



METROPOLITAN EMERGENCY SERVICES BOARD BOARD MEETING AGENDA

May 12, 2021, 10:00 a.m.

WebEx Meeting: [Meeting Link](#)

Phone Number: (408) 418-9388

Access Code: 182 202 0541

Password: 6mpNXndh48 (66769963 from phones and video systems)

1. **Call to Order** – Board Chair, Commissioner Joe Atkins
2. **Approval of Agenda** – Commissioner Atkins
3. **Consent Agenda** – Rohret (**page 5**)
 - A. Approval: March 10, 2021 Meeting Minutes
 - B. Approval: January 2021 Treasurer’s Report
 - C. Approval: February 2021 Treasurer’s Report
 - D. Approval: March 2021 Treasurer’s Report
 - E. Update: FY2022-2023 EMSRB Grants
 - F. Correspondence
4. **Acceptance of 2020 Audit** – Jill Rohret/Cathy Lydon, Redpath & Co. (**page 41**)
5. **Radio Items** – Tracey Fredrick, Radio Services Coordinator
 - A. Approval of Metro Encryption Best Practices Guide (**page 111**)
6. **9-1-1 Items** – Pete Eggimann, Director of 9-1-1 Services
 - A. Approval of 2021 9-1-1 TOC Chair (**page 113**)
 - B. Approval of Representative & Alternate to SECB NG911 Committee (**page 115**)
7. **EMS Items** – Ron Robinson, EMS Coordinator – None
8. **Administrative Items** – Jill Rohret, Executive Director
 - A. Appointment to SECB Finance Committee (**page 117**)
 - B. Appointment to SECB ARMER/WBB Funding Workgroup (**page 119**)
 - C. MESB Position on Proposed Changes to Minnesota Statutes Chapter 403 (**page 121**)
 - D. Approval to Hire NG9-1-1 Consultant/Retirement of Pete Eggimann (**page 125**)
 - E. Discussion – Update on Regional Strategic Planning
 - F. Discussion – Update on MESB Participation in Operation Safety Net Activities
9. **Reports**
 - A. Legislative Report – Margaret Vesel/Matthew Bergeron
 - B. Statewide Emergency Communications Board (SECB) Reports:
 - 1) Finance – Tracey Fredrick
 - 2) Legislative – Commissioner Meisner/Rohret
 - 3) Steering – Commissioner Fernando/Rohret
 - 4) Other SECB Committees – Eggimann/Fredrick
 - 5) Board – Commissioner Matascastillo/Rohret
9. **Old Business** – None



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11. **New Business** – None
12. **Adjourn**



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Metropolitan Emergency Services Board Members

Anoka County

Commissioner Mike Gamache*
Commissioner Mandy Meisner

Carver County

Commissioner Gayle Degler*
Commissioner John Fahey

Chisago County

Commissioner Rick Greene*

City of Minneapolis

Council Member Andrew Johnson*

Dakota County

Commissioner Joe Atkins* (2021 Chair)
Commissioner Mary Hamann-Roland

Hennepin County

Commissioner Irene Fernando* (2021 Vice Chair)
Commissioner Chris LaTondresse

Isanti County

Commissioner Greg Anderson* (2021 Secretary)

Ramsey County

Commissioner Trista Matascastillo* (2021 Treasurer)
Commissioner Jim McDonough

Scott County

Commissioner Dave Beer
Commissioner Tom Wolf*

Sherburne County

Commissioner Felix Schmiesing*

Washington County

Commissioner Wayne Johnson
Commissioner Fran Miron*

*Denotes Executive Committee member



METROPOLITAN EMERGENCY SERVICES BOARD

Meeting Date:
Agenda Item:
Presenter:

May 12, 2021
3. Consent Agenda
Rohret

- A. **Minutes** – The minutes of the March 10, 2021 meeting of the Board are attached for review and approval.
- B. **January 2021 Treasurer’s Report** – The Treasurer has reviewed the January 2021 financial statements and has given her approval of the report.
- C. **February 2021 Treasurer’s Report** – The Treasurer has reviewed the February 2021 financial statements and has given her approval of the report.
- D. **March 2021 Treasurer’s Report** – The Treasurer has reviewed the March 2021 financial statements and has given her approval of the report.
- E. **EMSRB Grants Update** – This is informational only. Staff received some updated information regarding the EMSRB Grants for FY 2022-2023, however the exact amount of funding is still unknown due to the Legislature still being in session.
- F. **Correspondence** – Correspondence includes a letter to Rep. Carlos Mariani stating the MESB’s support for HF 515, as well as a letter to Sen. Warren Limmer and Rep. Carlos Mariani regarding support for provisions under consideration for the public safety omnibus bill. Also included is a letter from LMC, AMC, City of St. Cloud and MESB to FCC regarding 9-1-1 fee diversion issues which Commissioner Atkins signed (the final signed version of this letter may not be available prior to sending this meeting packet out; the letter will be sent to the Board when it is received).
- G. **Informational Only** – The tracking sheet for the AAR recommendations resulting from the 2020 civil unrest is updated and included for your information.

