



## **METROPOLITAN EMERGENCY SERVICES BOARD BOARD MEETING AGENDA**

May 14, 2025, 10:00 a.m.

1. **Call to Order** – Commissioner John P. Fahey, 2025 Board Chair
2. **Approval of Agenda** – Commissioner Fahey
3. **Consent Agenda** – Rohret (**page 3**)
  - A. Approval: March 12, 2025 Meeting Minutes
  - B. Approval: January and February 2025 Treasurer's Report
  - C. Approval: March 2025 Treasurer's Report
  - D. Correspondence
4. **Acceptance of 2024 MESB Financial Audit** – Jill Rohret/Andy Hering, Redpath & Co. (**page 9**)
5. **Radio Items** – Tracey Fredrick, Radio Services Coordinator
  - A. Approval of Dakota County Waiver Regarding AES Talkgroups (**page 75**)
6. **9-1-1 Items** – Jill Rohret, Executive Director
  - A. Approval of 2025 Regional Needs Document (**page 77**)
  - B. Acceptance of School Mapping Grant Funds (**page 95**)
7. **EMS Items** – Greg Hayes, EMS Coordinator
  - A. Acceptance and Approval of Grant Funds for Minnesota Metro Region Trauma Advisory Committee (**page 97**)
8. **Administrative Items** – Jill Rohret, Executive Director
  - A. Approval of Policy 036 – Grants (**page 99**)
  - B. Discussion: July Board Meeting Date (**page 103**)
9. **Reports**
  - A. Legislative Report – Margaret Vesel/Matthew Bergeron
  - B. Statewide Emergency Communications Board (SECB) Reports:
    - 1) Finance – Rohret/Fredrick
    - 2) Legislative – Rohret/Anderson
    - 3) Steering – Fredrick/Rohret
    - 4) Other SECB Committees – Fredrick
    - 5) Board – Rohret/Atkins
  - C. DPS-ECN Update – Kent Wilkening, ECN
10. **Old Business**
  - A. Update on School Mapping Grant – Rohret
11. **New Business** – None
12. **Adjourn**



## **METROPOLITAN EMERGENCY SERVICES BOARD BOARD MEETING AGENDA**

May 14, 2025, 10:00 a.m.

### *Metropolitan Emergency Services Board Members*

#### Anoka County

Commissioner Mike Gamache\*  
Commissioner Mandy Meisner

#### Carver County

Commissioner John P. Fahey\* (2025 Chair)

#### Chisago County

Commissioner Rick Greene\*

#### City of Minneapolis

Council Member Elliott Payne\* (2025 Vice Chair)

#### Dakota County

Commissioner Joe Atkins\*  
Commissioner Bill Droste

#### Hennepin County

Commissioner Kevin Anderson  
Commissioner Irene Fernando\*

#### Isanti County

Commissioner Todd Christensen\*

#### Ramsey County

Commissioner Garrison McMurtrey  
Commissioner Kelly Miller\* (2025 Treasurer)

#### Scott County

Commissioner Dave Beer  
Commissioner Tom Wolf\* (2025 Secretary)

#### Sherburne County

Commissioner Gregg Felber\*

#### Washington County

Commissioner Michelle Clasen  
Commissioner Fran Miron\*

\*Denotes Executive Committee member



## METROPOLITAN EMERGENCY SERVICES BOARD

**Meeting Date:**  
**Agenda Item:**  
**Presenter:**

**May 14, 2025**  
**3. Consent Agenda**  
**Rohret**

- A. **Minutes** – The minutes of the March 12, 2025 meeting of the Board are attached for review and approval.
- B. **January and February 2025 Treasurer's Report** – The Treasurer has reviewed the January and March 2025 financial statements and has given approval of the report.
- C. **March 2025 Treasurer's Report** – The Treasurer has reviewed the March 2025 financial statements and has given approval of the report.
- D. **Correspondence** – None.

MOTION BY:  
SECONDED BY:  
MOTION:

PASS/FAIL

# METROPOLITAN EMERGENCY SERVICES BOARD

## BOARD MEETING MINUTES

March 12, 2025

### Commissioners Present:

Kevin Anderson, Hennepin County  
 Joe Atkins, Dakota County - **absent**  
 Dave Beer, Scott County - **absent**  
 Todd Christensen, Isanti County  
 Bethany Cox, Washington County  
 Bill Droste, Dakota County  
 John P. Fahey, Carver County  
 Gregg Felber, Sherburne County

Irene Fernando, Hennepin County - **absent**  
 Mike Gamache, Anoka County  
 Richard Greene, Chisago County  
 Mandy Meisner, Anoka County  
 Kelly Miller, Ramsey County  
 Fran Miron, Washington County  
 Elliott Payne, City of Minneapolis - **absent**  
 Tom Wolf, Scott County - **absent**

**Staff Present:** Tracey Fredrick; Greg Hayes; Kelli Jackson; Jacob Kallenbach; and Jill Rohret.

**Others Present:** Brittany McCormick, *Board Counsel*; Kathleen Murphy, *Ramsey County*; Margaret Vesel, *Larkin Hoffman*; and Kent Wilkening, *ECN*.

The meeting begins with reports as it does not have the required number of members for quorum.

### 8. Reports

#### B. Statewide Emergency Communications Board

##### 1. Finance

Jill Rohret said the committee met in February and discussed financial standards and grant-related practices. The next meeting is March 13, 2025.

##### 2. Legislative

Rohret said that the committee met in February and discussed bills introduced in the Minnesota legislature.

The meeting now has the required members for quorum and starts at the beginning of the agenda.

##### 1. Call to Order

The meeting was called to order at 10:07 a.m. by the 2025 MESB Chair, Commissioner John P. Fahey.

##### 2. Approval of Agenda

*Motion made by Commissioner Fran Miron, seconded by Commissioner Bill Droste to approve the March 2025 MESB meeting agenda. Motion carried.*

##### 3. Consent Agenda

*Motion made by Commissioner Mandy Meisner, seconded by Commissioner Kelly Miller to approve the March 2025 MESB consent agenda. Motion carried.*

##### 4. Radio Items

#### A. Approval of Amendments to University of Minnesota ARMER Participation Plan

Tracey Fredrick said the University of Minnesota seeks approval of amendments to its ARMER participation plan to add a local enhancement site to its Minneapolis campus. The new site will

# METROPOLITAN EMERGENCY SERVICES BOARD

provide improved in-building coverage within the University. MnDOT reviewed and approved the plan. The site includes a Motorola ASTRO site repeater with 10-channel capacity.

*Motion made by Commissioner Droste, seconded by Commissioner Bethany Cox to approve the University of Minnesota ARMER participation plan amendments. Motion carried.*

## **B. Approval of Amendments to Metro ARMER Standard 3.14.0 – Use of Metro ME TACs**

Fredrick said the Radio Technical Operations Committee (TOC) seeks approval of amendments to Metro ARMER Standard 3.14.0. The amendments include language changes to update the availability of two additional encrypted talkgroups and implement techniques to request waivers/variances for capacity and programming issues. ME TACs 13E and 14E are named as the two additional encrypted resources.

*Motion made by Commissioner Richard Greene, seconded by Commissioner Miron to approve the amendments to Metro ARMER Standard 3.14.0. Motion carried.*

## **5. 9-1-1 Items**

### **A. Approval of Joint Procurement with Other Regional ECBs for School Mapping Grant**

Rohret said she recommends the Board approve jointly procuring school mapping services with other regional Emergency Communications/Services Boards and authorize the Chair to execute an agreement with other regions. In 2024, the Minnesota Legislature approved a \$7 million allocation from the 9-1-1 special revenue fund. To avoid potential inequitable distribution, it was suggested at the SECB Finance Committee that the regions should submit one joint application for the grant, conduct a joint procurement, and have one region manage the procurement and implementation of the mapping services on behalf of the other regions. ECN will allow such an application so long as it is accompanied by an executed agreement between the regions prior to submission. Positive feedback has been received from the Central and South Central regions; she awaits response from the remaining regions.

Commissioner Droste asks on the RFP and distribution of funds process.

Rohret responded that a draft RFP is prepared, though it will need modifications. It will be a normal procurement process for the MESB. There will be no funds allocated to the other regions themselves as the MESB will be the acting agent. All schools/regions within the agreement who opt-in will be provided with the same mapping services.

Commissioner Kevin Anderson asks if all schools will be participating.

Rohret responds by saying the school mapping project is completely voluntary. Schools will make their own decisions on whether to participate. There are some schools which have already completed school mapping and would not benefit from joining.

*Motion made by Commissioner Miron, seconded by Commissioner Anderson to approve the joint procurement with other regional ECBs for the school mapping grant pending favorable legal review. Motion carried.*

## **6. EMS Items – None**

## **7. Administrative Items**

# METROPOLITAN EMERGENCY SERVICES BOARD

## **A. Approval of New Copier Lease with Metro Sales**

Rohret said she recommends approval and authorization to execute a copier lease agreement with Metro Sales. Quotes were received from Loffler and Metro Sales. The Metro Sales' quote included direct, wired connection for both the MESB and MMCD networks, whereas Loffler's quote provided one direct, wired connection and one wireless connection. The Metro Sales' quote was also less expensive by \$47 per month compared to the quote for Loffler. The lease agreement is for five years, with a total lease cost of \$14,529.00. MMCD will reimburse the MESB for its share of use.

*Motion made by Commissioner Todd Christensen, seconded by Commissioner Anderson to approve the new MESB copier lease with Metro Sales. Motion carried.*

## **8. Reports Continued.**

### **A. Legislative Report**

Margaret Vesel of Larkin Hoffman gave an update on the legislative session.

## **B. Statewide Emergency Communications Board**

### **3. Steering**

Fredrick said the committee met in February and discussed the SECB policy and procedures manual.

### **4. Other SECB Committees**

Fredrick said the LMR committee met on March 11, 2025, and discussed the ongoing Motorola SUA. There will be additional updates as the talks continue.

### **5. Board**

Rohret said the SECB met in February and discussed SCIP plans, legislative position statements, and school mapping.

## **C. DPS-ECN Update**

Kent Wilkening gave a brief update. The core services RFP has been scrapped and restarted to ensure proper collaboration and feedback with stakeholders occurs. A '988' information sheet will be sent out within the coming weeks. Wilkening continues to work with PSAP managers on getting the one-time funding allocations spent.

## **9. Old Business – None**

## **10. New Business – None**

## **11. Adjourn**

*Motion made by Commissioner Droste, seconded by Commissioner Miller to adjourn the meeting. Motion carried.*

The meeting adjourned at 10:47 a.m.



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: Ramsey County Commissioner Kelly Miller, MESB Treasurer

RE: Treasurer's Report – January & February 2025

DATE: April 8, 2025

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 7, 2025.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kelly Miller", with a long horizontal flourish extending to the right.

Kelly Miller  
Commissioner, Ramsey County  
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: Ramsey County Commissioner Kelly Miller, MESB Treasurer

RE: Treasurer's Report – March 2025

DATE: April 30, 2025

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 29, 2025.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kelly Miller", with a long horizontal flourish extending to the right.

