment in capital assets	\$39,976	\$104,317
Restricted	347,157	286,525
Unrestricted	1,919,496	2,066,918
Total net position	<u>\$2,306,629</u>	<u>\$2,457,760</u>

Management's Discussion and Analysis

Net position was negatively impacted by \$605,263 at December 31, 2022 due to the change in the defined benefit pension plan. Pension-related amounts included in the above schedule related to the standard are as follows:

Deferred outflows of resources	\$260,951
Deferred inflows of resources	(42,531)
Net pension liability	<u>(823,683)</u>
Total	<u><u>(\$605,263)</u></u>

Of the total net position at December 31, 2022, \$39,976 (1.7%) reflects MESB's net investment in capital assets. These assets are not available for future spending. An additional \$347,157 (15.1%) of MESB's net position represents resources that are subject to external restrictions (for EMS Relief) on how they might be used.

CHANGES IN NET POSITION

	December 31,	
	2022	2021
Revenues:		
Program revenues:		
Charges for services	\$3,105,355	\$3,028,028
Operating grants and contributions	774,509	478,446
General revenues:		
Unrestricted investment earnings	44,499	21,295
Other	6,367	5,934
Total revenues	<u>3,930,730</u>	<u>3,533,703</u>
Expenses:		
General	657,000	605,046
911 telephone system	1,064,031	757,522
Emergency medical services system	314,364	332,870
Radio	2,021,494	1,944,909
Interest on long-term liabilities	24,972	29,774
Total expenses	<u>4,081,861</u>	<u>3,670,121</u>
Increase (decrease) in net position	(151,131)	(136,418)
Net position - January 1	<u>2,457,760</u>	<u>2,594,178</u>
Net position - December 31	<u><u>\$2,306,629</u></u>	<u><u>\$2,457,760</u></u>

MESB's net position decreased by \$151,131 (-6.15%). In 2022, MESB experienced depreciation in the value of assets and an increased valuation of pension liability.

Management's Discussion and Analysis

MESB's Funds

General Fund

Beginning in 2011 to satisfy a new accounting standard (GASB 54), MESB's Administrative Fund was renamed General Fund and the Hennepin County Investment Fund is now reported within the General Fund.

The General Fund functions of MESB are supported primarily through member assessment revenues.

The General Fund includes expenditures for operations of MESB which do not fall into any specific other fund but are for the general activities of the administration of MESB itself. Salaries and related benefits for staff whose time is spent strictly on administration of the whole organization, telephone, office supplies, postage, etc. are typical line items from this Fund. Any activity of MESB that is overarching to its total mission is considered to be General.

911 Fund

The 911 Fund, which supports the 911, 911 data management, and GIS functions of MESB, authorized in the Joint Powers Agreement, is supported primarily by assessments made to JPA members.

Article VI: Funding; Section 3 of Metropolitan Emergency Services Board Joint Powers Agreement provides an Assessment Formula:

Section 3: Assessment Formula. All assessments authorized to be made by this Agreement shall be made in the same proportion as the ratio of the population the county bears to the population of the metropolitan area as defined in Article II, Section 2.E, as measured by the most recent and available population figures of the State Demographic Center. If MESB incurs any liability for damages arising from any of its activities under this Agreement, the amount of damages shall be assessed against each county in the same manner as in the assessment formula described in this section; provided that any assessment against Hennepin County shall be reduced by the amount attributable to the population of the City of Minneapolis and shall be assessed against the City of Minneapolis. Nothing herein shall be construed as a waiver or modification of the limitations, defenses and immunities of liability contained in Minnesota Statutes, Chapter 466, or other applicable law.

Annual budget calculations are prepared and sources of funds are gathered. Assessments are determined in accordance with the formula adopted in the Joint Powers Agreement.

MESB does not receive a direct appropriation of state 911 fees.

In January 2019, MESB approved the addition of a second GIS specialist position, which was not included in the annual budget. Like with previous staff position additions, the full cost of salary and benefits will slowly be incorporated into MESB's operational budget over five years, with additional funding coming from the Hennepin County Investment Fund.

Management's Discussion and Analysis

Radio Fund

The Radio Fund was established to identify and fund those activities which were specific to the roles, responsibilities, duties and functions of MESB related to the statewide ARMER radio system.

Radio. When acting in its capacity as a regional radio board and as the successor to the Metropolitan Radio Board, MESB has the powers necessary and convenient to discharge the duties imposed on it by law, including the duty to implement, maintain, and operate regional and local improvements to the statewide, shared, trunked radio and communication system provided for in Minnesota Statutes, Section 403.36. MESB shall also have the powers of a regional radio board provided by Minnesota Statutes, Section 403.39.

By contract and statute, MnDOT owns and operates the radio system. MESB does not own any infrastructure or equipment associated with the radio system except for a few subscriber units. MnDOT maintains all regional sites and equipment; locals are responsible for their own equipment and infrastructure. Operational costs such as rent and utilities at tower sites are allocated by MESB to equipment owners based on the percentage of equipment at each site. MESB pays these costs up-front but is reimbursed by local entities. MnDOT pays MESB for its portion of the costs at the beginning of each quarter.

EMS Fund

The EMS Fund is an independent fund separate from the 911, General or Radio funds whose revenues finance the Metro Region EMS Systems Program as recommended by the EMS Technical Operations Committee and approved by MESB. The source of the EMS Fund is primarily through a regional grant for EMS programming awarded through the EMSRB. The metro region grant is governed by Minnesota Statute 144E Sections 50 and 52. The EMSRB manages the state funding of the regional programs by providing grant dollars and disbursing the funds from seat belt fines which also funds the eight regional programs.

Another source of funds known as EMS Relief funds which represent seat belt fine revenues are also awarded to the metro region program by the EMSRB. The EMS Fund revenues (both grant and seat belt revenues) can only be used for metro region EMS Program in accordance with the grant parameters as approved by the EMSRB when the grant is awarded.

Management's Discussion and Analysis

Financial Analysis of MESB's Funds

As of the end of the current fiscal year, MESB's governmental funds reported combined ending fund balances of \$3,307,779 a decrease of \$33,209 in comparison with the prior year. The decrease in fund balance is primarily due to three factors. First, a 15-year employee retired in March 2022, and a large payout of accrued Flex Time Off (FTO) hours occurred. Second, the replacement for a staff member that retired in 2021 was hired at a higher pay rate than was anticipated in the 2022 operational budget. Third, in planning for a former staff person's retirement, it was determined that the MESB needed assistance in drafting a NG9-1-1 transition plan and assisting in drafting and evaluating an RFP with the State of Minnesota. This contract was not included in the MESB's 2022 operational budget. The contract with this consultant was further amended in 2022 to provide technical guidance during the transition to NG9-1-1.

Budgetary Highlights

The General Fund and 911 Fund did not have any budget amendments throughout the year.

Capital Asset and Debt Administration

Capital Assets

At the end of 2022, MESB had \$434,704 net investment in capital assets, which consists of equipment as detailed below.

CAPITAL ASSETS AT YEAR END

	December 31,	
	2022	2021
Equipment	\$1,698,385	\$1,698,385
Right to use leased assets	593,565	593,565
Accumulated depreciation/amortization	(1,857,246)	(1,693,550)
Net capital assets	<u>\$434,704</u>	<u>\$598,400</u>

MESB has not incurred any long-term debt to acquire the equipment. The right to use lease assets are recorded with the corresponding lease liability that was required to be recorded under GASB 87 – *Leases*.

Management's Discussion and Analysis

Noncurrent Liabilities

MESB does not have any long-term debt issues; however, it does record long-term compensated absences, lease liability, OPEB, and net pension liability as follows:

NONCURRENT LIABILITIES AT YEAR END

	<u>Compensated Absences</u>	<u>Lease Liability</u>	<u>OPEB</u>	<u>Net Pension Liability</u>
December 31, 2022	\$148,503	\$394,728	\$288,596	\$823,683
December 31, 2021	<u>162,676</u>	<u>494,083</u>	<u>302,598</u>	<u>474,020</u>
Increase (decrease)	<u>(\$14,173)</u>	<u>(\$99,355)</u>	<u>(\$14,002)</u>	<u>\$349,663</u>

Economic Factors and Next Year's Budget

Total expenditures budgeted for all funds in 2022 total \$3,094,787 compared to budgeted expenditures of \$3,313,118 for 2023. The increase in budgeted expenditures from 2022 to 2023 is due to a change in the budgeting process to better account for staff merit increases to be in alignment with the Dakota County Merit Compensation Plan; an increase in the annual Motorola maintenance contract, along with a return to the MESB paying for the entire metro region, which was suspended during the 2016-2020 contract; an increase in the operational budget to include radio technical training; and the NG9-1-1 transition consultant contract.

Contacting MESB's Financial Management

This financial report is designed to provide our constituents and members with a general overview of MESB's finances and to show MESB's accountability for the money it receives. If you have questions about this report or need additional information, contact Jill Rohret, MESB Executive Director, or Kelli Jackson, MESB Financial Services Specialist.

BASIC FINANCIAL STATEMENTS

METROPOLITAN EMERGENCY SERVICE BOARD**STATEMENT OF NET POSITION****Statement 1**

December 31, 2022

With Comparative Totals For December 31, 2021

	Governmental Activities	
	2022	2021
Assets:		
Cash and investments	\$3,403,657	\$3,393,664
Accounts receivable	14,700	7,818
Due from other governments	169,204	201,321
Prepaid items	75,856	89,445
Capital assets (net of accumulated depreciation)	69,216	118,874
Right to use leased assets (net of accumulated amortization)	365,488	479,526
Total assets	4,098,121	4,290,648
Deferred outflows of resources:		
Related to pensions	260,951	364,629
Related to OPEB	20,032	36,044
Total deferred outflows of resources	280,983	400,673
Liabilities:		
Accounts payable	31,299	41,988
Accrued salaries	34,757	37,115
Funds held for others	54,009	51,227
Due to other governments	211,135	194,955
Accrued interest payable	4,333	5,487
Unearned revenue	24,438	25,975
Compensated absences:		
Due within one year	17,264	37,767
Due in more than one year	131,239	124,909
Lease liability:		
Due within one year	71,497	99,355
Due in more than one year	323,231	394,728
OPEB liability:		
Due within one year	7,766	7,861
Due in more than one year	280,830	294,737
Net pension liability - due in more than one year	823,683	474,020
Total liabilities	2,015,481	1,790,124
Deferred inflows of resources:		
Related to pensions	42,531	436,312
Related to OPEB	14,463	7,125
Total deferred inflows of resources	56,994	443,437
Net position:		
Net investment in capital assets	39,976	104,317
Restricted for EMS relief	347,157	286,525
Unrestricted	1,919,496	2,066,918
Total net position	\$2,306,629	\$2,457,760

The accompanying notes are an integral part of these financial statements.

METROPOLITAN EMERGENCY SERVICE BOARD
STATEMENT OF ACTIVITIES
Statement 2

For The Year Ended December 31, 2022

With Comparative Totals For The Year Ended December 31, 2021

Functions/Programs:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities 2022	2021
Governmental activities:						
General	\$657,000	\$574,240	\$3,607	\$ -	(\$79,153)	(\$41,969)
911 telephone system	1,064,031	516,077	466,678	-	(81,276)	(94,045)
Emergency medical services program	314,364	-	297,324	-	(17,040)	(32,931)
Radio	2,021,494	2,015,038	6,900	-	444	35,072
Interest on long-term liabilities	24,972	-	-	-	(24,972)	(29,774)
Total governmental activities	<u>\$4,081,861</u>	<u>\$3,105,355</u>	<u>\$774,509</u>	<u>\$0</u>	<u>(201,997)</u>	<u>(163,647)</u>
General revenues:						
Unrestricted investment earnings					44,499	21,295
Other					6,367	5,934
Total general revenues					<u>50,866</u>	<u>27,229</u>
Change in net position					(151,131)	(136,418)
Net position - January 1					<u>2,457,760</u>	<u>2,594,178</u>
Net position - December 31					<u>\$2,306,629</u>	<u>\$2,457,760</u>

The accompanying notes are an integral part of these financial statements.