Kelly Miller  
Commissioner, Ramsey County  
Treasurer, Metropolitan Emergency Services Board



## **METROPOLITAN EMERGENCY SERVICES BOARD**

**Meeting Date:** May 14, 2025  
**Agenda Item:** 4. Acceptance of 2024 MESB Financial Audit  
**Presenter:** Rohret/Andy Hering, Redpath & Co.

### **RECOMMENDATION**

The Executive Director recommends acceptance of MESB's 2024 financial audit.

### **BACKGROUND**

The Metropolitan Emergency Services Board hires an auditing firm to conduct its annual financial audits. The firm which conducted the 2024 audit is Redpath and Company. The audit report must be accepted by the Board.

### **ISSUES & CONCERNS**

The 2024 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 annual operational budget.

MOTION BY:  
SECONDED BY:  
MOTION:

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## **To: Metropolitan Emergency Services Board**

From: Andy Hering, Partner, Redpath and Company

Date: April 30, 2025

Re: Summary of Audit for the Year Ended December 31, 2024

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### **GENERAL COMMENTS**

Audit reports have been completed and dated April 30, 2025.

We have been invited to the MESB Board Meeting on May 14, 2025. In the meantime, you can contact me, Andy Hering, with any questions or comments: 651-407-5877 or [ahering@redpathcpas.com](mailto:ahering@redpathcpas.com).

### **AUDIT OVERVIEW**

Our opinion on the financial statements is unmodified, sometimes called "clean." (pp. 3-5)

There were no findings on compliance or internal control.

For 2024, 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 increased by \$64,549 in 2024. The General Fund decreased \$79,703, the 911 Fund increased \$83,156, the EMS Fund increased \$16,218 and the Radio Fund increased \$44,878.

Budgetary comparison schedules (Statement 6 and Statement 7) are presented for the General Fund and the 911 Fund. A \$25,000 decrease in fund balance was budgeted for the General Fund. The actual decrease was \$79,703, primarily due to transferring \$150,000 to other funds. A \$25,000 decrease in fund balance was also budgeted for the 911 Fund. An increase in fund balance of \$83,156 occurred, primarily due to receiving a \$100,000 transfer from the General Fund.

**Metropolitan Emergency Services Board**

Summary of Audit for the Year Ended December 31, 2023

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 (\$138,526)
- Lease liability (\$356,032)
- Other postemployment benefits (\$261,931)
- Net pension liability (\$342,740)

**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:

- 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, 2024

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**METROPOLITAN EMERGENCY SERVICE BOARD**  
**TABLE OF CONTENTS**

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	<u>Reference</u>	<u>Page Number</u>
<b>FINANCIAL SECTION</b>		
Independent Auditor's Report		3
Management's Discussion and Analysis		7
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position	Statement 1	16
Statement of Activities	Statement 2	17
Fund Financial Statements:		
Balance Sheet - Governmental Funds	Statement 3	18
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	Statement 4	19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds	Statement 5	20
Notes to Financial Statements		21
Required Supplementary Information:		
Budgetary Comparison Schedule - General Fund	Statement 6	42
Budgetary Comparison Schedule - 911 Fund	Statement 7	43
Schedule of Changes in the Total OPEB Liability and Related Ratios	Statement 8	44
Schedule of Proportionate Share of Net Pension Liability - General Employees Retirement Fund	Statement 9	45
Schedule of Pension Contributions - General Employees Retirement Fund	Statement 10	46
Notes to RSI		47
<b>OTHER REQUIRED REPORTS</b>		
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 <i>Government Auditing Standards</i>		53
Minnesota Legal Compliance Report		55

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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, 2024, 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, 2024, 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 2023 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 June 25, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023 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.

### ***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 April 30, 2025 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, LLC*

REDPATH AND COMPANY, LLC  
St. Paul, Minnesota

April 30, 2025

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## **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, 2024. 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, 2024 by \$2,634,581 (net position). Of this amount, \$2,150,757 (unrestricted net position) may be used to meet MESB's ongoing obligations.
- MESB's total net position increased by \$226,684. In 2024, MESB experienced an increase in capital assets and a decrease in liabilities.
- As of December 31, 2024, MESB's governmental funds reported combined ending fund balances of \$3,441,910, which is a \$64,549 increase from the prior year. The increase in fund balance is primarily due to two factors. First, the MESB experienced higher than budgeted interest receipts due to higher interest rates. Second, there are three main areas where expenses were well under what was budgeted causing the increase in fund balance. The contract services line included radio training for \$40,000 but the training did not occur; only \$10,000 was expended in that budget line. Additionally, the training budget included a 9-1-1 conference for three staff members who were unable to attend. Lastly, in the ARMER TE&O insurance premium invoice came in well below budget, even though the policy did not change.

### **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 \$2,634,581. Our analysis below focuses on the net position and changes in net position of MESB's governmental activities.

#### **NET POSITION**

	December 31,	
	2024	2023
Current and other assets	\$3,731,246	\$3,690,476
Capital assets and right to use leased assets	489,530	554,874
Total assets	<u>\$4,220,776</u>	<u>\$4,245,350</u>
Deferred outflows of resources	<u>\$105,360</u>	<u>\$137,575</u>
Current liabilities	\$290,882	\$316,307
Long-term liabilities	1,099,229	1,369,819
Total liabilities	<u>\$1,390,111</u>	<u>\$1,686,126</u>
Deferred inflows of resources	<u>\$301,444</u>	<u>\$288,902</u>
Net position:		
Net investment in capital assets	\$133,498	\$90,521
Restricted	350,326	350,326
Unrestricted	2,150,757	1,967,050
Total net position	<u>\$2,634,581</u>	<u>\$2,407,897</u>

## Management's Discussion and Analysis

Net position was negatively impacted by \$545,329 at December 31, 2024 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	\$69,783
Deferred inflows of resources	(272,372)
Net pension liability	<u>(342,740)</u>
Total	<u><u>(\$545,329)</u></u>

Of the total net position at December 31, 2024, \$133,498 (5.07%) reflects MESB's net investment in capital assets. These assets are not available for future spending. An additional \$350,326 (13.30%) 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,	
	2024	2023
Revenues:		
Program revenues:		
Charges for services	\$3,390,582	\$3,321,329
Operating grants and contributions	335,584	489,308
Capital grants and contributions	-	65,000
General revenues:		
Unrestricted investment earnings	130,827	98,928
Other	3,973	1,830
Total revenues	<u>3,860,966</u>	<u>3,976,395</u>
Expenses:		
General	664,289	656,689
911 telephone system	629,516	768,428
Emergency medical services system	238,552	347,810
Radio	2,077,714	2,074,605
Interest on long-term liabilities	24,211	27,595
Total expenses	<u>3,634,282</u>	<u>3,875,127</u>
Increase (decrease) in net position	226,684	101,268
Net position - January 1	<u>2,407,897</u>	<u>2,306,629</u>
Net position - December 31	<u><u>\$2,634,581</u></u>	<u><u>\$2,407,897</u></u>

MESB's net position increased by \$226,684 (9.41%). In 2024, MESB invested in more capital assets than in previous years. Equipment purchases for radios and EMS vital signs monitors were added to capital assets. Additionally, MESB saw a decrease in liabilities due to the pay-out for compensated absences for a retiring employee. Lastly, there was a decrease in lease and net pension liabilities.

## 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 \$3,441,910 an increase of \$64,549 in comparison with the prior year. The increase in fund balance is primarily due to two factors. First, MESB experienced higher than budgeted interest receipts due to higher interest rate. Second, the increase is due to unexpected savings in contract services for the radio training that didn't occur and the reduction in the premium for the ARMER TE&O insurance.

### **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 2024, MESB had \$489,530 net investment in capital assets, which consists of equipment as detailed below.

#### **CAPITAL ASSETS AT YEAR END**

	December 31,	
	2024	2023
Equipment	\$1,941,608	\$1,816,139
Right to use leased assets	\$630,826	\$682,232
Accumulated depreciation/amortization	(2,082,904)	(1,943,497)
Net capital assets	<u>\$489,530</u>	<u>\$554,874</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, 2024	\$138,526	\$356,032	\$261,931	\$342,740
December 31, 2023	<u>171,028</u>	<u>464,353</u>	<u>219,984</u>	<u>514,454</u>
Increase (decrease)	<u><u>(\$32,502)</u></u>	<u><u>(\$108,321)</u></u>	<u><u>\$41,947</u></u>	<u><u>(\$171,714)</u></u>

### **Economic Factors and Next Year's Budget**

Total expenditures budgeted for all funds in 2024 total \$3,519,550 compared to budgeted expenditures of \$3,697,784 for 2025. The increase in budgeted expenditures from 2024 to 2025 is due staff salaries. The 2025 budget included salaries for a long-term employee who retired in October 2024, as well as the resignation of another highly paid staff member. The second reason for the increase is due to higher ARMER system expenses due to higher utility rates, annual rent increases, and ARMER system maintenance costs.

### **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, 2024

With Comparative Totals For December 31, 2023

	Governmental Activities	
	2024	2023
Assets:		
Cash and investments	\$3,219,763	\$3,360,048
Accounts receivable	35,767	16,877
Due from other governments	288,592	151,614
Prepaid items	187,124	161,937
Capital assets (net of accumulated depreciation)	489,530	554,874
Total assets	4,220,776	4,245,350
Deferred outflows of resources:		
Related to pensions	69,783	130,790
Related to OPEB	35,577	6,785
Total deferred outflows of resources	105,360	137,575
Liabilities:		
Accounts payable	38,657	62,148
Accrued salaries	45,010	37,226
Funds held for others	55,396	43,576
Due to other governments	120,893	111,629
Accrued interest payable	1,546	3,192
Unearned revenue	29,380	58,536
Compensated absences:		
Due within one year	24,110	19,883
Due in more than one year	114,416	151,145
Lease liability:		
Due within one year	54,855	108,321
Due in more than one year	301,177	356,032
OPEB liability:		
Due within one year	7,677	8,213
Due in more than one year	254,254	211,771
Net pension liability - due in more than one year	342,740	514,454
Total liabilities	1,390,111	1,686,126
Deferred inflows of resources:		
Related to pensions	272,372	234,670
Related to OPEB	29,072	54,232
Total deferred inflows of resources	301,444	288,902
Net position:		
Net investment in capital assets	133,498	90,521
Restricted for EMS relief	350,326	350,326
Unrestricted	2,150,757	1,967,050
Total net position	\$2,634,581	\$2,407,897

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, 2024

With Comparative Totals For The Year Ended December 31, 2023

Functions/Programs:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	2024	2023
Governmental activities:						
General	\$664,289	\$636,929	\$16,057	\$ -	(\$11,303)	(\$36,651)
911 telephone system	629,516	662,925	-	-	33,409	(32,039)
Emergency medical services program	238,552	-	285,990	-	47,438	67,467
Radio	2,077,714	2,090,728	33,537	-	46,551	29,328
Interest on long-term liabilities	24,211	-	-	-	(24,211)	(27,595)
Total governmental activities	<u>\$3,634,282</u>	<u>\$3,390,582</u>	<u>\$335,584</u>	<u>\$0</u>	<u>91,884</u>	<u>510</u>
General revenues:						
Unrestricted investment earnings					130,827	98,928
Other					3,973	1,830
Total general revenues					<u>134,800</u>	<u>100,758</u>
Change in net position					226,684	101,268
Net position - January 1					<u>2,407,897</u>	<u>2,306,629</u>
Net position - December 31					<u>\$2,634,581</u>	<u>\$2,407,897</u>