METROPOLITAN EMERGENCY SERVICE BOARD
BALANCE SHEET
Statement 3
GOVERNMENTAL FUNDS

December 31, 2022

With Comparative Totals For December 31, 2021

	General Fund	911 Fund	EMS Fund	Radio Fund	Total	
					2022	2021
Assets:						
Cash and investments	\$2,367,408	\$207,338	\$364,900	\$464,011	\$3,403,657	\$3,393,664
Accounts receivable	-	7,185	-	7,515	14,700	7,818
Due from other governments	2,376	73,832	32,415	60,581	169,204	201,321
Prepaid items	3,799	3,182	-	68,875	75,856	89,445
Total assets	\$2,373,583	\$291,537	\$397,315	\$600,982	\$3,663,417	\$3,692,248
Liabilities and fund balance						
Liabilities:						
Accounts payable	\$5,074	\$370	\$1,236	\$24,619	\$31,299	\$41,988
Accrued salaries	18,915	12,307	-	3,535	34,757	37,115
Due to other governments	114,454	52,181	-	44,500	211,135	194,955
Funds held for others	-	54,009	-	-	54,009	51,227
Unearned revenue	-	-	17,561	6,877	24,438	25,975
Total liabilities	138,443	118,867	18,797	79,531	355,638	351,260
Fund balance:						
Nonspendable	3,799	3,182	-	68,875	75,856	89,445
Restricted	-	-	347,157	-	347,157	348,143
Committed	-	169,488	31,361	452,576	653,425	673,458
Assigned	2,106,318	-	-	-	2,106,318	2,081,709
Unassigned	125,023	-	-	-	125,023	148,233
Total fund balance	2,235,140	172,670	378,518	521,451	3,307,779	3,340,988
Total liabilities and fund balance	\$2,373,583	\$291,537	\$397,315	\$600,982	\$3,663,417	\$3,692,248
Fund balance reported above					\$3,307,779	\$3,340,988
Amounts reported for governmental activities in the Statement of Net Position are different because:						
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.					69,216	118,874
Right to use leased assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.					365,488	479,526
Deferred outflows of resources-pension related are not current financial resources and, therefore, are not reported in the funds.					260,951	364,629
Deferred outflows of resources-OPEB related are not current financial resources and, therefore, are not reported in the funds.					20,032	36,044
Deferred inflows of resources-pension related are associated with long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.					(42,531)	(436,312)
Deferred inflows of resources-OPEB related are associated with long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.					(14,463)	(7,125)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:						
Accrued interest payable					(4,333)	(5,487)
Compensated absences payable					(148,503)	(162,676)
Lease liability					(394,728)	(494,083)
OPEB liability					(288,596)	(302,598)
Net pension liability					(823,683)	(474,020)
Net position of governmental activities					\$2,306,629	\$2,457,760

The accompanying notes are an integral part of these financial statements.

METROPOLITAN EMERGENCY SERVICE BOARD**STATEMENT OF REVENUES, EXPENDITURES AND****CHANGES IN FUND BALANCE****GOVERNMENTAL FUNDS**

For The Year Ended December 31, 2022

With Comparative Totals For The Year Ended December 31, 2021

Statement 4

	General Fund	911 Fund	EMS Fund	Radio Fund	Total	
					2022	2021
Revenues:						
Member assessments	\$574,240	\$516,077	\$ -	\$208,709	\$1,299,026	\$1,283,783
User fees	-	-	-	398,384	398,384	387,259
Reimbursement revenue	-	-	-	1,407,945	1,407,945	1,356,986
Intergovernmental:						
State	-	249,151	297,324	6,900	553,375	321,571
Federal	-	217,527	-	-	217,527	155,711
Interest	29,414	4,967	3,969	6,149	44,499	21,295
Other	5,529	-	-	838	6,367	5,934
Total revenues	<u>609,183</u>	<u>987,722</u>	<u>301,293</u>	<u>2,028,925</u>	<u>3,927,123</u>	<u>3,532,539</u>
Expenditures:						
Current:						
Personal services	541,302	418,436	10	100,968	1,060,716	1,095,729
Rent and site leases	-	-	12,000	256,300	268,300	263,087
Equipment and maintenance upgrades	11,980	11,229	976	1,119,038	1,143,223	1,111,985
Other grant expenditures	-	466,678	261,362	6,900	734,940	448,277
Other services and charges	81,107	115,927	-	430,638	627,672	553,275
Capital outlay	-	-	-	-	-	49,909
Debt service on leases:						
Principal	10,229	7,672	3,836	77,618	99,355	99,482
Interest	336	252	126	25,412	26,126	24,287
Total expenditures	<u>644,954</u>	<u>1,020,194</u>	<u>278,310</u>	<u>2,016,874</u>	<u>3,960,332</u>	<u>3,646,031</u>
Revenues over (under) expenditures	<u>(35,771)</u>	<u>(32,472)</u>	<u>22,983</u>	<u>12,051</u>	<u>(33,209)</u>	<u>(113,492)</u>
Other financing sources (uses):						
Issurance of leases	-	-	-	-	-	49,909
Transfer in	35,000	-	-	-	35,000	30,000
Transfer out	-	-	(20,000)	(15,000)	(35,000)	(30,000)
Total other financing sources (uses)	<u>35,000</u>	<u>0</u>	<u>(20,000)</u>	<u>(15,000)</u>	<u>0</u>	<u>49,909</u>
Net change in fund balance	(771)	(32,472)	2,983	(2,949)	(33,209)	(63,583)
Fund balance - January 1	<u>2,235,911</u>	<u>205,142</u>	<u>375,535</u>	<u>524,400</u>	<u>3,340,988</u>	<u>3,404,571</u>
Fund balance - December 31	<u>\$2,235,140</u>	<u>\$172,670</u>	<u>\$378,518</u>	<u>\$521,451</u>	<u>\$3,307,779</u>	<u>\$3,340,988</u>

The accompanying notes are an integral part of these financial statements.

METROPOLITAN EMERGENCY SERVICE BOARD**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS****Statement 5**

For The Year Ended December 31, 2022

With Comparative Totals For The Year Ended December 31, 2021

	<u>2022</u>	<u>2021</u>
Amounts reported for governmental activities in the Statement of Activities are different because:		
Net changes in fund balance - total governmental funds (Statement 4)	(\$33,209)	(\$63,583)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense:		
Depreciation	(49,658)	(70,300)
Amortization	(114,038)	(114,039)
Capital outlay	-	49,909
The issuance of long-term liabilities provides current financial resources for governmental funds, while the repayment of principal of lease liabilities consumes the current financial resources of governmental funds. Neither transaction however, has any effect on net position:		
Issuance of leases	-	(49,909)
Principal payment on lease liabilities	99,355	99,482
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Expenses reported in the Statement of Activities include the effects of the changes in these expense accruals as follows:		
Change in accrued interest payable	1,154	(5,487)
Change in compensated absences payable	14,173	1,609
Governmental funds report pension and OPEB contributions as expenditures, however, pension and OPEB expense is reported in the Statement of Activities. This is the amount by which pension and OPEB expense differed from pension and OPEB contributions:		
Pension contributions	\$57,523	
Pension expense	(117,083)	
OPEB contributions	7,445	
OPEB expense	(16,793)	15,900
Change in net position of governmental activities (Statement 2)	<u>(\$151,131)</u>	<u>(\$136,418)</u>

The accompanying notes are an integral part of these financial statements.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. FINANCIAL REPORTING ENTITY

The Metropolitan Emergency Services Board (MESB) is a joint powers organization founded by the seven Minneapolis-St. Paul metropolitan counties to implement and administer a regional 911 telephone system, regional Emergency Medical Services (EMS) programs, and, beginning in 2005, regional radio services in the metropolitan area. As required by generally accepted accounting principles in the United States of America, the financial statements of the reporting entity include those of MESB (the primary government) and its component units. MESB does not have any component units.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or business-type activity. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Unrestricted investment earnings and other items not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. MESB reports the following major governmental funds:

The *General Fund* is used to account for the administrative functions of MESB and investments held by Hennepin County. These funds are available for MESB as a whole.

The *911 Fund* is used to account for revenues and expenditures in connection with 911 and GIS operations.

The *EMS Fund* accounts for revenues and expenditures of the Emergency Medical Services Grant and the EMS Relief Account, administered by the Board of the Minneapolis-St. Paul metropolitan area.

The *Radio Fund* accounts for revenues and expenditures of the regional 800 MHz radio system for the metropolitan area.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

METROPOLITAN EMERGENCY SERVICES BOARD
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, MESB considers all revenues, except reimbursement grants, to be available if they are collected within 60 days of the end of the current fiscal period. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Intergovernmental revenues, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by MESB.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, are similarly treated when they involve other funds of MESB. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. BUDGETS

MESB adopts annual budgets on a basis consistent with generally accepted accounting principles (GAAP) for the General and 911 Funds. Budgeted expenditure appropriations lapse at year end. The Radio and EMS Funds do not have complete annual GAAP-basis budgets. Grant-specific budgets and other data are used for internal monitoring of these funds.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the appropriation, is not employed by MESB because it is, at present, not considered necessary to assure effective budgetary control or to facilitate effective cash management.

Expenditures that exceed budgeted appropriations are as follows:

<u>Fund</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over Budget</u>
General Fund	\$634,240	\$644,954	\$10,714
911 Fund	565,797	1,020,194	454,397

The over expenditures were funded by revenues in excess of budget of intergovernmental and interest.

E. CASH AND INVESTMENTS

In accordance with applicable Minnesota Statutes, MESB maintains deposits at depository banks and governmental authorities authorized by the Board of Directors.

Minnesota Statutes require that all deposits be protected by insurance, surety bond, or collateral. If collateral is pledged as protection for the deposits, the market value of the collateral must, at a minimum, be 110% of the deposits not covered by insurance or bonds.

F. RECEIVABLES AND PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Temporary interfund loans, if any, are classified as “due to/from other funds” and are planned to be eliminated in the upcoming year.

MESB considers all receivables to be fully collectible and thus no allowance is recorded.

G. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

H. CAPITAL ASSETS

Capital assets, which include property, plant, equipment and intangibles, are reported in the government-wide financial statements. Capital assets are defined by MESB as those assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Equipment of MESB is depreciated using the straight-line method over estimated useful lives ranging from 3 to 20 years.

I. RIGHT TO USE LEASED ASSETS

MESB has recorded right to use leased assets due to implementing GASB Statement No. 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, plus ancillary charges necessary to place the lease into service. Right to use leased assets are amortized on a straight-line basis over the life of the related lease.

J. COMPENSATED ABSENCES

A liability is recognized and reported on the statement of net position for vacation and sick leave earned by employees at the balance sheet date if it is probable the benefit will be paid as time off or at separation of service. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

K. REIMBURSEMENT REVENUE

Reimbursement revenue includes billings to participating regions that MESB in-turn remits to the provider. This activity has some attributes of pass through/agency transactions; however, management believes it has more attributes of an exchange transaction and accordingly records the activity as revenue and expenditures.

L. FUND BALANCE CLASSIFICATIONS

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

Nonspendable - consists of amounts that are not in spendable form, such as prepaid items.

Restricted - consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed - consists of internally imposed constraints. These constraints are established by Resolution of the Board.

Assigned - consists of internally imposed constraints. These constraints reflect the specific purpose for which it is the Board's intended use. These constraints are established by the Board and/or management.

Unassigned - is the residual classification for the general fund and also reflects negative residual amounts in other funds.

When both restricted and unrestricted resources are available for use, it is MESB's policy to first use restricted resources, and then use unrestricted resources as they are needed.

When committed, assigned or unassigned resources are available for use, it is MESB's policy to use resources in the following order: 1) committed 2) assigned and 3) unassigned.

M. INTERFUND TRANSACTIONS

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Interfund loans are reported as an interfund loan receivable or payable which offsets the movement of cash between funds. All other interfund transactions are reported as transfers.

N. USE OF ESTIMATES

The preparation of financial statements in accordance with GAAP requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

O. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. MESB has two items that qualify for reporting in this category. They are the pension and OPEB related deferred outflows of resources reported in the government-wide Statement of Net Position.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. MESB has two items that qualify for reporting in this category. They are the pension and OPEB related deferred inflows of resources reported in the government-wide Statement of Net Position.

P. DEFINED BENEFIT PENSION PLAN

For purposes of measuring the net pension liability, deferred outflows and inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to and deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Q. COMPARATIVE TOTALS

The basic financial statements and required supplementary information include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with MESB's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

METROPOLITAN EMERGENCY SERVICES BOARD
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

Note 2 DEPOSITS AND INVESTMENTS

A. INVESTMENTS

MESB invests all funds with Hennepin County and Washington County. These funds are pooled with the Counties' other deposits and investments.

The carrying amount of MESB's cash and investments at December 31, 2022 is as follows:

Cash and investments pooled with Washington County at fair value	\$1,124,582
Cash and investments pooled with Hennepin County at fair value	<u>2,279,075</u>
Total	<u><u>\$3,403,657</u></u>

MESB categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy has three levels. Level 1 investments are valued using inputs that are based on quoted prices in active markets for identical assets. Level 2 investments are valued using inputs that are based on quoted prices for similar assets or inputs that are observable, either directly or indirectly. Level 3 investments are valued using inputs that are unobservable. At December 31, 2022, MESB does not have any applicable investments.

B. INVESTMENT RISKS

Investments are subject to risks such as interest rate risk, credit risk and concentration of credit risk. MESB invests all funds with Hennepin and Washington Counties' investment pools, which basically function as fully-liquid investments. The Counties' pools are subject to State Statutes that help mitigate investment risks. MESB does not have any specific investment policy that further limits investment risks.

Note 3 RECEIVABLES

All receivables at December 31, 2022 are expected to be collected within one year.

Governmental funds report deferred inflow of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period ("unavailable"). Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned ("unearned").

METROPOLITAN EMERGENCY SERVICES BOARD
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

Note 4 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets being depreciated:				
Equipment	\$1,698,385	\$ -	\$ -	\$1,698,385
Less accumulated depreciation:				
Equipment	<u>1,579,511</u>	<u>49,658</u>	<u>-</u>	<u>1,629,169</u>
Capital assets - net	<u>\$118,874</u>	<u>(\$49,658)</u>	<u>\$0</u>	<u>\$69,216</u>

Depreciation expense was charged to programs as follows:

General	\$122
911 telephone system	4,840
Emergency medical services system	36,272
Radio	<u>8,424</u>
Total depreciation expense	<u>\$49,658</u>

METROPOLITAN EMERGENCY SERVICES BOARD
NOTES TO FINANCIAL STATEMENTS
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Note 5 RIGHT TO USE LEASED ASSETS

MESB has recorded five right to use leased assets for antenna and related equipment site space and one for office space. The related leases are described at Note 7. Right to use leased assets are amortized on a straight-line basis over the term of the related lease.

Right to use leased asset activity for the year ended December 31, 2022 is as follows:

	Beginning Balance as restated*	Increases	Decreases	Ending Balance
Right to use leased assets:				
Antenna & equipment site space	\$543,655	\$ -	\$ -	\$543,655
Office space	49,910	-	-	49,910
Total right to use leased assets	<u>593,565</u>	<u>-</u>	<u>-</u>	<u>593,565</u>
Less accumulated amortization:				
Antenna & equipment site space	89,084	89,083	-	178,167
Office space	24,955	24,955	-	49,910
Total accumulated amortization	<u>114,039</u>	<u>114,038</u>	<u>-</u>	<u>228,077</u>
Total right to use leased assets, net	<u>\$479,526</u>	<u>(\$114,038)</u>	<u>\$0</u>	<u>\$365,488</u>

*For the year ended December 31, 2022, MESB implemented GASB 87. In accordance with the requirements of GASB 87, the beginning right to use leased asset balance has been restated.

Amortization expense was charged to programs as follows:

General	\$9,981
911 telephone system	7,486
Emergency medical services system	3,744
Radio	<u>92,827</u>
Total amortization expense	<u>\$114,038</u>

METROPOLITAN EMERGENCY SERVICES BOARD
NOTES TO FINANCIAL STATEMENTS
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Note 6 COMPENSATED ABSENCES

Activity for the year ended December 31, 2022, is as follows:

	Beginning Balance	Net Change	Ending Balance	Estimated Amount Due Within One Year
Compensated absences	<u>\$162,676</u>	<u>(\$14,173)</u>	<u>\$148,503</u>	<u>\$17,264</u>

Note 7 LEASE LIABILITIES

MESB had various leases in existence prior to the implementation of GASB 87. For purposes of implementation, the leases are considered to have commenced as of January 1, 2021. Lease agreements that qualify as other than short-term leases under GASB 87 have been recorded at the present value of the future minimum payments as of the date of the lease commencement. Because interest rates were not stated in the lease agreements, a discount rate of 6% was used as MESB's incremental borrowing rate based upon market conditions.

MESB entered into an agreement with the Metropolitan Mosquito Control District to lease office space at a rate of \$2,201 per month. The lease term ended on December 31, 2022. MESB can renew this lease at the end of its term based upon mutually agreed upon terms. There are no variable payment components to this lease. As a result of the lease, MESB has a right to use asset with a net book value of \$0 as of December 31, 2022.

MESB entered into an agreement with Mobile Radio Engineering, Inc. to lease antenna and equipment space at a rate of \$2,402 per month that increases 4% in April of each year. The lease term ends on March 31, 2029 with no renewal options. There are no variable payment components to this lease. As a result of the lease, MESB has a right to use asset with a net book value of \$166,796 as of December 31, 2022.

MESB entered into an agreement with Midco, Inc. to lease antenna and equipment space at a rate of \$1,210 per month that increases 2% in January of each year. The lease term ends on April 30, 2023 with no renewal options. There are no variable payment components to this lease. As a result of the lease, MESB has a right to use asset with a net book value of \$4,568 as of December 31, 2022.

MESB entered into an agreement with the City of St. Paul Park to lease antenna and equipment space at a rate of \$1,210 per month that increases \$50 in April of each year. The lease term ends on March 31, 2029 with no renewal options. There are no variable payment components to this lease. As a result of the lease, MESB has a right to use asset with a net book value of \$103,405 as of December 31, 2022.

MESB entered into an agreement with the City of Rogers to lease antenna and equipment space at a rate of \$3,500 per year. The lease term ends on December 31, 2035 with no renewal options. There are no variable payment components to this lease. As a result of the lease, MESB has a right to use asset with a net book value of \$31,228 as of December 31, 2022.

MESB entered into an agreement with Great River Energy to lease antenna and equipment space at a rate of \$30,601 per year with 4% annual increases. The lease term ends on March 31, 2025 with no renewal options. There are no variable payment components to this lease. As a result of the lease, MESB has a right to use asset with a net book value of \$59,491 as of December 31, 2022.

METROPOLITAN EMERGENCY SERVICES BOARD
NOTES TO FINANCIAL STATEMENTS
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Activity for the year ended December 31, 2022, is as follows:

	Beginning Balance as restated*	Increases	Decreases	Ending Balance	Amount Due Within One Year
Lease liabilities	<u>\$494,083</u>	<u>\$ -</u>	<u>(\$99,355)</u>	<u>\$394,728</u>	<u>\$71,497</u>

*For the year ended December 31, 2022, MESB implemented GASB 87. In accordance with the requirements of GASB 87, the beginning lease liability balance has been restated.

Total expense related to leased assets for the year ended December 31, 2022 is as follows:

Amortization expense by asset class:	
Antenna & equipment site space	\$89,083
Office space	<u>24,955</u>
Total amortization expense	114,038
Variable lease expense	-
Interest on lease liabilities	24,972
Other lease expense	<u>-</u>
Total expense recognized in relation to lease assets	<u>\$139,010</u>

Future minimum lease obligations as of December 31, 2022 are as follows:

Year Ending December 31,	Principal Payments	Interest Payments	Total
2023	\$71,497	\$22,493	\$93,990
2024	73,837	18,327	92,164
2025	45,903	13,776	59,679
2026	50,774	10,894	61,668
2027	56,006	7,707	63,713
2028-2032	77,592	8,073	85,665
2033-2037	<u>19,119</u>	<u>1,144</u>	<u>20,263</u>
Total	<u>\$394,728</u>	<u>\$82,414</u>	<u>\$477,142</u>

Note 8 DEFINED BENEFIT PENSION PLANS

A. PLAN DESCRIPTION

The MESB participates in the following cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

All full-time and certain part-time employees of MESB are covered by the General Employees Retirement Fund (GERF). GERF members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

B. BENEFITS PROVIDED

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated members. Members hired prior to July 1, 1989 receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2% for each of the first ten years of service and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated Plan members is 1.7% for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024 or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

METROPOLITAN EMERGENCY SERVICES BOARD
NOTES TO FINANCIAL STATEMENTS
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C. CONTRIBUTIONS

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2022 and MESB was required to contribute 7.50% for Coordinated Plan members. MESB contributions to the GERP for the year ended December 31, 2022, were \$57,523. MESB's contributions were equal to the required contributions as set by state statute.

D. PENSION COSTS

At December 31, 2022, MESB reported a liability of \$823,683 for its proportionate share of GERP's net pension liability. MESB's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with MESB totaled \$24,137.

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. MESB's proportion of the net pension liability was based on MESB's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2021 through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. MESB's proportionate share was 0.0104% at the end of the measurement period and 0.0111% for the beginning of the period.

MESB's proportionate share of the net pension liability	\$823,683
State of Minnesota's proportionate share of the net pension liability associated with the MESB	<u>24,137</u>
Total	<u><u>\$847,820</u></u>

For the year ended December 31, 2022, MESB recognized pension expense of \$117,083 for its proportionate share of the GERP's pension expense. In addition, MESB recognized an additional \$3,607 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the GERP.

METROPOLITAN EMERGENCY SERVICES BOARD
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

At December 31, 2022, MESB reported its proportionate share of the GERS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$6,880	\$8,772
Changes in actuarial assumptions	186,414	3,237
Net collective difference between projected and actual investment earnings	13,558	-
Changes in proportion	25,648	30,522
Contributions paid to PERA subsequent to the measurement date	28,451	-
Total	<u>\$260,951</u>	<u>\$42,531</u>

The \$28,451 reported as deferred outflows of resources related to pensions resulting from MESB contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense
2023	\$81,989
2024	69,913
2026	(36,423)
2026	74,490
2027	-
Thereafter	-

The net pension liability will be liquidated by the General, 911 and Radio funds.

E. ACTUARIAL ASSUMPTIONS

The total pension liability in the June 30, 2022 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.25% per year
Investment Rate of Return	6.50%

The long-term investment rate of return is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates deemed to be reasonable by the actuary. An investment return of 6.50% was deemed to be within that range of reasonableness for financial reporting purposes.

METROPOLITAN EMERGENCY SERVICES BOARD
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

Benefit increases after retirement are assumed to be 1.25% for the GERP.

Salary growth assumptions range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service. Mortality rates were based on the Pub-2010 General Employee Mortality Table, with slight adjustments to fit PERA's experience.

Actuarial assumptions for GERP are reviewed every four years. The most recent four-year experience study was completed in 2019. The assumption changes were adopted by the Board and become effective with the July 1, 2020 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2022:

Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2022.

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	33.5%	5.10%
International equity	16.5%	5.30%
Fixed income	25.0%	0.75%
Private markets	25.0%	5.90%
Total	100%	

F. DISCOUNT RATE

The discount rate used to measure the total pension liability in 2022 was 6.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the GERP was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. PENSION LIABILITY SENSITIVITY

The following presents the MESB's proportionate share of the net pension liability, calculated using the discount rate disclosed in the preceding paragraph, as well as what the MESB's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

	<u>1% Decrease in Discount Rate (5.5%)</u>	<u>Discount Rate (6.5%)</u>	<u>1% Increase in Discount Rate (7.5%)</u>
Proportionate share of the GERF net pension liability	\$1,301,051	\$823,683	\$432,168

H. PENSION PLAN FIDUCIARY NET POSITION

Detailed information about the pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained at www.mnpera.org.

Note 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. PLAN DESCRIPTION

In addition to providing the pension benefits described in Note 8, MESB provides post-employment health care and life insurance benefits, as defined in paragraph B, for retired employees through its group health insurance and life insurance plans. The plan is a single-employer defined benefit OPEB plan administered by MESB. The authority to provide these benefits is established in Minnesota Statutes Sections 471.61. The benefits, benefit levels, employee contributions and employer contributions are governed by MESB and can be amended by MESB through its personnel manual and collective bargaining agreements with employee groups. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. OPEB is currently funded on a pay-as-you-go basis. The Plan does not issue a separate report.

B. BENEFITS PROVIDED

MESB provides OPEB benefits that mirror the policies of Anoka County (for retired employees) and Dakota County (for all other employees). After meeting certain eligibility requirements, employees hired prior to December 13, 2016 may be eligible to receive certain post-employment medical insurance and life insurance benefits. Currently, MESB has two former employees who meet the eligibility requirements and are receiving benefits, and two current employees who could potentially receive benefits in the future if all requirements are met. This portion of the OPEB Plan is closed to new entrants. Benefits are being funded on a pay-as-you-go basis.

METROPOLITAN EMERGENCY SERVICES BOARD
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

For the two former employees receiving benefits, MESB is obligated to pay one-half of the person's monthly single contribution for active employees' health insurance until the person becomes eligible for Medicare. Once eligible for Medicare, MESB is obligated to pay up to the amount Anoka County pays for Medicare supplement plan. The monthly benefit amount is adjusted annually. Total benefits paid in 2022 were \$4,383. In addition, MESB pays the premium for a \$2,000 life insurance policy.

For the two current employees who could potentially receive benefits, MESB would be obligated to pay one-half of their monthly single contribution for health insurance should they retire with 10-15 years of service or all of their monthly single contributions should they retire with 16 or greater years of service, until the person becomes eligible for Medicare. Once eligible for Medicare, MESB is obligated to pay up to the amount Anoka County pays for Medicare supplement plan. The monthly benefit amount is adjusted annually.

MESB is required by state statute to allow retirees to continue participation in MESB's group health insurance plan if the individual terminates service with MESB through service retirement or disability retirement. Active employees who retire from MESB may continue coverage with respect to both themselves and their eligible dependent(s) under MESB's health benefits program until age 65.

All health care coverage is provided through MESB's group health insurance plans. The retiree is required to pay 100% of their premium cost for MESB sponsored group health insurance plan in which they participate. The premium is a blended rate determined on the entire active and retiree population. Since the projected claims costs for retirees exceed the blended premium paid by retirees, the retirees are receiving an implicit rate subsidy (benefit). The coverage levels are the same as those afforded to active employees. Upon a retiree reaching age 65, Medicare becomes the primary insurer and MESB's plan becomes secondary.