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

**METROPOLITAN EMERGENCY SERVICE BOARD**
**BALANCE SHEET**
**GOVERNMENTAL FUNDS**

December 31, 2024

With Comparative Totals For December 31, 2023

**Statement 3**

	General Fund	911 Fund	EMS Fund	Radio Fund	Total	
					2024	2023
<b>Assets:</b>						
Cash and investments	\$2,314,390	\$248,428	\$351,078	\$305,867	\$3,219,763	\$3,360,048
Accounts receivable	-	3,322	-	32,445	35,767	16,877
Due from other governments	2,103	16,219	63,315	206,955	288,592	151,614
Prepaid items	4,370	97,597	975	84,182	187,124	161,937
<b>Total assets</b>	<b>\$2,320,863</b>	<b>\$365,566</b>	<b>\$415,368</b>	<b>\$629,449</b>	<b>\$3,731,246</b>	<b>\$3,690,476</b>
<b>Liabilities and fund balance</b>						
<b>Liabilities:</b>						
Accounts payable	\$2,884	\$ -	\$1,527	\$34,246	\$38,657	\$62,148
Accrued salaries	25,198	14,846	-	4,966	45,010	37,226
Due to other governments	45,664	46,963	3,700	24,566	120,893	111,629
Funds held for others	-	55,396	-	-	55,396	43,576
Unearned revenue	-	-	1,472	27,908	29,380	58,536
<b>Total liabilities</b>	<b>73,746</b>	<b>117,205</b>	<b>6,699</b>	<b>91,686</b>	<b>289,336</b>	<b>313,115</b>
<b>Fund balance:</b>						
Nonspendable	4,370	97,597	975	84,182	187,124	161,937
Restricted	-	-	350,326	-	350,326	350,326
Committed	-	150,764	57,368	453,581	661,713	542,015
Assigned	2,057,685	-	-	-	2,057,685	2,003,845
Unassigned	185,062	-	-	-	185,062	319,238
<b>Total fund balance</b>	<b>2,247,117</b>	<b>248,361</b>	<b>408,669</b>	<b>537,763</b>	<b>3,441,910</b>	<b>3,377,361</b>
<b>Total liabilities and fund balance</b>	<b>\$2,320,863</b>	<b>\$365,566</b>	<b>\$415,368</b>	<b>\$629,449</b>	<b>\$3,731,246</b>	<b>\$3,690,476</b>
<b>Fund balance reported above</b>					<b>\$3,441,910</b>	<b>\$3,377,361</b>
<b>Amounts reported for governmental activities in the Statement of Net Position are different because:</b>						
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.					489,530	554,874
Deferred outflows of resources-pension related are not current financial resources and, therefore, are not reported in the funds.					69,783	130,790
Deferred outflows of resources-OPEB related are not current financial resources and, therefore, are not reported in the funds.					35,577	6,785
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.					(272,372)	(234,670)
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.					(29,072)	(54,232)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:						
Accrued interest payable					(1,546)	(3,192)
Compensated absences payable					(138,526)	(171,028)
Lease liability					(356,032)	(464,353)
OPEB liability					(261,931)	(219,984)
Net pension liability					(342,740)	(514,454)
<b>Net position of governmental activities</b>					<b>\$2,634,581</b>	<b>\$2,407,897</b>

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

**METROPOLITAN EMERGENCY SERVICE BOARD**
**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE**
**Statement 4**
**GOVERNMENTAL FUNDS**

For The Year Ended December 31, 2024

With Comparative Totals For The Year Ended December 31, 2023

	General Fund	911 Fund	EMS Fund	Radio Fund	Total	
					2024	2023
Revenues:						
Member assessments	\$636,929	\$662,925	\$ -	\$261,607	\$1,561,461	\$1,479,454
User fees	-	-	-	385,563	385,563	398,020
Reimbursement revenue	-	-	-	1,443,558	1,443,558	1,443,855
Intergovernmental:						
State	-	-	198,015	33,537	231,552	349,186
Federal	-	-	87,975	-	87,975	140,058
Interest	71,942	23,896	16,218	18,771	130,827	98,928
Other	3,878	-	-	95	3,973	1,830
Total revenues	<u>712,749</u>	<u>686,821</u>	<u>302,208</u>	<u>2,143,131</u>	<u>3,844,909</u>	<u>3,911,331</u>
Expenditures:						
Current:						
Personal services	590,122	492,747	-	114,216	1,197,085	994,989
Rent and site leases	-	-	12,000	267,131	279,131	274,406
Equipment and maintenance upgrades	5,092	9,131	8,515	1,143,813	1,166,551	1,170,001
Other grant expenditures	-	-	157,186	33,536	190,722	411,231
Other services and charges	81,932	194,058	-	411,234	687,224	808,702
Capital outlay	-	-	74,424	51,045	125,469	223,309
Debt service on leases:						
Principal	9,960	7,470	3,735	87,156	108,321	100,930
Interest	346	259	130	25,122	25,857	28,736
Total expenditures	<u>687,452</u>	<u>703,665</u>	<u>255,990</u>	<u>2,133,253</u>	<u>3,780,360</u>	<u>4,012,304</u>
Revenues over (under) expenditures	<u>25,297</u>	<u>(16,844)</u>	<u>46,218</u>	<u>9,878</u>	<u>64,549</u>	<u>(100,973)</u>
Other financing sources (uses):						
Issuance of leases	-	-	-	-	-	170,555
Transfer in	45,000	100,000	-	50,000	195,000	56,183
Transfer out	(150,000)	-	(30,000)	(15,000)	(195,000)	(56,183)
Total other financing sources (uses)	<u>(105,000)</u>	<u>100,000</u>	<u>(30,000)</u>	<u>35,000</u>	<u>0</u>	<u>170,555</u>
Net change in fund balance	(79,703)	83,156	16,218	44,878	64,549	69,582
Fund balance - January 1	<u>2,326,820</u>	<u>165,205</u>	<u>392,451</u>	<u>492,885</u>	<u>3,377,361</u>	<u>3,307,779</u>
Fund balance - December 31	<u>\$2,247,117</u>	<u>\$248,361</u>	<u>\$408,669</u>	<u>\$537,763</u>	<u>\$3,441,910</u>	<u>\$3,377,361</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**  
For The Year Ended December 31, 2024  
With Comparative Totals For The Year Ended December 31, 2023

**Statement 5**

	<u>2024</u>	<u>2023</u>
Amounts reported for governmental activities in the Statement of Activities are different because:		
Net changes in fund balance - total governmental funds (Statement 4)	\$64,549	\$69,582
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	(77,815)	(55,539)
Amortization	(112,998)	(112,600)
Capital outlay	125,469	223,309
Donations of capital assets increase net position in the Statement of Activities, but do not appear in the governmental funds because they are not financial resources.	-	65,000
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	-	(170,555)
Principal payment on lease liabilities	108,321	100,930
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	1,646	1,141
Change in compensated absences payable	32,502	(22,525)
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	\$78,767	
Pension expense	(5,762)	
OPEB contributions	7,125	
OPEB expense	4,880	2,525
	<u>85,010</u>	<u>2,525</u>
Change in net position of governmental activities (Statement 2)	<u>\$226,684</u>	<u>\$101,268</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.

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

# METROPOLITAN EMERGENCY SERVICES BOARD

## NOTES TO FINANCIAL STATEMENTS

December 31, 2024

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>
911 Fund	\$697,877	\$703,665	\$5,788

The overage was funded by interest revenue exceeding budget.

### 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 equipment and right to use leased assets, 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.

Right to use assets are 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.

**I. COMPENSATED ABSENCES**

It is MESB’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay and accumulated sick leave benefits which are attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

**J. 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.

## **K. 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.

## **L. 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.

## **M. 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.

## **N. 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.

#### **O. 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.

#### **P. 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, 2023, from which the summarized information was derived.

### **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, 2024 is as follows:

Cash and investments pooled with Washington County at fair value	\$980,676
Cash and investments pooled with Hennepin County at fair value	<u>2,239,087</u>
Total	<u><u>\$3,219,763</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, 2024, 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, 2024 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").

### **Note 4 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2024 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets:				
Equipment	\$1,816,139	\$125,469	\$ -	\$1,941,608
Right to use leased assets:				
Antenna and equipment site space	630,826	-	-	630,826
Office space	51,406	-	51,406	-
Total capital assets	<u>2,498,371</u>	<u>125,469</u>	<u>51,406</u>	<u>2,572,434</u>
Less accumulated depreciation/amortization:				
Equipment	1,684,708	77,815	-	1,762,523
Right to use leased assets:				
Antenna and equipment site space	233,086	87,295	-	320,381
Office space	25,703	25,703	51,406	-
Total accumulated depreciation/amortization	<u>1,943,497</u>	<u>190,813</u>	<u>51,406</u>	<u>2,082,904</u>
Capital assets - net	<u>\$554,874</u>	<u>(\$65,344)</u>	<u>\$0</u>	<u>\$489,530</u>

Depreciation/amortization expense was charged to programs as follows:

General	\$10,341
911 telephone system	7,710
Emergency medical services system	60,851
Radio	<u>111,911</u>
Total depreciation/amortization expense	<u>\$190,813</u>

Right to use leased assets meet the definition of capital assets. MESB has recorded right to use leased assets relating to leased antenna and equipment site space and office space. The related leases are described at Note 6.

**METROPOLITAN EMERGENCY SERVICES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2024

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**Note 5      COMPENSATED ABSENCES**

Activity for the year ended December 31, 2024, is as follows:

	Beginning Balance	Net Change	Ending Balance	Estimated Amount Due Within One Year
Compensated absences	<u>\$171,028</u>	<u>(\$32,502)</u>	<u>\$138,526</u>	<u>\$24,110</u>

It is not practicable to determine the specific year for payment of accrued compensated absences.

**Note 6      LEASE LIABILITIES**

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 \$2,268 per month. The lease term ended on December 31, 2024. 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, 2024.

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 \$113,423 as of December 31, 2024.

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 May 31, 2033 with two automatic five year renewal options if not terminated by the lessee or lessor six months prior to the renewal. 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 \$100,284 as of December 31, 2024.

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 \$70,314 as of December 31, 2024.

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 \$26,424 as of December 31, 2024.

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 \$0 as of December 31, 2024.