C. PARTICIPANTS

As of the January 1, 2022 actuarial valuation, participants of the plan consisted of:

Active employees	9
Inactive employees and beneficiaries currently receiving benefits	<u>2</u>
Totals	<u><u>11</u></u>

METROPOLITAN EMERGENCY SERVICES BOARD
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

D. TOTAL OPEB LIABILITY AND CHANGES IN TOTAL OPEB LIABILITY

MESB's total OPEB liability of \$288,596 was measured as of January 1, 2022 and was determined by an actuarial valuation as of January 1, 2022. Changes in the total OPEB liability during 2022 were:

Balance - beginning of year	\$302,598
Changes for the year:	
Service cost	5,949
Interest	6,127
Plan changes	-
Differences between expected and actual experience	(17,381)
Changes in assumptions	(4,314)
Benefit payments	(4,383)
Net changes	<u>(14,002)</u>
Balance - end of year	<u><u>\$288,596</u></u>

The OPEB liability is liquidated by the General, 911, and Radio funds.

E. ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

The total OPEB liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00%
Salary increases	Rates vary by service
Discount rate	2.00%
Investment rate of return	N/A
Healthcare cost trend rates	6.50% as of January 1, 2022 grading to 5.00% over 6 years and then to 4.00% over the next 48 years.
Post-65 Healthcare trend rate	4.00%

Since the plan is funded on a pay-as-you-go basis, the discount rate was based on the 20 year AA rated municipal bond rate as of January 1, 2022 based on a tax-exempt, high-quality 20-year Municipal bond index.

Mortality tables are updated with Pub-2010 Public Retirement Plans General Headcount-Weighted Mortality Tables with MP-2021 Generational Improvement Scale.

METROPOLITAN EMERGENCY SERVICES BOARD
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

Based on past experience of the plan, 100% of future retirees with pre-65 subsidy availability are assumed to continue medical coverage. 50% of without Pre-65 Subsidy employees are assumed to continue medical coverage until age 65. Assumed retirement rates are as follows:

Attained Age	Retirement % Rule of 90	Retirement % Not Rule of 90
55	20%	4%
56	15%	4%
57	15%	5%
58	15%	5%
59	15%	6%
60	15%	8%
61	15%	10%
62	50%	20%
63	50%	20%
64	50%	20%
65+	100%	100%

F. SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the total OPEB liability of MESB, as well as what MESB's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.00%) or 1% higher (3.00%) than the current discount rate:

	1% Decrease (1.00%)	Discount Rate (2.00%)	1% Increase (3.00%)
Total OPEB liability	\$339,115	\$288,596	\$248,071

G. SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE HEALTHCARE COST TREND RATES

The following presents the total OPEB liability of MESB, as well as what MESB's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.50% decreasing to 4%) or 1% higher (7.50% decreasing to 6%) than the current healthcare cost trend rates:

	1% Decrease (5.50% decreasing to 4%)	Healthcare Cost Trend Rates (6.50% decreasing to 5.0%)	1% Increase (7.50% decreasing to 6.0%)
Total OPEB liability	\$244,610	\$288,596	\$344,696

METROPOLITAN EMERGENCY SERVICES BOARD
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

H. OPEB EXPENSE AND DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended December 31, 2022, MESB recognized \$16,793 of OPEB expense. At December 31, 2022, MESB reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in actuarial assumptions	\$12,587	\$2,876
Gain on liability	-	11,587
Contributions subsequent to the measurement date	7,445	-
Total	<u>\$20,032</u>	<u>\$14,463</u>

The \$7,445 reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction to the total OPEB liability during the year ended December 31, 2023.

Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	OPEB Expense Amount
2023	\$5,355
2024	(7,231)
2025	-
2026	-
2027	-
Thereafter	-

Note 10 CONTINGENCIES

Management is not aware of any existing or pending lawsuits, claims or other actions in which MESB is a defendant.

METROPOLITAN EMERGENCY SERVICES BOARD
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

Note 11 FUND BALANCE CLASSIFICATIONS

At December 31, 2022, a summary of the governmental fund balance classifications are listed below. Definitions for the classifications can be found in Note 1L.

	<u>General</u>	<u>911 Fund</u>	<u>EMS Fund</u>	<u>Radio Fund</u>	<u>Total</u>
Nonspendable:					
Prepaid items	\$3,799	\$3,182	\$ -	\$68,875	\$75,856
Restricted for:					
Emergency services	-	-	347,157	-	347,157
Committed for:					
Emergency services	-	169,488	31,361	452,576	653,425
Assigned for:					
Future projects	2,106,318	-	-	-	2,106,318
Unassigned	<u>125,023</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>125,023</u>
Total	<u>\$2,235,140</u>	<u>\$172,670</u>	<u>\$378,518</u>	<u>\$521,451</u>	<u>\$3,307,779</u>

Note 12 FEDERAL AND STATE FUNDS

Amounts received or receivable from federal and state agencies are subject to agency audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of funds which may be disallowed by the agencies cannot be determined at this time although MESB management expects such amounts, if any, to be immaterial.

Note 13 RISK MANAGEMENT

MESB is exposed to various risks of loss related to torts, theft of, damage to or destruction of assets, errors and omissions, injuries to employees, and natural disasters. MESB manages these various risks through membership in a joint powers agreement forming the Minnesota Counties Insurance Trust for the purpose of developing and administering a risk management service program. Insurance coverage obtained through the Trust includes workers' compensation, property, commercial general liability and public official's liability. According to the Trust's joint powers agreement, any liabilities of the Trust in excess of assets shall be assessed to the appropriate members of the Trust in a manner determined by the Trust's Board. Alternatively, if the Trust's assets are determined to be more than sufficient to meet liabilities and maintain reserves, such surplus assets may be returned to members in a manner to be determined by the Trust Board.

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three years.

METROPOLITAN EMERGENCY SERVICES BOARD
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

Note 14 EMERGENCY MEDICAL SERVICES FUNDS

EMS funds consist of both grants and EMS Relief Funds. Relief Funds are based on seat belt fines collected by the State. Relief Fund revenue is recognized in the period in which the related expenditures are incurred. Grant revenue is also recognized in the period in which the related expenditures are incurred.

EMS Grant funds received, expended and recognized as revenue are as follows:

Grant Period	Budget	Prior Years	2022	Balance
Grant revenue/expenditures (accrual basis):				
07/01/21 - 06/30/23	<u>\$269,472</u>	<u>\$21,447</u>	<u>\$137,942</u>	<u>\$110,083</u>
Receipts (cash basis):				
07/01/21 - 06/30/23	<u>\$269,472</u>	<u>\$9,738</u>	<u>\$117,236</u>	<u>\$142,498</u>

Differences between receipts and revenue/expenditures are recorded as grant receivable and/or unearned revenue, as appropriate.

Note 15 INTERFUND TRANSFERS

	Transfers In General Fund
Transfers out:	
EMS Fund	\$20,000
Radio Fund	<u>15,000</u>
Total transfers	<u>\$35,000</u>

Transfers were for EMS expenses paid by the General Fund and for management fees paid to the General Fund from the Radio Fund.

Note 16 CHANGE IN ACCOUNTING PRINCIPLE

During 2022, MESB implemented GASB Statement No. 87, *Leases*. As required by the standard, financial statement amounts have been restated effective January 1, 2021. The restatement had no effect on net position as of January 1, 2021, however, net position as of December 31, 2021 was restated as follows:

Net position - December 31, 2021, as previously reported	\$2,477,804
Right to use leased assets (net)	479,526
Lease liability	(494,083)
Accrued interest payable	<u>(5,487)</u>
Net position - December 31, 2021, restated	<u>\$2,457,760</u>

METROPOLITAN EMERGENCY SERVICES BOARD
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

Note 17 RECENTLY ISSUED ACCOUNTING STANDARDS

The Governmental Accounting Standards Board (GASB) recently approved the following statements which were not implemented for these financial statements:

Statement No. 94 *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2022.

Statement No. 96 *Subscription – Based Information Technology Arrangements*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2022.

Statement No. 99 *Omnibus 2022 – Based Information Technology Arrangements*. The provisions of this Statement contain multiple effective dates, the first being for reporting periods beginning after June 15, 2022.

Statement No. 100 *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62. The provisions of this Statement are effective for reporting periods beginning after June 15, 2023.

The effect these standards may have on future financial statements is not determinable at this time, but it is expected that Statement No. 96 may have a material impact.

REQUIRED SUPPLEMENTARY INFORMATION

METROPOLITAN EMERGENCY SERVICE BOARD
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2022
With Comparative Actual Amounts For The Year Ended December 31, 2021

Statement 6

	Budgeted Amounts		2022 Actual	Variance with	2021 Actual
	Original	Final	Amounts	Final Budget - Over (Under)	Amounts
Revenues:					
Member assessments	\$574,240	\$574,240	\$574,240	\$ -	\$561,913
Reimbursement revenue	2,000	2,000	-	(2,000)	-
Interest	12,000	12,000	29,414	17,414	12,112
Other	3,000	3,000	5,529	2,529	5,929
Total revenues	591,240	591,240	609,183	17,943	579,954
Expenditures:					
Current:					
Personal services	532,195	532,195	541,302	9,107	516,158
Equipment and maintenance upgrades	8,700	8,700	11,980	3,280	11,328
Other services and charges	82,780	82,780	81,107	(1,673)	64,083
Debt service on leases:					
Principal	10,229	10,229	10,229	-	9,735
Interest	336	336	336	-	830
Total expenditures	634,240	634,240	644,954	10,714	602,134
Revenues over (under) expenditures	(43,000)	(43,000)	(35,771)	7,229	(22,180)
Other financing sources (uses):					
Transfer in	30,000	30,000	35,000	5,000	30,000
Net change in fund balance	(\$13,000)	(\$13,000)	(771)	\$12,229	7,820
Fund balance - January 1			2,235,911		2,228,091
Fund balance - December 31			\$2,235,140		\$2,235,911

See accompanying notes to the required supplementary information.

METROPOLITAN EMERGENCY SERVICE BOARD**REQUIRED SUPPLEMENTARY INFORMATION****Statement 7****BUDGETARY COMPARISON SCHEDULE - 911 FUND**

For The Year Ended December 31, 2022

With Comparative Actual Amounts For The Year Ended December 31, 2021

	Budgeted Amounts		2022 Actual	Variance with	2021 Actual
	Original	Final	Amounts	Final Budget - Over (Under)	Amounts
Revenues:					
Member assessments	\$516,077	\$516,077	\$516,077	\$ -	\$507,766
Reimbursement revenue	35,720	35,720	-	(35,720)	-
Intergovernmental:					
State	-	-	249,151	249,151	-
Federal	-	-	217,527	217,527	155,711
Interest	-	-	4,967	4,967	3,709
Total revenues	<u>551,797</u>	<u>551,797</u>	<u>987,722</u>	<u>435,925</u>	<u>667,186</u>
Expenditures:					
Current:					
Personal services	444,643	444,643	418,436	(26,207)	482,540
Equipment and maintenance upgrades	9,500	9,500	11,229	1,729	7,781
Other grant expenditures	-	-	466,678	466,678	155,984
Other services and charges	103,730	103,730	115,927	12,197	116,278
Debt service on leases:					
Principal	7,672	7,672	7,672	-	7,301
Interest	252	252	252	-	623
Total expenditures	<u>565,797</u>	<u>565,797</u>	<u>1,020,194</u>	<u>454,397</u>	<u>770,507</u>
Net change in fund balance	<u>(\$14,000)</u>	<u>(\$14,000)</u>	(32,472)	<u>(\$18,472)</u>	(103,321)
Fund balance - January 1			205,142		308,463
Fund balance - December 31			<u>\$172,670</u>		<u>\$205,142</u>

See accompanying notes to the required supplementary information.

METROPOLITAN EMERGENCY SERVICE BOARD
REQUIRED SUPPLEMENTARY INFORMATION
Statement 8
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS*

For the Last Ten Years

	2022	2021	2020	2019	2018
Total OPEB liability:					
Service cost	\$5,949	\$6,506	\$5,006	\$7,824	\$8,568
Interest	6,127	7,524	9,629	8,732	8,360
Changes of benefit terms	-	-	-	-	-
Plan changes	-	-	(3,305)	-	-
Differences between expected and actual experience	(17,381)	-	(21,379)	-	-
Changes in assumptions	(4,314)	37,761	19,465	(19,221)	-
Benefit payments	(4,383)	(4,218)	(5,499)	(5,985)	(3,841)
Net change in total OPEB liability	(14,002)	47,573	3,917	(8,650)	13,087
Total OPEB liability - beginning	302,598	255,025	251,108	259,758	246,671
Total OPEB liability - ending	<u>\$288,596</u>	<u>\$302,598</u>	<u>\$255,025</u>	<u>\$251,108</u>	<u>\$259,758</u>
Covered-employee payroll	\$779,181	\$805,345	\$779,995	\$702,011	\$681,564
Total OPEB liability as a percentage of covered-employee payroll	37.0%	37.6%	32.7%	35.8%	38.1%

*The schedule is provided prospectively beginning with MESB's fiscal year ended December 31, 2018 and is intended to show a ten year trend. Additional years will be added as they become available.