**METROPOLITAN EMERGENCY SERVICES BOARD**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024

Activity for the year ended December 31, 2024, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amount Due Within One Year
Lease liabilities	<u>\$464,353</u>	<u>\$ -</u>	<u>\$108,321</u>	<u>\$356,032</u>	<u>\$54,855</u>

Total expense related to leased assets for the year ended December 31, 2024 is as follows:

Amortization expense by asset class:	
Antenna & equipment site space	\$87,295
Office space	<u>25,703</u>
Total amortization expense	112,998
Variable lease expense	-
Interest on lease liabilities	24,210
Other lease expense	<u>-</u>
Total expense recognized in relation to lease assets	<u>\$137,208</u>

Future minimum lease obligations as of December 31, 2024 are as follows:

Year Ending December 31,	Principal Payments	Interest Payments	Total
2025	\$54,855	\$19,931	\$74,786
2026	60,588	16,488	77,076
2027	66,742	12,687	79,429
2028	73,339	8,507	81,846
2029	30,656	4,905	35,561
2030-2034	66,550	9,368	75,918
2035-2039	<u>3,302</u>	<u>198</u>	<u>3,500</u>
Total	<u>\$356,032</u>	<u>\$72,084</u>	<u>\$428,116</u>

**Note 7     DEFINED BENEFIT PENSION PLAN**

**A. PLAN DESCRIPTION**

MESB participates in the General Employees Retirement Plan (General Plan), which is a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees Retirement Association of Minnesota (PERA). Plan provisions are established and administered according to Minnesota Statutes, Chapters 353, 353D, 353E, 353G and 356. Minnesota Statutes Chapter 356 defines each plan's financial reporting requirements. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

Membership in the General Plan includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than \$425 in a month, unless the employee meets exclusion criteria.

**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. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

The General Employees Plan requires three years of service to vest. 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 General Plan members. Members hired prior to July 1, 1989 receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2% of the highest average salary for each of the first ten years of service and 1.7% for each additional year. Under the Level formula, General Plan members receive 1.7% of the highest average salary for all years of service. For members hired prior to July 1, 1989, a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by 0.25% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of 0.25% for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

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%. The 2024 annual increase was 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. 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 prorated increase.

## **C. CONTRIBUTIONS**

Minnesota Statutes Chapters 353, 353E, 353G, and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

General Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2024 and MESB was required to contribute 7.50% for General Plan members. MESB's contributions to the General Employees Fund for the year ended December 31, 2024 were \$62,948. MESB's contributions were equal to the required contributions as set by state statute.

## **D. PENSION COSTS**

At December 31, 2024, MESB reported a liability of \$342,740 for its proportionate share of the General Employee's Fund 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 \$8,863.

The net pension liability was measured as of June 30, 2024, 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 the MESB's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. MESB's proportionate share was 0.0093% at the end of the measurement period and 0.0092% for the beginning of the period.

MESB's proportionate share of the net pension liability	\$342,740
State of Minnesota's proportionate share of the net pension liability associated with the MESB	<u>8,863</u>
Total	<u><u>\$351,603</u></u>

For the year ended December 31, 2024, MESB recognized pension expense of \$5,762 for its proportionate share of the General Plan's pension expense. In addition, MESB recognized an additional \$238 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

During the plan year ended June 30, 2024, the State of Minnesota contributed \$170.1 million to the General Employees Fund. The State of Minnesota is not included as a non-employer contributing entity in the General Employees Plan pension allocation schedules for the \$170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. MESB recognized \$15,819 for the year ended December 31, 2024 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the General Employees Fund.

**METROPOLITAN EMERGENCY SERVICES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2024

At December 31, 2024, MESB reported General Employees Fund 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	\$32,231	\$ -
Changes in actuarial assumptions	1,679	129,708
Net difference between projected and actual earnings on pension plan investments	-	95,856
Changes in proportion	3,922	46,808
Employer contributions subsequent to the measurement date	31,951	-
Total	<u>\$69,783</u>	<u>\$272,372</u>

The \$31,951 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, 2025. 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
2025	(\$134,925)
2026	(32,667)
2027	(40,682)
2028	(26,266)
2029	-
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, 2024 actuarial valuation was determined using the entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.25% per year
Investment Rate of Return	7.00%

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 considered reasonable by the actuary. An investment return of 7.00% is within that range.

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

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. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions for General Plan are reviewed every four years. The General Plan was last reviewed in 2022. The assumption changes were adopted by the board and became effective with the July 1, 2023 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2024:

**Changes in Actuarial Assumptions:**

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

**Changes in Plan Provisions:**

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

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 2024 was 7.00%. 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 MESB’s proportionate share of the net pension liability, calculated using the discount rate disclosed in the preceding paragraph, as well as what MESB’s proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current discount rate:

	<u>1% Decrease in Discount Rate</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
Proportionate share of the General Plan net pension liability	\$748,599	\$342,740	\$8,884

**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](http://www.mnpera.org).

**Note 8 OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**A. PLAN DESCRIPTION**

In addition to providing the pension benefits described in Note 7, 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.

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 2024 were \$6,785. 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, 2024 actuarial valuation, participants of the plan consisted of:

Active employees	8
Inactive employees and beneficiaries currently receiving benefits	<u>2</u>
Totals	<u><u>10</u></u>

#### **D. TOTAL OPEB LIABILITY AND CHANGES IN TOTAL OPEB LIABILITY**

MESB's total OPEB liability of \$261,931 was measured as of January 1, 2024 and was determined by an actuarial valuation as of January 1, 2024. Changes in the total OPEB liability during 2024 were:

Balance - beginning of year	\$219,984
Changes for the year:	
Service cost	5,527
Interest	8,886
Plan changes	-
Differences between expected and actual experience	(8,359)
Changes in assumptions	42,678
Benefit payments	<u>(6,785)</u>
Net changes	<u>41,947</u>
Balance - end of year	<u><u>\$261,931</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, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	Rates vary by service
Discount rate	3.70%
Investment rate of return	N/A
Pre-65 Healthcare trend rate	6.50% as of January 1, 2024 grading to 5.00% over 5 years and then to 4.00% over the next 48 years.
Post-65 Healthcare trend rate	5.00%

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, 2024 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.

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:

<u>Attained Age</u>	<u>Retirement % Rule of 90</u>	<u>Retirement % Not Rule of 90</u>
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 (2.70%) or 1% higher (4.70%) than the current discount rate:

	1% Decrease (2.70%)	Discount Rate (3.70%)	1% Increase (4.70%)
Total OPEB liability	\$304,268	\$261,931	\$227,648

**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 3%) or 1% higher (7.50% decreasing to 5%) than the current healthcare cost trend rates:

	1% Decrease (5.50% decreasing to 3.00%)	Healthcare Cost Trend Rates (6.50% decreasing to 4.00%)	1% Increase (7.50% decreasing to 5.00%)
Total OPEB liability	\$225,046	\$261,931	\$308,274

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

For the year ended December 31, 2024, MESB recognized (\$4,880) of OPEB expense. At December 31, 2024, 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	\$28,452	\$23,500
Gain on liability	-	5,572
Contributions subsequent to the measurement date	7,125	-
Total	<u>\$35,577</u>	<u>\$29,072</u>

The \$7,125 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, 2025.

**METROPOLITAN EMERGENCY SERVICES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2024

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

<u>Year Ended December 31,</u>	<u>OPEB Expense Amount</u>
2025	(\$12,061)
2026	11,441
2027	-
2028	-
2029	-
Thereafter	-

**Note 9 CONTINGENCIES**

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

**Note 10 FUND BALANCE CLASSIFICATIONS**

At December 31, 2024, a summary of the governmental fund balance classifications are listed below. Definitions of the classifications can be found in Note 1K.

	<u>General</u>	<u>911 Fund</u>	<u>EMS Fund</u>	<u>Radio Fund</u>	<u>Total</u>
Nonspendable:					
Prepaid items	\$4,370	\$97,597	\$975	\$84,182	\$187,124
Restricted for:					
Emergency services	-	-	350,326	-	350,326
Committed for:					
Emergency services	-	150,764	57,368	453,581	661,713
Assigned for:					
Future projects	2,057,685	-	-	-	2,057,685
Unassigned	<u>185,062</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>185,062</u>
Total	<u>\$2,247,117</u>	<u>\$248,361</u>	<u>\$408,669</u>	<u>\$537,763</u>	<u>\$3,441,910</u>

**Note 11 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 12 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.

**Note 13 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:

<u>Grant Period</u>	<u>Budget</u>	<u>Prior Years</u>	<u>2024</u>	<u>Balance</u>
Grant revenue/expenditures (accrual basis):				
07/01/21 - 12/31/23	<u>\$269,472</u>	<u>\$246,181</u>	<u>\$ -</u>	<u>\$23,291</u>
07/01/23 - 06/30/25	<u>\$328,938</u>	<u>\$50,453</u>	<u>\$93,755</u>	<u>\$184,730</u>
Receipts (cash basis):				
07/01/21 - 12/31/23	<u>\$269,472</u>	<u>\$225,569</u>	<u>\$20,612</u>	<u>\$23,291</u>
07/01/23 - 06/30/25	<u>\$328,938</u>	<u>\$47,635</u>	<u>\$83,661</u>	<u>\$197,642</u>

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

**METROPOLITAN EMERGENCY SERVICES BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2024

**Note 14 INTERFUND TRANSFERS**

	Transfers In			
	General Fund	911 Fund	Radio Fund	Total
Transfers out:				
General Fund	\$ -	\$100,000	\$50,000	\$150,000
EMS Fund	30,000	-	-	30,000
Radio Fund	15,000	-	-	15,000
Total transfers	<u>\$45,000</u>	<u>\$100,000</u>	<u>\$50,000</u>	<u>\$195,000</u>

Transfers to the General Fund were for EMS expenses and for management fees incurred by the Radio Fund. Transfers from the General Fund to the 911 and Radio Funds were transferred from Hennepin County investments for 911 activities and capital outlay purchases.

**Note 15 RECENTLY ISSUED ACCOUNTING STANDARDS**

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

**Statement No. 102 Certain Risk Disclosures.** The provisions of this Statement are effective for reporting periods beginning after June 15, 2024.

**Statement No. 103 Financial Reporting Model Improvements.** The provisions of this Statement are effective for reporting periods beginning after June 15, 2025.

**Statement No. 104 Disclosure of Certain Capital Assets.** The provisions of this Statement are effective for reporting periods beginning after June 15, 2025.