METROPOLITAN EMERGENCY SERVICE BOARD
REQUIRED SUPPLEMENTARY INFORMATION
Statement 9
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY* -
GENERAL EMPLOYEES RETIREMENT FUND

For the Last Ten Years

Measurement Date June 30	Fiscal Year Ending December 31	MESB's Proportionate Share (Percentage) of the Net Pension Liability	MESB's Proportionate Share (Amount) of the Net Pension Liability (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with MESB (b)	MESB's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with MESB (a+b)	Covered Payroll (c)	MESB's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	2015	0.0104%	\$538,982	\$ -	\$538,982	\$625,308	86.2%	78.2%
2016	2016	0.0097%	787,592	10,258	797,850	603,010	132.3%	68.9%
2017	2017	0.0099%	632,009	7,941	639,950	637,297	100.4%	75.9%
2018	2018	0.0099%	549,211	17,972	567,183	663,226	85.5%	79.5%
2019	2019	0.0097%	536,291	16,666	552,957	686,227	80.6%	80.2%
2020	2020	0.0108%	647,509	20,087	667,596	781,563	85.4%	79.1%
2021	2021	0.0111%	474,020	14,426	488,446	808,838	60.4%	87.0%
2022	2022	0.0104%	823,683	24,137	847,820	778,227	108.9%	76.7%

* The schedule is provided prospectively beginning with the Board's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

METROPOLITAN EMERGENCY SERVICE BOARD**REQUIRED SUPPLEMENTARY INFORMATION****Statement 10****SCHEDULE OF PENSION CONTRIBUTIONS* - GENERAL EMPLOYEES RETIREMENT FUND**

For the Last Ten Years

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered- Employee Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
December 31, 2015	\$46,755	\$46,755	\$ -	\$623,400	7.5%
December 31, 2016	47,216	47,216	-	629,550	7.5%
December 31, 2017	46,603	46,603	-	621,373	7.5%
December 31, 2018	49,873	49,873	-	664,973	7.5%
December 31, 2019	55,045	55,045	-	733,933	7.5%
December 31, 2020	59,300	59,300	-	790,667	7.5%
December 31, 2021	59,901	59,901	-	799,161	7.5%
December 31, 2022	57,523	57,523	-	766,973	7.5%

* The schedule is provided prospectively beginning with the Board's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

See accompanying notes to the required supplementary information.

METROPOLITAN EMERGENCY SERVICES BOARD
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO RSI
December 31, 2022

Note A LEGAL COMPLIANCE – BUDGETS

The General and 911 Funds budgets are legally adopted on an annual basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the fund level for these funds.

Note B OPEB INFORMATION

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

2022 Changes

Changes in Actuarial Assumptions:

- The health care trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans General Headcount-Weighted Mortality Tables with MP-2019 Generational Improvement Scale to the Pub-2010 Public Retirement Plans General Headcount-Weighted Mortality Tables with MP-2021 Generational Improvement Scale.
- The salary increase rates were updated to reflect the latest experience study
- The retirement and withdrawal rates were updated to reflect the latest experience study.
- The inflation rate was changed from 2.50% to 2.00%.

2021 Changes

Changes in Actuarial Assumptions:

- The discount rate was changed from 2.90% to 2.00%.

2020 Changes

Changes in Actuarial Assumptions

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale to the Pub-2010 Public Retirement Plans General Headcount-Weighted Mortality Tables with MP-2019 Generational Improvement Scale.
- The salary increase rates were changed from a flat 3.00% per year for all employees to rates which vary by service.
- The discount rate was changed from 3.80% to 2.90%

Changes in Plan Provisions:

- The post-employment subsidized spouse benefit was removed.

2019 Changes

Changes in Actuarial Assumptions

- The discount rate was changed from 3.30% to 3.80%.

METROPOLITAN EMERGENCY SERVICES BOARD
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO RSI
December 31, 2022

Note C PENSION INFORMATION

PERA – General Employees Retirement Fund

2022 Changes

Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2021 Changes

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50% for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

2020 Changes

Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were decreased 0.25% and assumed rates of retirement were changed resulting in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination and disability were also changed.
- Base mortality tables were changed from RP-2014 tables to Pub-2010 tables, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

2020 Changes

Changes in Plan Provisions:

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2017 to MP-2018.

2019 Changes

Changes in the Plan Provisions:

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018 Changes

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

METROPOLITAN EMERGENCY SERVICES BOARD
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO RSI
December 31, 2022

2017 Changes

Change in Actuarial Assumptions:

- The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15.0% for vested deferred member liability and 3.0% for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

2016 Changes

Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

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OTHER REQUIRED REPORTS

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners
Metropolitan Emergency Services Board
St. Paul, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Metropolitan Emergency Services Board, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Metropolitan Emergency Services Board's basic financial statements, and have issued our report thereon dated May 1, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Metropolitan Emergency Services Board's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Metropolitan Emergency Services Board's internal control. Accordingly, we do not express an opinion on the effectiveness of Metropolitan Emergency Services Board's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Metropolitan Emergency Services Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Metropolitan Emergency Services Board's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Metropolitan Emergency Services Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Redpath and Company, Ltd.

REDPATH AND COMPANY, LTD.

St. Paul, Minnesota

May 1, 2023



MINNESOTA LEGAL COMPLIANCE REPORT

To the Board of Commissioners
Metropolitan Emergency Services Board
St. Paul, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Metropolitan Emergency Services Board as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Metropolitan Emergency Services Board's basic financial statements, and have issued our report thereon dated May 1, 2023.

In connection with our audit, nothing came to our attention that caused us to believe that Metropolitan Emergency Services Board failed to comply with the provisions of the contracting – bid laws, depositories of public funds and public investments, conflicts of interest, claims and disbursements, and miscellaneous provisions of the *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions*, promulgated by the State Auditor pursuant to Minnesota Statute § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding Metropolitan Emergency Services Board's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

Redpath and Company, Ltd.

REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

May 1, 2023

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COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

To the Board of Commissioners
Metropolitan Emergency Services Board
St. Paul, Minnesota

We have audited the financial statements of the governmental activities and each major fund of Metropolitan Emergency Services Board for the year ended December 31, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 7, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Metropolitan Emergency Services Board are described in Note 1 to the financial statements. As described in Note 16 to the financial statements, Metropolitan Emergency Services Board adopted new accounting guidance for 2022, Governmental Accounting Standards Board Statement No. 87, *Leases*. We noted no transactions entered into by Metropolitan Emergency Services Board during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the governmental activities' financial statements are the estimated present value of the lease liability, and the estimates used to calculate the net pension and other post-employment benefits (OPEB) liability, the pension and OPEB related deferred outflows and inflows of resources, and pension expense. These estimates are based on the Metropolitan Emergency Services Board's estimated incremental borrowing rate as of January 1, 2021 and actuarial studies. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. Determining sensitivity is subjective, however, we believe the disclosures most likely to be considered sensitive are:

- Note 7 – Lease Liabilities
- Note 8 – Defined Benefit Pension Plans

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no uncorrected misstatements identified during the audit. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 1, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to Metropolitan Emergency Services Board’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Metropolitan Emergency Services Board’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management’s discussion and analysis, the budgetary comparison schedules, and the schedules of OPEB and pension information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Other Reports

Various reports on compliance and internal controls are contained in the Other Required Reports section of the audited financial statement document.

Restriction on Use

This information is intended solely for the information and use of the Board and management of Metropolitan Emergency Services Board and is not intended to be, and should not be, used by anyone other than these specified parties.

Redpath and Company, Ltd.

REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

May 1, 2023

Redpath and Company, Ltd.
St. Paul, Minnesota

This representation letter is provided in connection with your audit of the financial statements of Metropolitan Emergency Services Board, which comprise the respective financial position of the governmental activities and each major fund as of December 31, 2022, and the respective changes in financial position for the year then ended, and the disclosures (collectively, the “financial statements”), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date signed below, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 20, 2022, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

Redpath and Company, Ltd.
Representation Letter, Page 2

6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
8. You have proposed adjusting journal entries that have been posted to the entity's accounts. We are in agreement with those adjustments.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10. Guarantees, whether written or oral, under which Metropolitan Emergency Services Board is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

11. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the Metropolitan Emergency Services Board from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of Metropolitan Emergency Services Board or summaries of actions of recent meetings for which minutes have not yet been prepared.
12. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
13. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
14. We have no knowledge of any fraud or suspected fraud that affects Metropolitan Emergency Services Board and involves:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.

Redpath and Company, Ltd.
Representation Letter, Page 3

15. We have no knowledge of any allegations of fraud or suspected fraud affecting Metropolitan Emergency Services Board's financial statements communicated by employees, former employees, regulators, or others.
16. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste, or abuse, whose effects should be considered when preparing financial statements.
17. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
18. We have disclosed to you the names of Metropolitan Emergency Services Board's related parties and all the related party relationships and transactions, including any side agreements.

Government-specific

19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
21. We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
22. Metropolitan Emergency Services Board has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
23. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
24. We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
25. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

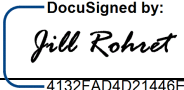
Redpath and Company, Ltd.
Representation Letter, Page 4

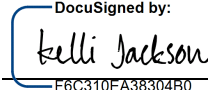
26. As part of your audit, you assisted with preparation of the financial statements and disclosures and also assisted with cash to accrual adjustments. You also assisted with the calculations GASB 68 (Defined Benefit Pension Plans), GASB 75 (Other Post-Employment Benefits), and GASB 87 (Leases), and the fund balance classifications workpaper. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures, cash to accrual adjustments, the calculations GASB 68 (Defined Benefit Pension Plans), GASB 75 (Other Post-Employment Benefits), and GASB 87 (Leases) and the fund balance classifications workpaper.
27. Metropolitan Emergency Services Board has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
28. Metropolitan Emergency Services Board has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
29. The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
30. The financial statements include all fiduciary activities as required by GASBS No. 84, as amended.
31. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34, as amended.
32. All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
33. Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
34. Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
35. Provisions for uncollectible receivables have been properly identified and recorded.
36. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

Redpath and Company, Ltd.
Representation Letter, Page 5

37. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
38. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
39. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
40. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
41. We have appropriately disclosed the Metropolitan Emergency Services Board's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
42. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
43. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

Date: 5/1/2023 | 6:04 AM PDT

Signed:  4132FAD4D21446E...

Signed:  F6C310EA38304B0...

Title: Executive Director

Title: Financial Services Specialist



METROPOLITAN EMERGENCY SERVICES BOARD

Meeting Date:

May 10, 2023

Agenda Item:

**6A. Approval of Amendments to
Metro Radio Standard 6.3.0 –
Site Leases & Utilities**

Presenter:

Fredrick

RECOMMENDATION

The Radio TOC recommends approval of amendments to Metro Radio Standard 6.3.0 – Site Leases and Utilities.

BACKGROUND

The Metropolitan Emergency Services Board established standards for operating the ARMER system in the Metro Region. These standards range from how utilities are billed to how to request changes to the system. These standards have been reviewed over the past four years.

ISSUES & CONCERNS

Metro Radio Standard 6.3.0 – Site Leases & Utilities was reviewed for content and language changes.

Amendments to Standard 6.3.0 were made to clarify that, if equipment changes are made at any sites for which the MESB is the lessee, the changes need to be documented and updated in a timely manner, and in some instances, approved by the Radio TOC and Board, especially in instances when there is a financial impact.

The Radio TOC reviewed the standard and recommends approval of the amendments.

FINANCIAL IMPACT

None to MESB.

MOTION BY:

SECONDED BY:

MOTION:

PASS/FAIL

Metro Region ARMER Standards

Section 6 – Metro 6.3.0 Site Lease, Property Insurance and Utility Costs

Date Established

8-27-01

Date Revised/Reviewed

1-5-234-

24-19

1. Purpose or Objective

The purpose of this standard is to outline a procedure for determining costs of site leases and utilities for operation of the metropolitan region of the ARMER system and for billing each agency its prorated share. The standard is governed by Minnesota Statute 403.31, which allows for operating costs to be spread across the users of the system, and by the various cooperative agreements between the Board and the governmental entities whiche are full participants in the metropolitan region of the ARMER system.

2. Technical Background

- Capabilities: None
- Constraints: None

3. Operational Context

In 2007, the Minnesota Legislature approved funding for the operating costs of the ARMER system backbone, which became effective July 1, 2007. Prior to that, the metropolitan region was responsible to pay for 46.4% of the backbone operating costs; funds to pay these costs were raised via user fees charged by the Metropolitan Radio Board and later, the Metropolitan Emergency Services Board (MESB). Effective July 1, 2007, the MESB ceased charging user fees to metro ARMER system users. Local ARMER subsystem owners are only responsible to pay the operating costs of their local enhancements to the system, including any changes made after the original lease; these costs, which bill quarterly in accordance with cooperative agreements.

4. Recommended Protocol / Standard

The standard is governed by the cooperative agreement among the parties.

5. Recommended Procedure

Each year, during the MESB's annual budgeting process, MESB staff shall prepare an estimate of the projected lease and utilities costs to be covered for the upcoming calendar year. This procedure shall be accomplished by the regular July meeting of the Board. Lease and utilities costs are the actual costs incurred by the Board and shall be billed quarterly within 30 days following each calendar quarter beginning with the first quarter of 2002.

Each entity shall be informed of the amount projected to be charged for the following calendar year no later than August 1st of the year preceding the budget year.

If any entity which keeps equipment on at a leased site wishes to makes changes to the equipment housed there, including the placement of antennas, the changes will be reported to the MESB in writing as soon as feasibly possible after the the need for the changes are made is known. If the changes include antenna location changes, new tower mapping drawings may be required to be submitted by the agency requesting the change(s). The MESB will communicate with the lessor to determine if the desired changes fall within the scope of the lease or if a lease amendment, which may include a change in rent, will be

required. At no time will any subsystem owner make equipment changes at a leased site without the express written permission from the MESB and the site lessor. If said changes impact lease and/or utility costs, those changes will be made immediately and made known to the entity.

When changes are made, MnDOT and the MESB shall adjust the cost allocation for the affected site for both rent and utilities. MESB will notify equipment owners at the affected site of the changes to the rent/utilities allocation as soon as practicable.

6. Management

The MESB Executive Director ~~of the Board is~~ and Radio Services Coordinator are responsible for managing this procedure.



METROPOLITAN EMERGENCY SERVICES BOARD

Meeting Date:

May 10, 2023

Agenda Item:

**8A. Approval of Lease Agreement
with Fairview Health Services
for MIR Bus Storage**

Presenter:

Hayes

RECOMMENDATION

MESB staff recommend the Board approve the lease agreement with Fairview Health Services for MIR Bus Storage.

BACKGROUND

The Metropolitan Emergency Services Board owns a Major Incident Response (MIR) bus which was originally purchased in the early 2000's to assist Metro Region EMS agencies respond to incidents involving a large number of patients. Additionally, the bus may support other regions within the State of Minnesota and as stand-by at large events.

Currently, the MESB has an agreement in effect for one bus operator and the bus is stored at a public works facility in the City of St. Francis. In 2022, the MESB issued an RFP for bus operators, hoping to have agreements with more than one person to operate the bus. During that RFP process, only one proposal was received and awarded by the Board.

If the MESB receives a request for use of the MIR bus, if the driver is available the bus can be deployed within four to six hours of notification.

ISSUES & CONCERNS

MESB staff received feedback from EMS agencies that the bus was not centrally located when stored in St. Francis; it would take the operator or MESB staff a lot of time just to get to that location.

Additionally, having only one person (two if Greg Hayes is included), limits how and when the bus may be used. The current bus operator with whom the MESB has an agreement cannot always be available for deployments, which was why the MESB wanted multiple agreements.

Moving the bus to be stored at Fairview Health Services' EMS location in St. Paul, not only moves the bus to a more central location in the region, but it also creates a partnership which would allow for quicker deployments with access to multiple qualified bus operators.

MOTION BY:

SECONDED BY:

MOTION:

PASS/FAIL



METROPOLITAN EMERGENCY SERVICES BOARD

Meeting Date:

May 10, 2023

Agenda Item:

**8A. Approval of Lease Agreement
with Fairview Health Services
for MIR Bus Storage**

Presenter:

Hayes

Board counsel reviewed the lease and is satisfied with the final product before the Board for approval.

FINANCIAL IMPACT

The lease with Fairview Health Services maintains the monthly rent amount currently paid by the MESB. The lease cost is included in the EMS grant budgets.

MOTION BY:
SECONDED BY:
MOTION:

PASS/FAIL

LEASE & SERVICES AGREEMENT BETWEEN
FAIRVIEW HEALTH SERVICES AND THE
METROPOLITAN EMERGENCY SERVICES BOARD

This is a Lease Agreement ("Lease Agreement") between Fairview Health Services, a Minnesota non-profit corporation, 799 Reaney Ave. E., St. Paul, MN 55106 ("Fairview") and the Metropolitan Emergency Services Board, a political subdivision of the State of Minnesota, 2099 University Ave. W., St. Paul, MN 55104 ("MESB").

WHEREAS, Fairview has a facility (the "Facility") located at 799 Reaney Ave. E., St. Paul, MN 55106; and

WHEREAS, the MESB has a multi-patient EMS vehicle referred to as the Major Incident Response ("MIR") bus, used for medical evacuations, support of special events, and long-term incident rehabilitation; and

WHEREAS, the MESB seeks the use of space in the Facility to house the MIR bus; and

WHEREAS, the MESB may occasionally require Fairview's trained professionals to operate the MIR bus and/or to perform maintenance on the bus; and

WHEREAS, Fairview may occasionally request to operate the MIR bus.

NOW, THEREFORE, in consideration of the foregoing and in consideration of the mutual covenants herein contained, which each of the parties hereto acknowledges as adequate and sufficient, Fairview and the MESB agree as follows:

1. Leased Premises.

Fairview, in consideration of the Rents to be paid by the MESB, and in accordance with the terms of this Agreement, hereby leases to the MESB, and the MESB does lease from Fairview, the premises located in the City of St. Paul, State of Minnesota, described as follows:

Certain space in the Facility as more specifically identified and described in Exhibit A, attached hereto, and made part of this Lease Agreement ("Leased Premises").

Unless otherwise specifically provided herein, the MESB is taking the Leased Premises in "AS IS" condition and Fairview is under no obligation to make any alterations, additions, or improvements in or to the Leased Premises. The execution of this Lease Agreement shall be conclusive evidence that the Leased Premises were, on the date of execution by the MESB, in good, clean, and usable condition, acceptable to the MESB and as required by this Lease Agreement.

2. Term of Lease.

This Lease Agreement shall be in effect for an initial term of two years commencing on July 1, 2023, and continuing through June 30, 2025, and will automatically renew for up to three additional one-year periods, subject to the right of either party to terminate this Lease Agreement pursuant to the provisions of Section 6 of this Lease Agreement.

3. Use of Leased Premises.

The MESB shall have the non-exclusive right to house and maintain the MESB's MIR bus. MESB will make no other use of the Leased Premises without Fairview's prior written consent.

The MESB represents that the operation and maintenance of the MESB MIR bus will not interfere with existing Fairview operations. In the event there is interference, the MESB shall promptly attempt to resolve the interference. The Leased Premises will not be used by the MESB for any purpose that is illegal, offensive, or hazardous. No flammable fluids (excluding gasoline in the bus), explosives, or hazardous or toxic substances may be stored by the MESB in, on, or about the Leased Premises. MESB agrees to not make or suffer to be made any alterations or improvements of any part of the Leased Premises without prior consent of Fairview.

During the term of this Lease Agreement, and during any renewal term, the MESB shall comply with all applicable laws and ordinances and Fairview's rules and regulations including, but not limited to, Fairview's smoking policy, in its use of the Leased Premises. The MESB and its employees, agents and contractors shall always have the right of access to and from the Leased Premises for the purposes of operating, inspecting, repairing, servicing, replacing, or monitoring the MESB equipment, at any time.

4. Placement of MESB Equipment.

The MESB shall, at its own expense, install the MESB Equipment described in the Equipment List, attached hereto and made a part of this Lease Agreement as Exhibit B.

5. Rent.

Payment of cash rent is \$1,000.00 per month. Fairview will bill MESB monthly. MESB shall pay Fairview within 30 days from receipt of the invoice.

6. Termination.

- a. This Lease Agreement may be terminated by either party with or without cause at any time upon giving thirty (30) days' written notice of such termination to the other party.
- b. Upon expiration or termination, the MESB shall have sixty (60) days from the date of expiration or delivery of notice of termination to remove all of the MESB's equipment from the Leased Premises.

7. Utilities and Services.

- a. Fairview agrees to provide utilities services, maintenance and operational services to the Facility of which the Leased Premises are a part in accordance with its routine schedule.
- b. Fairview agrees to submit staff members to the MESB for MESB's approval prior to those staff members operating the vehicle.
- c. MESB may deploy the vehicle without Fairview staff at any time during the lease term.
- d. **MESB-Initiated Deployments:** MESB may engage pre-approved Fairview staff to operate the vehicle upon mutual agreement of the parties, for up to twenty-four (24) deployments per lease term year. For any deployments above the 24 deployments baseline a year, Fairview may charge MESB \$50.00 per hour during the deployment. Fairview may invoice MESB after the deployment, and the amount due under such invoice shall be payable within (30) days after MESB's receipt of such invoice.

- e. **Fairview-Initiated Deployments:** Fairview may initiate its own deployment of the vehicle upon pre-approval by the MESB, at no cost. These Fairview-initiated deployments will not count towards the MESB-initiated deployments referenced in paragraph 7(d) above. During Fairview-initiated deployments, Fairview may, with prior approval by the MESB, allow third parties to run EMS operations at an event or incident without a Fairview representative on-site, with the understanding that only an MESB or Fairview representative can drive the bus.
- f. Fairview may perform light maintenance, such as fluid top-offs, on the vehicle with written pre-approval from MESB. Fairview may charge for time and materials at the rate of \$85.00 per hour.

8. Right of Entry by Fairview.

Fairview shall have the right to examine and inspect the Leased Premises for safety reasons and to ensure that the MESB's covenants are being met. In the event of an emergency that poses an immediate threat of harm or damage to persons, and/or property, Fairview may enter the Leased Premises and may take such actions as are required to protect the individuals or property from such immediate threat of harm or damage; provided that promptly after such emergency entry onto the Leased Premises, Fairview shall notify the MESB of its entry onto the Leased Premises. The MESB agrees to cooperate with Fairview's efforts to pinpoint and repair leaks or other damage to the roof or other areas of the Facility, including replacement of the roof, provided that the MESB shall not be monetarily responsible for such repair or replacement, and that if MESB is required to remove the vehicle for more than 5 days, the MESB shall pay a prorated rent, accounting for the days it was not permitted to park in the Leased Premises.

9. Care of Leased Premises.

The MESB agrees to keep the Leased Premises in good, clean condition during the entire Term of this Lease Agreement, including any renewals, subject to Fairview's maintenance and operational obligations specified herein. The MESB agrees to comply with reasonable directives issued by Fairview regarding access to and care of the Leased Premises.

10. Indemnification and Covenant to Hold Harmless.

Each party agrees that it will be responsible for its own acts and the results thereof to the extent authorized by law and shall not be responsible for the acts of the other party or the results thereof. The liability of MESB shall be governed by the provisions of Minnesota Statutes Chapter 466.

11. Insurance.

MESB and Fairview shall each maintain insurance covering damage to their respective property. The MESB and Fairview shall each maintain automobile liability insurance, written on an occurrence basis with a combined single limit of not less than \$1,500,000.00 per occurrence. The MESB shall include Fairview as an additional insured under its general liability insurance policy and Fairview will be covered under MESB's auto insurance provision under "permissive use." MESB does not represent in any way that the insurance specified in this Agreement is adequate or sufficient to protect Fairview's business or interests. It is the sole responsibility of Fairview to determine the need for and to procure additional coverage that may be needed in connection with this Agreement.

Fairview shall maintain property insurance on the Facility on a replacement cost basis, and general liability insurance on its operations with minimum limits of at least \$1,500,000.00 per occurrence and \$3,000,000.00 in the annual aggregate. Fairview shall include the MESB as an additional insured under its general liability policy. Both parties will maintain workers compensation insurance as required by law.

Each party shall provide to each other a certificate of insurance evidencing the insurance required hereunder. The retroactive date shall be included on the certificate of insurance for any policies written on a claims-made basis.

Notwithstanding anything to the contrary in this agreement, Fairview shall have the right to satisfy these insurance requirements via (i) self-insurance, (ii) commercial insurance, or (iii) any combination of self-insurance and commercial insurance.

12. Damage or Destruction.

If during the term of this Lease the Leased Premises or MESB's property are damaged by fire or other casualty, so that the Leased Premises or MESB's property is rendered unfit for use, then either MESB or Fairview may terminate this Lease upon thirty days written notice to the other.

13. Assignment.

This Lease Agreement, or the rights hereunder, may not be sold, assigned, or transferred at any time by the MESB without the written consent of Fairview, unless required by operation of law.

14. Governing Law.

This Lease Agreement shall be construed and enforced in accordance with the laws of the State of Minnesota.

15. Notices.

All notices or communications between Fairview and MESB shall be deemed sufficiently given or rendered if in writing and delivered to either party personally or sent by registered or certified mail addressed as follows:

Fairview: Fairview EMS
Attn: Chief of EMS
799 Reaney Ave. E.
St. Paul, MN 55106

MESB: Metropolitan Emergency Services Board
Attn: Executive Director
2099 University Ave. W.
St. Paul, MN 55104

16. Amendment.

This Lease Agreement shall be amended only in the form of a written amendment executed by both parties.