The effect these standards may have on future financial statements is not determinable at this time.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

**METROPOLITAN EMERGENCY SERVICE BOARD**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
For The Year Ended December 31, 2024  
With Comparative Actual Amounts For The Year Ended December 31, 2023

**Statement 6**

	Budgeted Amounts		2024 Actual	Variance with	2023 Actual
	Original	Final	Amounts	Final Budget - Over (Under)	Amounts
Revenues:					
Member assessments	\$631,975	\$631,975	\$636,929	\$4,954	\$617,598
Reimbursement revenue	2,000	2,000	-	(2,000)	2,376
Interest	5,000	5,000	71,942	66,942	60,752
Other	3,000	3,000	3,878	878	1,748
Total revenues	641,975	641,975	712,749	70,774	682,474
Expenditures:					
Current:					
Personal services	602,818	602,818	590,122	(12,696)	546,712
Equipment and maintenance upgrades	12,600	12,600	5,092	(7,508)	7,466
Other services and charges	85,675	85,675	81,932	(3,743)	81,918
Capital outlay	-	-	-	-	20,562
Debt service on leases:					
Principal	10,536	10,536	9,960	(576)	10,026
Interest	346	346	346	-	855
Total expenditures	711,975	711,975	687,452	(24,523)	667,539
Revenues over (under) expenditures	(70,000)	(70,000)	25,297	95,297	14,935
Other financing sources (uses):					
Issuance of leases	-	-	-	-	20,562
Transfer in	45,000	45,000	45,000	-	56,183
Transfer out	-	-	(150,000)	(150,000)	-
Total other financing sources (uses)	45,000	45,000	(105,000)	(150,000)	76,745
Net change in fund balance	(\$25,000)	(\$25,000)	(79,703)	(\$54,703)	91,680
Fund balance - January 1			2,326,820		2,235,140
Fund balance - December 31			\$2,247,117		\$2,326,820

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, 2024

With Comparative Actual Amounts For The Year Ended December 31, 2023

	Budgeted Amounts		2024 Actual	Variance with	2023 Actual
	Original	Final	Amounts	Final Budget - Over (Under)	Amounts
Revenues:					
Member assessments	\$667,877	\$667,877	\$662,925	(\$4,952)	\$597,422
Intergovernmental:					
State	-	-	-	-	138,967
Interest	5,000	5,000	23,896	18,896	14,707
Total revenues	672,877	672,877	686,821	13,944	751,096
Expenditures:					
Current:					
Personal services	522,965	522,965	492,747	(30,218)	342,832
Equipment and maintenance upgrades	10,500	10,500	9,131	(1,369)	10,316
Other grant expenditures	-	-	-	-	138,967
Other services and charges	156,250	156,250	194,058	37,808	258,285
Capital outlay	-	-	-	-	15,422
Debt service on leases:					
Principal	7,903	7,903	7,470	(433)	7,520
Interest	259	259	259	-	641
Total expenditures	697,877	697,877	703,665	5,788	773,983
Revenues over (under) expenditures	(25,000)	(25,000)	(16,844)	8,156	(22,887)
Other financing sources (uses):					
Issuance of leases	-	-	-	-	15,422
Transfer in	-	-	100,000	100,000	-
Total other financing sources (uses)	0	0	100,000	100,000	15,422
Net change in fund balance	(\$25,000)	(\$25,000)	83,156	\$108,156	(7,465)
Fund balance - January 1			165,205		172,670
Fund balance - December 31			\$248,361		\$165,205

See accompanying notes to the required supplementary information.

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

For the Last Ten Years

**Statement 8**

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability:							
Service cost	\$5,527	\$3,764	\$5,949	\$6,506	\$5,006	\$7,824	\$8,568
Interest	8,886	5,771	6,127	7,524	9,629	8,732	8,360
Changes of benefit terms	-	-	-	-	-	-	-
Plan changes	-	-	-	-	(3,305)	-	-
Differences between expected and actual experience	(8,359)	-	(17,381)	-	(21,379)	-	-
Changes in assumptions	42,678	(70,502)	(4,314)	37,761	19,465	(19,221)	-
Benefit payments	(6,785)	(7,645)	(4,383)	(4,218)	(5,499)	(5,985)	(3,841)
Net change in total OPEB liability	41,947	(68,612)	(14,002)	47,573	3,917	(8,650)	13,087
Total OPEB liability - beginning	219,984	288,596	302,598	255,025	251,108	259,758	246,671
Total OPEB liability - ending	<u>\$261,931</u>	<u>\$219,984</u>	<u>\$288,596</u>	<u>\$302,598</u>	<u>\$255,025</u>	<u>\$251,108</u>	<u>\$259,758</u>
Covered-employee payroll	\$820,066	\$802,556	\$779,181	\$805,345	\$779,995	\$702,011	\$681,564
Total OPEB liability as a percentage of covered-employee payroll	31.9%	27.4%	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%
2023	2023	0.0092%	514,454	14,251	528,705	732,094	72.2%	83.1%
2024	2024	0.0093%	342,740	8,863	351,603	784,520	44.8%	89.1%

See accompanying notes to the required supplementary information.

**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%
December 31, 2023	54,298	54,298	-	723,973	7.5%
December 31, 2024	62,948	62,948	-	839,307	7.5%

See accompanying notes to the required supplementary information.

**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.

*2024 Changes*

Changes in Actuarial Assumptions:

- The health care trend rates were changed to better anticipate short-term and long-term medical increases. The new rates include a change to post-age 65 trend rates from 4.00% to 5.00%.
- The discount rate was changed from 4.00% to 3.70%.

*2023 Changes*

Changes in Actuarial Assumptions:

- The inflation rate was changed from 2.00% to 2.50%.
- The discount rate was changed from 2.00% to 4.00%.

*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%.

**Note C    PENSION INFORMATION**

**PERA – General Employees Retirement Fund**

*2024 Changes*

Changes in Actuarial Assumptions:

The following changes in assumptions are effective with the July 1, 2024 valuation, as recommended in the most recent experience study (dated June 29, 2023):

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

Changes in Plan Provisions:

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

*2023 Changes*

Changes in Actuarial Assumptions:

- The investment return assumption and single discount rate were changed from 6.50% to 7.00%.

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$170.1 million was contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.50% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

*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.

##### 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.

##### 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.

#### *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, 2024, 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 April 30, 2025.

**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 the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Redpath and Company, LLC*

REDPATH AND COMPANY, LLC  
St. Paul, Minnesota

April 30, 2025



## 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, 2024, 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 April 30, 2025.

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 sections 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, LLC*

REDPATH AND COMPANY, LLC  
St. Paul, Minnesota

April 30, 2025

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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 (MESB) for the year ended December 31, 2024. 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 February 13, 2025. 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 MESB are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024. We noted no transactions entered into by MESB 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 financial statements are the:

- present value of the lease liability
- estimates used to calculate the net pension liability, the pension related deferred outflows and inflows of resources, and pension expense

These estimates are based on MESB's estimated incremental borrowing rate 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.

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 corrected or uncorrected misstatements identified during the audit.

*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 April 30, 2025.

*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 MESB'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 MESB'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 of Commissioners 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, LLC*

REDPATH AND COMPANY, LLC  
St. Paul, Minnesota

April 30, 2025



## **METROPOLITAN EMERGENCY SERVICES BOARD**

**Meeting Date:**

**May 14, 2025**

**Agenda Item:**

**5A. Approval of Dakota County  
Waiver to ARMER Standard 3.15.0**

**Presenter:**

**Fredrick**

### **RECOMMENDATION**

The Radio Technical Operations Committee (TOC) recommends the Board approve a waiver to Metro ARMER Standard 3.15.0 "Use of Metro ARMER ME LSEC Talkgroups" for Dakota County's radio fleet.

### **BACKGROUND**

Metro ARMER Standard 3.15.0 states that all capable law enforcement radios in the region will be programmed with ME LSEC talkgroups. ME LSEC 2E-9E have Data Encryption Standard – Output Feedback (DES-OFB) encryption capabilities, while ME LSEC 10E-15E have Advanced Encryption Standard (AES) encryption capabilities. These talkgroups are meant to be used throughout the metro region to alleviate operational stress on metro regional ME TAC talkgroups and statewide LTAC talkgroups for situations with large law enforcement involvement.

### **ISSUES & CONCERNS**

Dakota County plans to add the DES-capable talkgroups (ME LSEC 02E-09E) to all radios, but does wish to have a mixed fleet, as currently not all radios in the county are AES-capable. When the full county fleet becomes AES-capable, Dakota County will add the additional 10E-15E talkgroups.

### **FINANCIAL IMPACT**

None to MESB.

MOTION BY:

SECONDED BY:

MOTION:

PASS/FAIL



To: Metro TOC, Chair Jake Thompson

CC: Tracey Fredrick

From: Ron Jansen

Date: 15 April 2025

Greetings,

Dakota County and the Law Enforcement Agencies contained within are seeking a waiver to a portion of Regional Standard 3.15.0, Metro ARMER ME LSEC Talkgroups. Dakota County will add the additional ME LSEC 02E through ME LSEC 09E talkgroups, DES encrypted (Data Encryption Standard), to the Law Enforcement radio programming templates and the Dakota-911 PSAP console positions. However, until all Law Enforcement radios in the County have the capability of AES encryption (Advanced Encryption Standard) Dakota plans **not** to add ME LSEC 10E through ME LSEC 15E to radio programming templates and PSAP console positions.

Dakota County will have a few cache radios that will be programmed with these resources in the event of a catastrophic event where the use of AES encryption may be a necessity.

Once all of the Law Enforcement Radios in the County have either been updated or replaced Dakota County will add the additional talkgroups to the programming templates.

Thank you for your consideration on this request.

Sincerely,

**Ron Jansen**

Dakota County Radio System Coordinator

P: 952 891-7886

E: [ron.jansen@co.dakota.mn.us](mailto:ron.jansen@co.dakota.mn.us)

## **Risk Management**

**P** 651-438-4558 **F** 651-438-4405 **W** [www.dakotacounty.us](http://www.dakotacounty.us)

**A** Dakota County Administration Center • 1590 Highway 55 • Hastings • MN 55033



## **METROPOLITAN EMERGENCY SERVICES BOARD**

**Meeting Date:**

**May 14, 2025**

**Agenda Item:**

**6A. Approval of 2025 Regional  
Needs Document**

**Presenter:**

**Rohret/Fredrick**

### **RECOMMENDATION**

The 9-1-1 and Radio Technical Operations Committees (TOCs) recommend the Board approve the 2025 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 SECEB Finance Committee on February 9, 2023; the Finance Committee formally asked each region to complete a regional needs document and return it to the SECEB Grants Workgroup by May 2023. Subsequently, the SECEB Finance Committee requested regions annually update this document and submit it to the Committee by May 31 of each year.

### **ISSUES & CONCERNS**

This year, the SECEB Finance Committee expressly requested regions to include both ARMER and 9-1-1 needs, as well as regional and individual agency needs.

In the past, the MESB did not include individual agency needs; these needs were included this year, which led to major changes to the document. Additionally, the regional projects were refreshed and re-prioritized, as well as the addition of new projects.

The regional 9-1-1 items include: comprehensive PSAP staffing and operations study; PSAP continuity of operations study; PSAP mutual aid/CAD-to-CAD interoperability solution; region-wide PSAP console replacement in 2029; feasibility and cost effectiveness study on regional purchase of PSAP technology; geo-diverse 9-1-1 call handling equipment ESInet connections; GIS software services – web-based map viewer; and continued telecommunicator resiliency training.

The regional radio items include: bi-directional amplifiers (BDAs)/distributed antenna systems (DAS); AES encryption; vendor-provided radio technical training; Communications Response Task Force (CRTF) training and exercising; ongoing maintenance for existing ARMER infrastructure; subscriber equipment replacement; additional local enhancement for capacity/coverage needs; strategic coverage enhancement equipment; in-building coverage assessment equipment; and the planned base station replacement in the mid-2030s.