17. Entire Agreement.

This Lease Agreement, including all addenda, exhibits, and schedules, is intended by the parties as the final and binding expression of their agreement and as the complete and

exclusive statement of its terms and all prior negotiations and agreements relating to the subject matter of this Lease Agreement are merged herein.

IN WITNESS WHEREOF, the parties have set their hands on the date(s) indicated below intending to be bound thereby.

FAIRVIEW HEALTH SERVICES

By: _____
Title: _____
Date: _____

METROPOLITAN EMERGENCY SERVICES BOARD

By: _____
Title: _____
Date: _____

Approved as to form and execution by Attorney for the Board

By: _____
Title: MESB Counsel, Hennepin County Assistant Attorney
Date: _____

EXHIBIT A – FACILITY DESCRIPTION

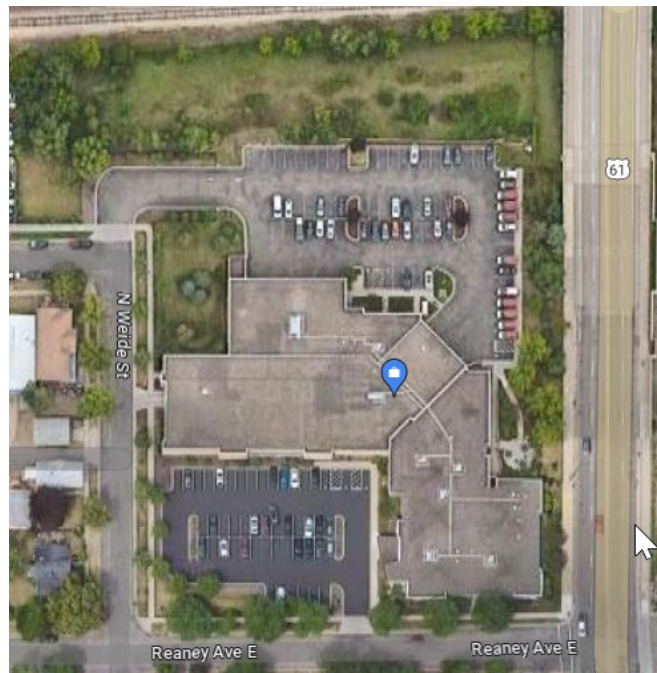
Address: 799 Reaney Ave. E.,

City: St. Paul

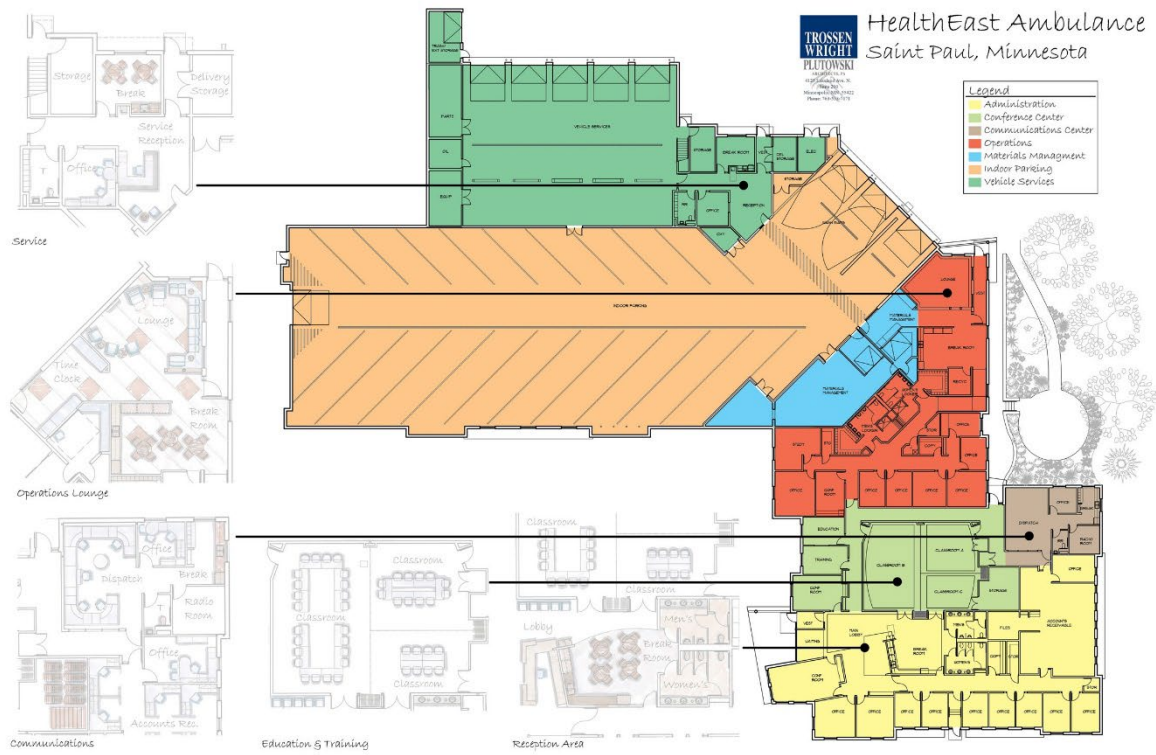
State: MN

Zip Code: 55106

Aerial View of the Facility



Building Plan



Building Elevation Crop

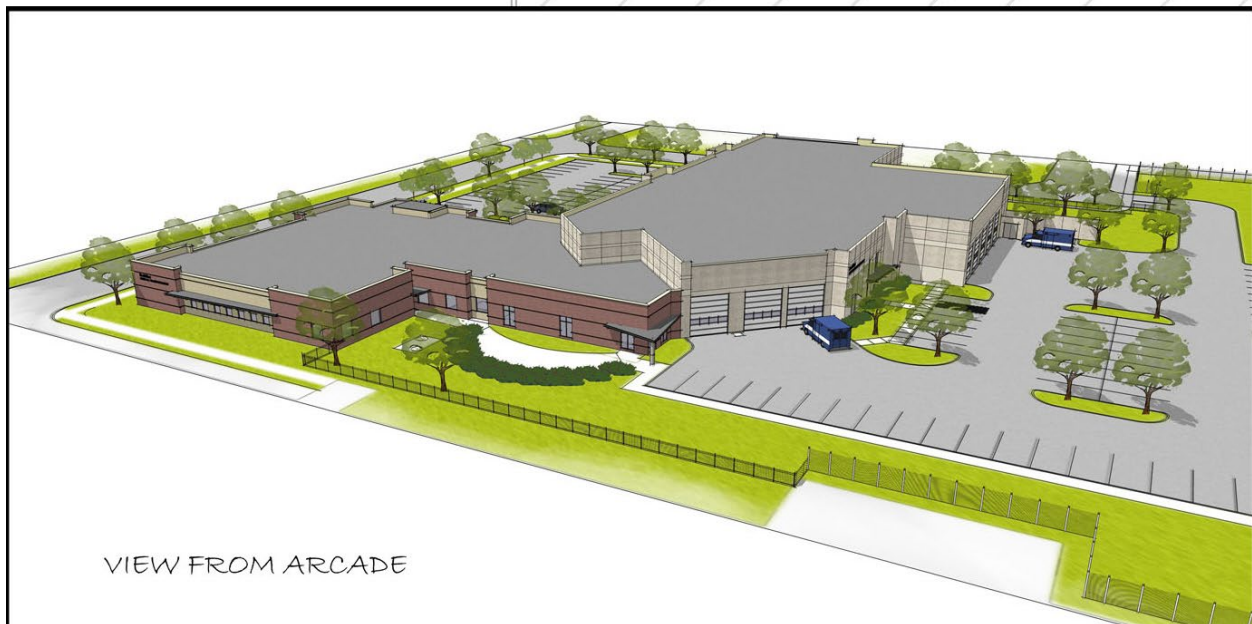


EXHIBIT B

The Mobile Incident Response bus is a medical response bus which has the ability to transport 18 patients on cot style beds or 20 seated patients. The bus has the following capabilities:

1. Oxygen delivery system to each patient.
2. Vitals monitoring for each patient.
3. Onboard generator to operate independently from a power source.
4. Basic medical supplies for response.







METROPOLITAN EMERGENCY SERVICES BOARD

Meeting Date:

May 10, 2023

Agenda Item:

**9A. Approval of Regional
Needs Document**

Presenter:

Rohret

RECOMMENDATION

The Executive Committee recommends approval of the regional needs document.

BACKGROUND

In late 2022, the Southwest Emergency Communications Board (SWECEB) created a document to include regional and individual county ARMER funding needs. This document was discussed at the SECB Finance Committee on February 9, 2023; the Finance Committee formally asked each region to complete a regional needs document and return it to the SECB Grants Workgroup by Monday, March 6, 2023.

The SWECEB document included region-wide needs as well as needs of individual counties.

ISSUES & CONCERNS

Though the communication out to the regions expressly stated that only ARMER needs should be included, MESB staff feel it is important to also include some 9-1-1 needs, as the state is not funding all 9-1-1 needs and the direct appropriation to each PSAP cannot cover all 9-1-1 related needs.

The 9-1-1 items included in this document were taken from the 2023 approved regional funding priorities and are:

- CAD-to-CAD interoperability solution (and noted this is included in the MESB's legislative appropriation bills (HF 2431/SF 2454))
- GIS Software Services - School Mapping (also included in HF 2431/SF 2454)
- GIS Software Services
- Geo-Diverse 9-1-1 CHE ESInet Connections
- Staff Recruitment and Retention

The Radio items included in this document were taken from the 2023 approved regional funding priorities and are:

- Requests for bi-directional amplifiers (BDAs)/distributed antenna systems (DAS)
- AES Encryption
- Vendor-provided radio technical training
- Communications Response Task Force (CRTF) training and exercising

MOTION BY:

SECONDED BY:

MOTION:

PASS/FAIL



METROPOLITAN EMERGENCY SERVICES BOARD

Meeting Date:

May 10, 2023

Agenda Item:

**9A. Approval of Regional
Needs Document**

Presenter:

Rohret

- Staff recruitment & retention
- Ongoing Maintenance for Existing ARMER Infrastructure
- Subscriber Equipment Replacement
- Additional Local Enhancement for Capacity/Coverage Needs

FINANCIAL IMPACT

None to the MESB at this time.

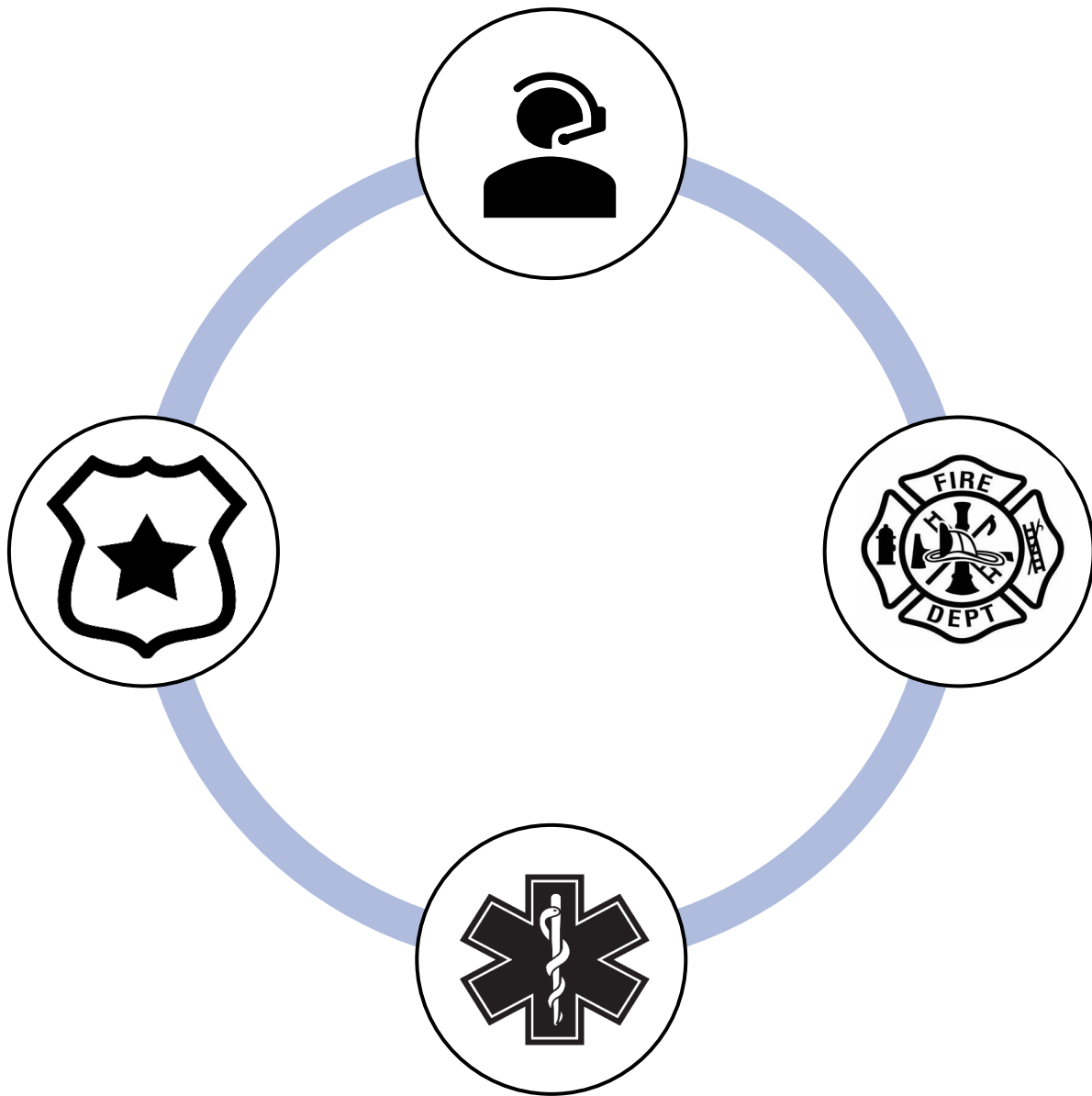
MOTION BY:
SECONDED BY:
MOTION:

PASS/FAIL



Metropolitan Emergency Services Board

Regional Needs: The Public Safety Emergency Communications Ecosystem



DRAFT: May 1, 2023

The Metropolitan Emergency Services Board

The Metropolitan Emergency Services Board (MESB) is one of seven regional Emergency Communications Boards (ECBs) and Emergency Services Boards (ESBs) in the state of Minnesota. The MESB was established under MSS 471.59, MSS 403.39 and MSS 403.392 to provide local governance on matters related to emergency communications (9-1-1 and ARMER), as well serving as the regional EMS system for the metro region. The MESB is a joint powers board composed of the following entities: Anoka County; Carver County; Chisago County; Dakota County; Hennepin County; Isanti County; Ramsey County; Scott County; Sherburne County; Washington County; and the City of Minneapolis.

The Public Safety Emergency Communications Ecosystem

With approximately 94,000 active radios (MnDOT, October 2022), the statewide Allied Radio Matrix for Emergency Response (ARMER) system, built by Motorola Solutions and owned and operated by the Minnesota Department of Transportation (MnDOT), provides interoperable Land Mobile Radio (LMR) communication capabilities to 9-1-1 emergency communication centers (ECCs) (also known as Public Safety Answering Points or PSAPs), law enforcement, fire, Emergency Medical Services (EMS), emergency management, public works, and other public safety users across Minnesota.



Construction of the ARMER system in the Twin Cities metropolitan region began in the late 1990s and expanded to include greater Minnesota in the mid-2000s. In late 2020, the MnDOT completed its backbone of the ARMER system buildout. There are now 335 state-maintained and 100 locally maintained ARMER tower sites on-the-air across Minnesota that provide ARMER system radio coverage (mobile only) to 95% of the state's geographic area. Of the 100 locally maintained ARMER tower sites, 54 are in the metro region.

As the ARMER system matures, there is a need to maintain and replace or upgrade aging infrastructure, equipment, and technology. The Statewide Emergency Communication Board (SECB) and state agencies are currently working to develop a capital improvement plan to address this need.

In 1979, the Metropolitan 9-1-1 Telephone Board was formed as a joint powers board of the seven metropolitan counties to plan, design, and implement the first multi-jurisdictional enhanced 9-1-1 (E9-1-1) system in the United States. This system went live at midnight, December 1, 1982, and provided the basis for the statewide buildout of E9-1-1. Today, all 108 PSAPs in the state are part of the statewide 9-1-1 network. Of the 108 PSAPs, 24 are located in the metro region. The 9-1-1 network is in process of transitioning from E9-1-1 to Next Generation 9-1-1, which will provide PSAPs additional abilities to answer texts, receive photos and videos, provide improved 9-1-1 caller location, and provide pre-determined rules for routing of 9-1-1 calls.

Today, the Department of Public Safety contracts and pays for the statewide 9-1-1 system. Local governments pay for costs associated with receiving 9-1-1 calls and dispatching public

safety responders. Local government costs include maintaining the physical PSAP; salaries/benefits for PSAP employees, including public safety telecommunicators (PSTs), administration staff, technical staff, and in some cases, dedicated GIS staff; purchase and maintenance of call handling equipment (CHE) used to answer 9-1-1 calls; purchase and maintenance of communications/radio equipment used to dispatch response to 9-1-1 calls; software or subscription services to maintain the PSAP's 9-1-1 data and services, including GIS data; and software or subscription services to provide Integrated Public Alert and Warning Systems (IPAWS) alerts to the public. Much like the ARMER system, as the 9-1-1 network and 9-1-1 systems continue to evolve, there is a need to maintain, upgrade, or replace aging equipment to allow for new technology to meet the expectations of the public, which would like to communicate with 9-1-1 in the way the public communicates with one another.

Much like hardships of recruitment and retention of staff across public safety disciplines, PSAPs today face difficulty in maintaining a full-complement of PSTs which are needed to answer a PSAP's specific volume of 9-1-1 and administrative calls. PSAPs also face difficulty in recruiting new people to serve as PSTs, as many people do not wish to work in a high-stress environment or work nights, weekends, and/or holidays, which is required in a public safety field.

Funding Considerations



The State of Minnesota's portion of the costs associated with operating the ARMER system is funded through a combination of trunk highway funds, 9-1-1 special revenue funds, and radio tower lease receipts.

Except for PSAP equipment and a limited portion of local infrastructure expenses which can be funded via the 9-1-1 special revenue fund, local costs (including tower site leases, utilities, and system and equipment maintenance) associated with the ARMER system are typically funded via local property tax revenues or per radio charges to ARMER system users in a county. Due to these constraints, public safety agencies

across Minnesota face significant funding challenges related to the escalating costs of maintenance of ARMER system infrastructure, equipment, and technology. Without access to stable, adequate supplemental funding sources, it will be increasingly difficult for local entities to support their ongoing ARMER system maintenance and sustainment needs.

Regional Priorities

Though this document covers region-wide needs only, and does not include individual needs of counties, that is not to say that these regional priorities will not benefit each of the ten metro counties individually. What follows are priorities that metro region agencies agree are a priority.

Computer-Aided Dispatch (CAD)-to-CAD Interoperability Solution

The 24 primary and secondary PSAPs in the metro region desire to acquire a CAD-to-CAD integration solution designed to connect disparate CAD systems for the purpose of expediting emergency response which may cross jurisdictional and PSAP boundaries.

The solution would also provide improved situational awareness for metro region PSAPs. Such a solution was found to be a need in the Metropolitan Emergency Services Board's May/June 2020 Civil Unrest After-Action Report/Improvement Plan. The solution could allow other PSAPs to answer 9-1-1 calls intended for a PSAP which has been inundated with 9-1-1 calls; this will provide 9-1-1 callers with better service in extraordinary situations/events.

Estimated Metro Region cost: ~\$180,000 per year, plus one-time implementation costs of approximately \$30,500*

*This item is included in HF 2431/SF 2454

BDA Requests

Several buildings in the region have been identified as having radio coverage gaps and would benefit from having bi-directional amplifiers (BDA) installed. This would assist first responders with radios be able to assist and be heard on the radio no matter where in a building the responder is located.

Estimated Metro Region cost: ~\$3 million*

*This item included in HF 2431/SF 2454

GIS Software Services – School Mapping

With the frequency of mass shootings/armed assailant incidents increasing nationwide, and in reviewing the response to recent school shootings, primarily in Uvalde, TX, the metro region would like to implement school mapping, whereby maps of schools would be available in each PSAP, which could facilitate the location of 9-1-1 callers within the building. Additionally, having these resources available could provide first responders with information that could affect emergency response, such as locations of chemistry labs, etc. which could alter responders' plans.

Estimated Metro Region cost: ~\$400,000 in one-time implementation costs and \$40,000 per year in annual maintenance costs*

*This item included in HF 2431/SF 2454

GIS Software Services

GIS software services are needed to support the creation, conversion, and maintenance of GIS-derived Master Street Address Guides (MSAGs) for the PSAPs in the ten-county metropolitan region. These services would further integrate the region's legacy 9-1-1 data processes with those needed for NG9-1-1. The outcomes include improving 9-1-1 data accuracy, gaining operational efficiency, and maintaining 9-1-1 data synchronization during the transition to full i3 NG9-1-1 implementation. Additionally, a web-based map viewer will allow for all metro region PSAPs and GIS partners to have visibility to the region's current NG9-1-1 and related geospatial datasets in a secure, shared environment, allowing for seamless data sharing, greater collaboration, and improved data integrity.

Estimated Metro Region cost: ~\$180,000 per year, plus one-time implementation costs of approximately \$30,500 for generalized GIS software services
~\$344,059 for five years for the web-based data viewer, plus \$8,279 in one-time implementation costs.

AES Encryption

The Statewide Emergency Communication Board (SECB) recommends a transition to a higher level of encryption (AES or Advanced Encryption Standard) for sensitive radio transmissions on the ARMER system. To achieve this capability, supplemental funding is necessary to replace and/or upgrade existing ARMER system equipment.

Estimated Metro Region cost: ~\$9 million

Geo-Diverse 9-1-1 Call Handling Equipment (CHE) ESInet Connections

Many Minnesota PSAPs are taking advantage of geo-diverse technology with new CHE platforms that allow for 9-1-1 calls to be delivered to two locations simultaneously. Geo-diverse configurations split the A and B servers typically found at one location, into two separate geo-diverse locations, which allows for additional staff at another location, or PSAP, during extremely busy times or special events to answer 9-1-1 and administrative calls while the main PSAP is still active. It also allows the PSAP to abandon its primary location while the backup location is fully operational and gives the opportunity for a staged evacuation while staff is enroute to the backup location. Additionally, the main PSAP can operate on the connections that exist at its backup location if the main PSAP experiences any technical issues with its connections. To allow for full redundancy and resiliency, each PSAP utilizing geo-diverse CHE should have two Emergency Services Internet (ESInet) connections at each location to ensure the maximum number of 9-1-1 calls can be received at either location at any time, regardless of any problems occurring at the other location. Currently, ECN only pays for two ESInet connections at each PSAP, which is the typical setup for legacy CHE. ECN should reconsider its position and pay for four ESInet connections for PSAPs which implement geo-diverse CHE systems. Having four ESInet connections provides improved resiliency and redundancy for a PSAP's 9-1-1 system and best serves the residents of its jurisdiction.

Estimated Metro Region cost: ~\$12,000 per PSAP per year, or \$216,000 annually in addition to ECN's current costs

Vendor-provided Radio Technical Training

According to SECB standard, system administrators must go through training at least once every two years. To keep current with evolving technology, administrators request to attend training provided by a contracted technical vendor to fulfill this need.

Estimated Metro Region cost: ~\$40,000 per year

CRTF Training and Exercising

The Metro Communications Response Task Force (CRTF) holds quarterly training/exercises for deployable personnel to remain current on local, state, and national standards. These deployable personnel typically are assigned to assist in the field, the command post, EOCs, and PSAPs during planned and emergent events.

Estimated Metro Region cost: ~\$10,000 per year

Staff Recruitment & Retention

Public safety disciplines, including PSAPs and LMR technology departments, struggle to recruit and retain employees. There is a need to establish a program to actively recruit new staff and to retain employees. The Emergency Medical Services Regulatory Board has established a pilot grant to focus on EMS employee sustainability. Similar programs should be instituted for other public safety disciplines, though with this request the focus is on public safety telecommunicators and system technologists. The metro region would like to contract with a vendor to place targeted recruitment ads via radio, flyers, videos, and social media platforms.

Estimated Metro Region cost: ~\$100,000 per year

Ongoing Maintenance for Existing ARMER Infrastructure

Every five years, the State of Minnesota (specifically MnDOT) executes a service contract with Motorola for maintenance and upgrades to the ARMER system. A combination of 9-1-1 fees, state funds, and federal trunk highway funds are used to fund maintenance of state-owned radio infrastructure. Counties and the City of Minneapolis own "local enhancements" which are additional tower sites or channels interconnected with the state-owned sites to provide adequate coverage for local users. These local enhancements are shared with general users of the ARMER system. Local enhancements and backhaul to the regional network are funded by the owning agencies. Since the state-owned and local enhancements form the completed radio network, a funding source to assist in the maintenance of the local enhancement sites is needed.

Estimated Metro Region cost: ~\$500,000

Subscriber Equipment Replacement

The subscriber radios (mobiles and portables) used to communicate on the ARMER statewide system have a finite lifespan. These radios reach end-of-life when firmware, batteries, or replacement parts become unavailable. Continuing to use outdated subscriber equipment results in distorted or incomplete communications. Equipment replacement is typically funded locally with no state or federal dollars associated; having shared funding for these shared resources would be ideal to ensure the quality and consistency of emergency communications.

Estimated Metro Region cost: ~\$11 million

Additional Local Enhancement for Capacity/Coverage Needs

As the population in the region continues to increase and new buildings are constructed, local subsystem owners need to add additional ARMER tower site to increase coverage and capacity to meet higher density population centers.

Estimated Metro Region cost: ~\$50 million