MOTION BY:

SECONDED BY:

MOTION:

PASS/FAIL



## **METROPOLITAN EMERGENCY SERVICES BOARD**

**Meeting Date:**

**May 14, 2025**

**Agenda Item:**

**6A. Approval of 2025 Regional  
Needs Document**

**Presenter:**

**Rohret/Fredrick**

**FINANCIAL IMPACT**

None to the MESB currently.

MOTION BY:  
SECONDED BY:  
MOTION:

PASS/FAIL



# **Metropolitan Emergency Services Board**

## **2025 Regional Needs Document**

Draft: April 29, 2025

The Metropolitan Emergency Services Board (MESB) is one of seven regional Emergency Communications Boards and Emergency Services Boards in the state of Minnesota. Formed in 1979 under MSS 471.59, and later amended in conformance with MS 403.39, and 403.392, the MESB provides local governance on matters related to emergency communications (9-1-1 and ARMER), as well as 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

The statewide Allied Radio Matrix for Emergency Response (ARMER) system, procured by the Metropolitan Radio Board, 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. Currently, the ARMER system has approximately 125,000 active radios.

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, MnDOT completed its backbone of the ARMER system. There are 335 state-maintained and 100 locally maintained ARMER tower sites on the air across Minnesota. The system provides 95% coverage for mobile radios across the state. Of the 100 local ARMER towers, 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. Currently, the Statewide Emergency Communications Board (SECB), MnDOT, the Minnesota Department of Public Safety (DPS), and ARMER stakeholders endeavor to develop a capital improvement and funding plan to address this need.

In 1979, the Metropolitan 9-1-1 Telephone Board 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 on December 1, 1982, and provided the basis for the statewide buildout of E9-1-1. Today, all 103 PSAPs in the state are part of the network. Of the 103 PSAPs in the state, 24 reside in the metro region. In 2024, the metro region answered 70% of all 9-1-1 calls in the state.

Planning for the 9-1-1 network to transition from E9-1-1 to Next Generation 9-1-1 (NG9-1-1) is underway. NG9-1-1 will provide PSAPs with additional capabilities to answer texts, receive photos and videos, provide improved 9-1-1 caller location, and provide pre-determined rules for routing 9-1-1 calls.

Today, DPS' Emergency Communication Networks (ECN) division contracts and pays for the statewide 9-1-1 network. Local governments pay for costs for a 9-1-1 system associated with receiving 9-1-1 calls and dispatching public safety responders. Local government costs (this is not an exhaustive list) include maintenance of the physical PSAP; salaries/benefits for PSAP employees, including public safety telecommunicators (PSTs), administrative and technical staff, and in some cases, dedicated GIS staff; employee training; purchase and maintenance of call handling equipment (CHE), including software, used to answer 9-1-1 calls; procure and maintain communications/radio equipment used to dispatch response to 9-1-1 calls; software or subscription services for training, quality assurance/quality control, CTO, and location mapping; 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 associated equipment 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 are required in a public safety field, without additional benefits similar to those received by other first responders.

## 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

The following are priorities for regional projects. 9-1-1 projects are listed in priority order, followed by ARMER projects in priority order.

### 9-1-1 Projects

#### Comprehensive PSAP Staffing and Operations Study

MESB recognizes a critical need to conduct a comprehensive PSAP Staffing and Operations Study to address existing inconsistencies and establish best-practice guidelines across the region. The study will develop standardized staffing models and operational guidelines, including recommendations on minimum staffing levels relative to call volume, requirements for dedicated Quality Assurance personnel, and mandatory separation of duties for personnel managing law enforcement talk groups and call answering functions. Additionally, it should establish minimum training standards and recommendations for training coordinator positions within each PSAP. This strategic initiative aims to enhance efficiency, operational consistency, and overall service quality in emergency communications in the metro region.

Estimated cost: \$250,000

#### PSAP Continuity of Operations Study

Metro region PSAPs have varying capabilities for continuity of operations. Some PSAPs maintain dedicated backup call centers that can serve both their own operational needs and potentially assist neighboring PSAPs. One PSAP implemented an external agency 9-1-1 call queue, featuring a distinctive ring pattern, allowing for independent call answering separate from their primary lines. Other PSAPs plan to leverage local library facilities during disruptions due to essential services, such as CHE, being cloud-based applications. Other PSAPs have no alternative facility.

The MESB seeks funding for a comprehensive study to evaluate comprehensive PSAP staffing, operations, and current PSAP continuity capabilities and proposals for improvements tailored to regional demographics, call volumes, and operational needs. The study will assess the practicality and benefits of establishing a dedicated regional backup PSAP facility, including recommendations on how regular utilization could ensure operational familiarity and seamless transitions during PSAP relocations.

Estimated cost: \$250,000

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

The 24 primary and secondary PSAPs in the metro region desire procurement of 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.

It is anticipated that the solution provides improved situational awareness for metro region PSAPs. Such a solution was found to be a need in the MESB's May/Juen 2020

Civil Unrest After Action Report/Improvement Plan. The solution allows other PSAPs to answer 9-1-1 calls intended for a PSAP which has been inundated with 9-1-1 calls; this provides 9-1-1 callers with better service in extraordinary situations/events.

MESB expects that implementing CAD-to-CAD integration will significantly enhance daily response times for cross-jurisdictional incidents. Currently incident relaying between PSAPs occurs manually, creating delays and increasing the potential for address errors. Automating this process through CAD-to-CAD communication will reduce response times, enhance accuracy, and improve overall operational efficiency.

Estimated cost: \$2.7 million - \$3.5 million

#### PSAP Radio Console Replacement

A large majority of ARMER users utilize Motorola MCC 7500 consoles to dispatch public safety resources in response to 9-1-1 calls. Motorola has announced end-of-life of this product and stated that the consoles must be replaced by early 2029 to maintain cybersecurity resilience. In 2024, Motorola stated that if there is one statewide contract to replace all consoles (736 stated in 2024), the cost would approximately be \$55,880,000 - \$56,500,000. If contract replacement is done via individual agency contracts, the cost was estimated to be \$80,000,000 - \$92,000,000. The metro region wishes to pursue a joint contract to replace all dispatch consoles in the region. This item includes all consoles except for those explicitly stated in individual agency projects below.

Estimated cost: Approximately \$100,000 per console or \$36,800,000 total, including encryption

#### Feasibility and Cost Effectiveness Study on Regional Purchase of PSAP Technology

A cost study initiated by the MESB analyzed 2023 costs of providing public safety communications in the metro region. The study demonstrated the possibility that local units of governments operating PSAP could save significant money if regional technology, such as CAD, logging, and CHE, were deployed. The aim of the feasibility and cost effectiveness study is to determine if cost savings would be realized if regional technology were deployed.

Estimated cost: \$200,000

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

Taking advantage of geo-diverse technology offered by new CHE platforms allows 9-1-1 calls to be delivered to two locations simultaneously, which is an attractive option for Minnesota PSAPs to provide 9-1-1 network and call delivery redundancy. Geo-diverse configurations split the A and B services typically found at one location, into two separate geo-diverse locations, which allows for additional staff at another location, or PSAP, during extraordinarily 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 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 PSAP's 9-1-1 system and best serves the residents of its jurisdiction.

Estimated cost: \$216,000 annually, in addition to ECN's current costs

#### GIS Software Services – Web-Based Map Viewer

GIS software services are needed to support the creation, conversion, and maintenance of GIS-derived Master Street Address Guides (MSAGs) for PSAPs in the ten-county metro region. The web-based map viewer allows 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 cost: \$353,000 for five years, including implementation costs

#### Telecommunicator Resiliency Training

Over the last six years, the MESB received grant funds for resiliency training for metro public safety telecommunicators in an effort to maintain their emotional well-being, but also to assist in their retention as employees. In 2025, MESB contracted with Blue Ethos for this training and it has been very well received. The training given was a shortened version, and there is a desire to provide additional training in the future.

Estimate cost: \$100,000

### **ARMER Projects**

#### Bi-Directional Amplifiers (BDAs) in Schools and Government Buildings

Many government facilities and schools in the region have ARMER coverage gaps and would benefit from having BDAs installed, allowing first responders with ARMER radios to communicate via the ARMER system no matter where in a building the responder is located.

Estimated cost: \$40 million in capital costs; \$4 million in annual maintenance costs

### AES Encryption for Subscriber Radios

The SECB recommends ARMER users transition to Advanced Encryption Standard (AES) encryption for transmitting criminal justice information or sensitive radio transmissions on the ARMER system. To achieve this, supplemental funding is necessary to replace or upgrade existing ARMER subscriber equipment for public safety agencies. It is recommended to most agencies that, as devices are upgraded, purchase AES encryption-capable devices. The Metro Region also desires to procure a key management facility (KMF) device for use across the region.

Estimated cost: \$100 million plus \$5,000 for initial KMF cost

### Vendor-provided Radio Technical Training

According to SECB standards, system administrators are required to complete technical training once every two years. To keep current with evolving technology, vendor technical training must be provided.

Estimated cost: \$45,000 annually

### CRTF Training and Exercises

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

Estimated cost: \$10,000 annually

### Ongoing Maintenance for Existing ARMER Infrastructure

Every five years, MnDOT executes a service contract with Motorola for maintenance of and upgrades to the ARMER system. A combination of 9-1-1 fees, state funds, and state trunked highway funds pay for maintenance of state-owned infrastructure. Counties and the City of Minneapolis own local enhancements, which are additional tower sites and/or channels which interconnect to state-owned sites to provide additional coverage and capacity for local users. Though local enhancements are shared with general users of the ARMER system, funding for the enhancements and related backhaul network is provided by the local agency which owns the enhancement. Since the state-owned and locally owned infrastructure form the completed radio network, a funding source to assist in paying for maintenance of all sites must be determined. With a higher-than-expected price increase for the 2026-2030 maintenance agreement, paired with increases in operating costs and the need to replace aging infrastructure, the financial burden on local agencies can no longer be borne without a significant increase to the tax levy.

Estimated cost: \$4 million annually

### Subscriber Equipment Replacement

Subscriber radios (mobiles and portables) used to communicate via the ARMER system have a finite lifespan. Radios reach end of life status when firmware, batteries, or replacement parts become unavailable. Public safety agencies continuing to use outdated subscriber equipment often results in distorted or incomplete communications. Regular replacement of equipment in the metro region is typically funded locally, using no state or federal funds. Having an additional shared funding source to purchase this equipment would be ideal to ensure the quality and consistency of emergency communications.

Estimated cost: \$52 million

### Strategic Coverage Enhancement Equipment

Throughout the metro region, a significant number of buildings lack adequate indoor ARMER coverage. Newly constructed structures often do not consider the need for public safety communications when built. The metro region wishes to purchase equipment that enhances coverage in these structures which can be deployed across the region on a rapid deployment basis. The desired equipment includes two mobile transceivers, a portable rack, and a JPS module. The region wishes to purchase two of the packaged units.

Estimated cost: \$50,000

### In-Building Coverage Assessment Equipment

With discussion about school mapping, the metro region partners have discussed the difficulties in completing coverage assessments to determine where gaps in buildings occur. Furthermore, many regional partners do not have equipment sufficient to perform these assessments. The metro region wished to purchase equipment that can be shared between all regional partners to perform these assessments at any time in the future. The suggested equipment is an Anritsu LMR Site Master S412D.

Estimated cost: \$40,000 initial cost, plus \$10,000 recurring annual license

### Base Station Replacement

The metro region is looking at a proactive approach to come in line with the Motorola lifecycle replacement. In the 2030 Motorola lifecycle plan, base stations will need to be replaced, at a significant cost to local agencies. The metro region also has 10 subsystem sites, which will have a higher replacement cost. This item is meant to be for awareness, as the funding will be needed beginning in State Fiscal Year 2029.

Estimated cost: \$89.68 million (\$82.5 million for 1500 base stations, \$7.18 million for subsystems)

## Agency Priorities

The following are local agency priorities, including both 9-1-1 and ARMER projects.

### **Carver County**

#### Replacement of ARMER Tower Site

Carver County installed ARMER equipment at a tower structure located in Hollywood Township since ARMER's inception. Ownership of the tower has changed from private ownership to ownership by the local township, has been shortened from its original design, and is halfway through its economic lifespan. With permitting, licensing, and construction timelines, the County plans to replace the tower by 2030.

Estimated cost: \$1.5 million

#### Additional ARMER Local Enhancement Site

Since Carver County built its local enhancement subsystem in the early 2000s, it has identified the need for an additional site. The County wishes to add this site to provide better ARMER coverage for public safety response to emergencies in the Waconia area of the county.

Estimated cost: \$1.5 million

#### CAD Replacement

Carver County 911 expects to replace its CAD in 2027-2028. This purchase would be made with the potential to interface or integrate with a regional CAD-to-CAD solution.

Estimated cost: \$1 million

#### CHE Upgrade/Replacement

Carver County Sheriff's Office must upgrade its PSAP's CHE. The current system was purchased in 2014 and has had a complete hardware refresh. The current contract expires in May 2027. This system is a shared/hosted system with Ridgeview Medical Center known as CHS-2. The upgrade/replacement CHE will meet NG9-1-1 standards.

Estimated cost: \$650,000

#### 9-1-1 Logger Replacement

Carver County's 9-1-1 logger is scheduled for replacement in 2026.

Estimated cost: \$400,000

## **Chisago County**

### 9-1-1 Cybersecurity Equipment

In 2025, Chisago County is undergoing a security audit of its CHE. The county expects to require additional equipment in 2026 to meet cybersecurity requirements of both the county and an NG9-1-1 network.

Estimated cost: \$100,000

### Replacement of Fire Simulcast Paging System

Chisago County requires replacement of its simulcast fire paging system in 2029.

Estimated cost: \$300,000

### CHE Replacement

Chisago County requires replacement of its CHE to maintain compatibility with i3 requirements. Replacement timeline may depend on Minnesota's migration to NG9-1-1.

Estimated cost: \$500,000

### 2027-2028 HVAC Replacement at ARMER Tower Sites

HVAC units at Chisago County-owned ARMER sites require replacement, as tower sites are aging and equipment is nearing the end of expected life.

Estimated cost: \$275,000

### Back-up Battery Replacement at ARMER Tower Sites

Chisago County plans to replace -48-volt power plant and backup batteries at county-owned ARMER sites in 2027-2028. Equipment at the tower sites is powered by -48 volt DC power, the rectifier power plants convert the AC power from the power company and on-site generator into DC power. The backup batteries power the equipment during power outages until the on-site generator starts up and can produce power for the equipment.

Estimated cost: \$175,000

## **Dakota County/Dakota 911**

### Additional ARMER Local Enhancement Site

Since Dakota County built its local enhancement subsystem, the need for an additional 11th site was identified. The County wishes to add this site to provide better ARMER coverage for public safety response to emergencies in the Castle Rock area of the county.

Estimated cost: \$1.5 million

#### CAD Replacement

Dakota 911 expects to replace its CAD in 2028. It is possible that this procurement could be leveraged to result in a regional CAD procurement, dependent on the results of the aforementioned Feasibility and Cost Effectiveness Study.

Estimated cost: \$3 million (county only)

#### CHE Replacement

Dakota 911 is currently part of the statewide Motorola Software as a Service (SaaS) CHE system, with the contract terminating in 2028. The county has experienced several technical issues resulting in the CHE going down and requiring 9-1-1 calls to be alternately routed; these experiences resulted in concern regarding the viability of the state's fifth largest PSAP (by 2024 call volume) operating on this shared system.

Estimated cost: \$825,000 over five years, plus non-recurring charges

#### 9-1-1 Logger Replacement

Dakota 911's 9-1-1 logger is scheduled for replacement in 2030.

Estimated cost: \$266,000

### **Hennepin County**

#### Additional ARMER Local Enhancement Site

Hennepin County identified a need to add (an) additional ARMER tower site to its Hennepin East local enhancement subsystem to provide better ARMER coverage for public safety response in the Edina area(s) of the county.

Estimated cost: \$2.5 million

### **Ramsey County**

#### 2029-2032 ARMER Equipment Platform Replacement

In the 2029-2032 timeframe, Ramsey County will replace existing ARMER equipment which is facing manufacturer end-of-life. The equipment to be replaced includes the prime site controller and 168 base stations for Ramsey County's seven-site ARMER subsystem.

Estimated cost: \$10 million

### **Scott County**

#### Additional ARMER Local Enhancement Site

Scott County identified a need to add an additional ARMER tower site to the local enhancement subsystem it owns with Carver County. The additional site would provide

improved ARMER coverage for public safety response in the Shakopee area of the county.

Estimated cost: \$1.75 million

## **Sherburne County**

### Upgrade to Fire & EMS Simulcast Paging System

Sherburne County requires an upgrade to its simulcast paging system to page out fire and EMS responders.

Estimated cost: \$360,000

## **Washington County**

### Additional ARMER Local Enhancement Site

Since Washington County built its local enhancement subsystem, the need for an additional 15th site was identified. The County wishes to add this site to provide better ARMER coverage for public safety response to emergencies in the southern area of the county, primarily the City of Cottage Grove.

Estimated cost: \$1.5 million

### 2027 CHE Upgrade

Washington County Sheriff's Office must upgrade its PSAP's CHE. Its current system was installed in 2021 and will require an upgrade for cybersecurity, additional functionality, and to continue to be ready for NG9-1-1.

Estimated cost: \$1 million

### 2027 PSAP Backup Center

Washington County has purchased property on which it plans to build a back-up center for its PSAP. The County is in the planning stage for this project

Estimated cost: \$2 million

## **City of Bloomington**

### Microwave Link Upgrade

The City of Bloomington has a microwave link connecting its PSAP to the ARMER system which requires an upgrade.

Estimated cost: \$130,000

### CAD Replacement

The City of Bloomington anticipates a CAD replacement in 2028-2029. It is possible that this procurement could be leveraged to result in a regional CAD procurement, dependent on the results of the aforementioned Feasibility and Cost Effectiveness Study.

Estimated cost: \$1 million

### **City of Eden Prairie**

#### 2026 Console Replacement

The City of Eden Prairie is building a new 9-1-1 center and requires new consoles for the center. The city will purchase the new AXS dispatch consoles and will do so before the required 2029 upgrade.

Estimated cost: \$901,747

### **City of St. Louis Park**

#### 2027 Console Replacement

City of St. Louis Park is planning a new police building, which would include a new PSAP. Should these plans move forward, the City will require replacement of its four current consoles as well as four additional consoles in 2027, which includes two for working Supervisor/Lead Dispatcher offices.

Estimated cost: \$900,000 - \$1.5 million

#### Consolette Replacement

St. Louis Park has ten consolettes for varying functions in its PSAP. Three consolettes serve as back-up radios for the City's COOP plan, six are used for logging, and one is for use in the PSAP's restroom. These radios are end-of-life on June 30, 2025.

Estimated cost: \$70,000

#### 2026 CAD/RMS Replacement

City of St. Louis Park plans to procure new CAD and RMS in June 2026. The procurement may be a stand-alone system, or it may leverage the City of Edina's CAD/RMS and share the technology. It is possible that this procurement could be leveraged to result in a regional CAD procurement, dependent on the results of the aforementioned Feasibility and Cost Effectiveness Study.

Estimated cost: \$450,000 (if shared with Edina) or \$950,000

## **MSP Airport 9-1-1**

### 2026 Console Addition

MSP Airport 9-1-1 plans to add a five console site, plus AIS, at xxxxx, which will serve as backup to its current PSAP prior to the completion of its new PSAP.

Estimated cost: \$600,000

### 2027 Console Replacement

MSP Airport 9-1-1 is building a new PSAP and plans to replace its consoles before occupancy in mid-2027.

Estimated cost: \$900,000

### ARMER Microwave Link Upgrade

MSP Airport needs to upgrade its ARMER microwave link connecting its PSAP to the ARMER network.

Estimated cost: \$150,000

## **Hennepin EMS**

### 2027 Console Replacement

Hennepin EMS is in the planning process for a new emergency communications center, which will double its current console count to 12. This change will occur prior to the required 2029 upgrade.

Estimated cost: \$1.080 million

## **M Health Fairview EMS**

### 2026-2027 Additional Console Purchase

M Health Fairview EMS plans to purchase two MCC7500e consoles in the next one to two years.

Estimated cost: \$100,000

## **Metro Transit**

### 2025 Console Upgrade

Metro Transit will upgrade its consoles in 2025.

Estimated cost: \$750,000 (funding secured)

#### Joint Operations Center

By 2030, Metro Transit plans to build a joint operations center to combine, rail, bus, and police operations in one center.

Estimated cost: \$30 million

#### New CHE Purchase

Metro Transit plans to purchase new CHE in the fourth quarter 2025 or first quarter 2026.

Estimated cost: \$1 million

DRAFT





## **METROPOLITAN EMERGENCY SERVICES BOARD**

**Meeting Date:**

**May 14, 2025**

**Agenda Item:**

**6B. Acceptance of School  
Mapping Grant Funds**

**Presenter:**

**Rohret**

### **RECOMMENDATION**

Staff recommend the Board accept school mapping grant funds and authorize the chair to execute a grant agreement once the award is announced and contract is received.

### **BACKGROUND**

In the 2024 legislative session, the Legislature approved allocating \$7 million from the 9-1-1 special revenue fund to serve as grants to the regional emergency communications/services boards. The grant was to be administered by the Minnesota Department of Public Safety (DPS) Emergency Communication Networks (ECN) division, with input from the Statewide Emergency Communications Board (SECB). ECN has stated that any grant above \$5,000.00 must be a competitive grant.

At the March 2025 MESB meeting, the Board approved a joint procurement with other emergency communications/services board regions. Six of the seven emergency communications/services board regions will jointly procure, with MESB being the lead contracting agent, digital mapping services under this grant.

### **ISSUES & CONCERNS**

Minnesota Department of Public Safety, Emergency Communication Networks (ECN) division released its RFP for regions to apply for grant funds on April 4, with grant applications due on May 16. According to ECN's draft schedule, grant award letters will be sent out the week of June 20, with grant agreements going out in late July. All work must be completed by June 30, 2026.

MESB staff inquired with ECN if it could release its RFP for digital mapping services prior to grant award and contract execution, with the Board not awarding or executing its contract with a vendor until after the grant contract is executed, as a way of allowing the vendor as much time as possible to do the mapping work. ECN has stated that MESB must at least have its grant award letter before it can release its RFP.

Accepting the grant funds at the May meeting gives staff more leeway to issue the RFP as quickly as possible to preserve time for vendor work completion.

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## **METROPOLITAN EMERGENCY SERVICES BOARD**

**Meeting Date:**

**May 14, 2025**

**Agenda Item:**

**6B. Acceptance of School  
Mapping Grant Funds**

**Presenter:**

**Rohret**

### **FINANCIAL IMPACT**

This project is not included in MESB's 2025 or 2026 budgets; it will be 100% grant funded. MESB will contract for all six regions and will handle all financials. There will be no subgrants to the other five regions.

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## **METROPOLITAN EMERGENCY SERVICES BOARD**

**Meeting Date:**

**May 14, 2025**

**Agenda Item:**

**7A. Acceptance of Minnesota  
Department of Health Grant for  
Minnesota Metropolitan Regional  
Trauma Advisory Committee**

**Presenter:**

**Hayes**

### **RECOMMENDATION**

Staff recommends the Board accept a grant from the Minnesota Department of Health (MDH) for the Minnesota Metropolitan Regional Trauma Advisory Committee (MMRTAC) in the amount of \$8,000.00.

### **BACKGROUND**

MMRTAC represents the healthcare systems in the seven metropolitan counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington. [Minnesota Statutes §144.408](#) defines the functions of the MMRTAC to advise, consult with, and make recommendations to the Minnesota (State) Trauma Advisory Council (STAC) for regional modifications to the statewide trauma criteria to improve patient care and accommodate specific metropolitan regional needs. The STAC seeks the advice from the Regional Trauma Advisory Committees (RTACs) across Minnesota regarding process improvements, implementing and updating the trauma hospital level designation criteria, and to adapt, modify, and implement the criteria as appropriate to accommodate Minnesota's unique geography and the state's hospital and health professional distribution.

MESB serves as the administrative and fiscal agent for the MMRTAC.

### **ISSUES & CONCERNS**

Since its inception, MMRTAC has been excluded from the rural trauma grants from MDH due to the definition of rural. MMRTAC was the only regional trauma advisory committee which did not receive funding from the state. Over the last two years, the MESB argued for funding for MMRTAC as over 25% of the trauma in Minnesota's rural areas are transported into the metro region. As a result, MDH awarded MESB \$8,000.00 in federal funds for MMRTAC for training and education.

### **FINANCIAL IMPACT**

This grant provides additional funding and provide savings from EMS grants, which have been used to pay for MMRTAC activities.

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## **METROPOLITAN EMERGENCY SERVICES BOARD**

**Meeting Date:**

**May 14, 2025**

**Agenda Item:**

**8A. Approval of New MESB  
Policy 036 – Grants**

**Presenter:**

**Rohret**

### **RECOMMENDATION**

The Executive Director recommends the Board approve the new MESB Policy 036 – Grants.

### **BACKGROUND**

The Metropolitan Emergency Services Board established policies ranging from the succession of Board officers to a gift acceptance policy to an insurance deductible policy. Many of the policies were derived from the Metropolitan 9-1-1 Board and were established 1997-1998; others were approved and implemented later, including after the merger of the Metropolitan 9-1-1 Board and the Metropolitan Radio Board in 2005. Most of the policies were updated after the merger and the creation of the MESB, but the updates primarily focused on the name change and little to no substantive changes have been made. The policies were all reviewed in 2015-2016 and amendments were made to most. Additional policies have been created since 2015.

### **ISSUES & CONCERNS**

After discussion with Board Counsel, staff drafted a new policy on grants.

Policy 036 – Grants: states the MESB will comply with federal and state laws and regulations. The policy states all grants must be accepted by the Board, which is what is currently done in practice. It details who may sign grant agreements or grant amendments, and how grant management and oversight will be conducted. The policy also lays out how subgrants may occur and what rules apply to them.

### **FINANCIAL IMPACT**

None at this time.

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## Metropolitan Emergency Services Board

**Subject: Grants**

**Number: 036**

**Effective Date: 05-14-2025**

**Purpose:** To establish a framework for managing and utilizing federal, state, or other grants in compliance with applicable laws, regulations, and standards. It is designed to ensure transparency, accountability, and the effective use of grant funds to achieve MESB's mission and objectives.

### **Legal Compliance**

MESB complies with all applicable federal and state laws, including but not limited to:

#### Federal Laws and Regulations

- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200)
- Federal Funding Accountability and Transparency Act (FFATA)
- Any additional statutes or regulations specific to the awarding federal agency

#### State of Minnesota Laws and Regulations

- Minnesota Statutes Chapter 16B (State Procurement and Contracting)
- Minnesota Statutes Chapter 471.345 (Uniform Municipal Contracting Law)
- Any other applicable state statutes or administrative rules specific to the funding source.

### **Grant Applications**

Applications must align with MESB's strategic priorities and demonstrate compliance with federal and state requirements. Any required match funding or in-kind contributions must be identified, documented, and approved by the Board, if applicable, before application submission.

For ARMER and 9-1-1 grants, projects for grant application projects are derived from the annual Board approved Regional Funding Priorities list. Once grants become available, the Radio Services Coordinator applies for grant projects that are pre-approved by the Board.

For Office of EMS's EMS Fund and Relief Fund grants, the EMS Coordinator develops biennial grant plans, including a budget, which are approved by the Board prior to application submission. For other grants offered by the Office of EMS, a grant plan and budget are developed and submitted with the grant application and do not require prior Board approval.

For all other grants, MESB staff may apply for grant funds for specific projects, but the projects must be approved by the board upon receipt of the grant.

### **Board Acceptance of Grants**

All grants must be accepted by the MESB as follows:

Grant agreements, where the grant application was pre-approved by the Board, and where the total award does not exceed \$15,000 may be executed by the Executive Director and Board Counsel.

Grant agreements where either: (1) the application was not pre-approved by the Board; or (2) the award exceeds \$15,000, require Board action. The Board Chair and Board Counsel may execute these grant agreements upon Board approval.

## Metropolitan Emergency Services Board

**Subject: Grants**

**Number: 036**

**Effective Date: 05-14-2025**

### **Grant Amendments**

Grant amendments which do not alter the amount of the grant award, but that extend grant deadlines or shift fund availability during the term of the agreement may be signed by the Executive Director and Board Counsel.

Grants amendments which alter the amount of the grant award or substantively change the scope of the grant activities must be approved by the Board and executed by the Board Chair and Board Counsel.

### **Grant Management and Oversight**

The Executive Director and Financial Services Specialist, along with the appropriate subject matter staff, are responsible for the financial management of grants. MESB financial statements maintain a separate account for each grant to ensure accurate tracking of revenues and expenditures. MESB follows cost principles outlined in 2 CFR Part 200 and Minnesota's Grant Management Policies. The Financial Services Specialist conducts regular reconciliations and reviews of grant-related financial activity. All grants are subject to MESB's financial policies and internal control processes.

When procuring products and services for grant projects, MESB adheres to federal procurement standards under 2 CFR Part 200, Minnesota's Uniform Municipal Contracting Law, and MESB Policy 030 – Purchasing, thereby ensuring fair and open competition for all procurement activities funded by grants. All procurement decisions are documented, including justifications for sole-source contracts, if applicable.

The appropriate MESB subject matter staff and the Financial Services Specialist shall submit all required federal and state grant reports accurately and on time. They will maintain complete and organized records for all grant activities, including applications, agreements, financial reports, performance reports, and correspondence as required by the grant agreement or applicable laws and regulations.

MESB staff monitor grant-funded projects to ensure adherence to objectives, timelines, and budgets. Staff will address any performance issues promptly and report significant challenges to the Executive Director and the Grantor. MESB staff shall conduct periodic evaluations to assess the effectiveness of grant-funded programs.

The MESB may receive grants which include provisions to reimburse member agencies. Reimbursements may cover, but are not limited to, expenses for medications, equipment, and other qualifying items. To be eligible for reimbursement, the member agency must enter into an agreement with the MESB that outlines the specific reimbursement terms. This agreement will require the submission of documentation, as specified by the MESB Financial Specialist, to establish the requesting agency as a vendor. To process a reimbursement, the member agency must submit an invoice or proof of payment to the MESB detailing the approved reimbursement amount.

## Metropolitan Emergency Services Board

**Subject: Grants**

**Number: 036**

**Effective Date: 05-14-2025**

### **Subgrants**

If the MESB subgrants funds to other agencies in the region, it will execute a subgrant agreement which will require the subgrantee to comply with all laws, regulations, and grant agreement terms as required in the originating grant agreement. Staff shall ensure any federal subgrants are reported accurately by the subgrantee in any Single Federal Audit of the subgrantee. MESB must receive a copy of said Single Federal Audit. The appropriate MESB staff member must conduct risk assessments of subgrantees and adhere to appropriate monitoring protocols. Subgrantees must provide quarterly financial and performance reports and must provide accurate records of equipment purchases, to be included in any required equipment log.

### **Audits**

All grants are included in the MESB's annual financial audit. If the threshold for a single federal audit is reached, the MESB must contract with its auditors to conduct such an audit and report the results to the granting agency. If required by a grant agreement, MESB must submit its annual audit to granting authorities.

If the audits determine that corrective action must be taken regarding grant management, MESB staff shall take such action expeditiously.

### **Grants Training**

MESB staff must attend all grant management training as required by grant agreements or granting agencies.

### **Non-Compliance**

Non-compliance with this policy may result in disciplinary action, up to and including termination of employment or of agreements with subgrantees. Any suspected fraud or misuse of grant funds will be investigated and appropriate action will be taken under the advice of MESB legal counsel and subsequently the Board.



## **METROPOLITAN EMERGENCY SERVICES BOARD**

**Meeting Date:**

**May 14, 2025**

**Agenda Item:**

**8B. Discussion – July 2025**

**Board Meeting Date**

**Presenter:**

**Rohret**

### **RECOMMENDATION**

Discussion item only; no recommendation from staff.

### **BACKGROUND**

At its first meeting of the year, the Metropolitan Emergency Services Board sets its meeting schedule for the year. For 2025, the Board approved its 2025 schedule at its February meeting.

### **ISSUES & CONCERNS**

After the February meeting, one Commissioner noted that the MESB's July Board meeting could conflict with the National Association of Counties meeting, which occurs around the same time frame. The MESB's July meeting is scheduled for Wednesday, July 9; the NACO conference is July 11-14, though there are likely some meetings which occur prior to the official start date.

The MESB must hold a July meeting to approve its budget; the MESB must notify its member agencies of the maximum assessment amount for the following year by August 1.

Staff wish to determine if quorum will be reached if the July 9 meeting is held as scheduled. If it is known that quorum will not be achieved, an alternative date must be determined.

### **FINANCIAL IMPACT**

None at this time.

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