MOTION BY:
SECONDED BY:
MOTION:

PASS/FAIL

METROPOLITAN EMERGENCY SERVICES BOARD

BOARD MEETING MINUTES

March 10, 2020

Meeting held via WebEx

Commissioners Present

Greg Anderson, Isanti County
Joe Atkins, Dakota County
Dave Beer, Scott County
Gayle Degler, Carver County
John Fahey, Carver County
Irene Fernando, Hennepin County
Mike Gamache, Anoka County
Richard Greene, Chisago County
Mary Hamann-Roland, Dakota County

Andrew Johnson, City of Minneapolis
Wayne Johnson, Washington County
Chris LaTondresse, Hennepin County
Trista Matascastillo, Ramsey County
Jim McDonough, Ramsey County
Mandy Meisner, Anoka County
Fran Miron, Washington County
Felix Schmiesing, Sherburne County
Tom Wolf, Scott County

Staff Present: Marcia Broman; Pete Eggimann; Tracey Fredrick; Ron Robinson; Jill Rohret; and Martha Ziese.

Others Present: Jay Arneson, *MESB Board Counsel*; Matthew Bergeron, *Larkin Hoffman*; and Margaret Vesel, *Larkin Hoffman*.

1. Call to Order

The meeting was called to order at 10:00 a.m. by the 2021 MESB Chair, Commissioner Joe Atkins.

2. Approval of Agenda

Motion by Commissioner Wolf, seconded by Commissioner Hamann-Roland to approve the March 10, 2021 agenda. Motion carried.

Roll call for approval of agenda item 2

Name	County/City	Yes	No
Anderson, G.	Isanti	X	
Atkins, J.	Dakota	X	
Beer, D.	Scott	X	
Degler, G.	Carver	X	
Fahey, J.	Carver	X	
Fernando, I.	Hennepin		
Gamache, M.	Anoka	X	
Greene, R.	Chisago	X	
Hamann-Roland, M.	Dakota	X	
Johnson, A.	Minneapolis	X	
Johnson, W.	Washington	X	
LaTondresse, C.	Hennepin	X	
Matascastillo, T.	Ramsey	X	
McDonough, J.	Ramsey	X	
Meisner, M.	Anoka	X	
Miron, F.	Washington	X	
Schmiesing, F.	Sherburne	X	
Wolf, T.	Scott	X	

Yea: 17 Nay: 0 Motion passes.

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3. Oath of Office

Commissioner Atkins administered the 2021 Oath of Office to Commissioner John Fahey.

4. Approval of Consent Agenda

Motion made by Commissioner McDonough, seconded by Commissioner Degler to approve the March 10, 2021 consent agenda. Motion carried.

Roll call for approval of agenda item 4

Name	County/City	Yes	No
Anderson, G.	Isanti	X	
Atkins, J.	Dakota	X	
Beer, D.	Scott	X	
Degler, G.	Carver	X	
Fahey, J.	Carver	X	
Fernando, I.	Hennepin		
Gamache, M.	Anoka	X	
Greene, R	Chisago	X	
Hamann-Roland, M.	Dakota	X	
Johnson, A.	Minneapolis	X	
Johnson, W.	Washington	X	
LaTondresse, C.	Hennepin	X	
Matascastillo, T.	Ramsey	X	
McDonough, J.	Ramsey	X	
Meisner, M.	Anoka	X	
Miron, F.	Washington	X	
Schmiesing, F.	Sherburne	X	
Wolf, T.	Scott	X	

Yea: 17 Nay: 0 Motion passes.

5. Radio Items

A. Approval of Amendment to the North Memorial ARMER Participation Plan

Tracey Fredrick said North Memorial requests approval of an amendment to its ARMER participation plan to add eight Motorola MCC 7500e consoles, bringing its consoles total to 16. These consoles will be housed at North Memorial's new contingency center in Robbinsdale and will be used for continuity of operations and other training purposes. MnDOT and the LMR Committee have reviewed and approved this plan contingent on MESB approval.

Motion made by Commissioner Matascastillo, seconded by Commissioner Meisner to approve the amendment to the North Memorial participation plan. Motion carried.

Roll call for approval of agenda item 5A

Name	County/City	Yes	No
Anderson, G.	Isanti	X	
Atkins, J.	Dakota	X	
Beer, D.	Scott	X	

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Degler, G.	Carver	X	
Fahey, J.	Carver	X	
Fernando, I.	Hennepin		
Gamache, M.	Anoka	X	
Greene, R	Chisago	X	
Hamann-Roland, M.	Dakota	X	
Johnson, A.	Minneapolis	X	
Johnson, W.	Washington	X	
LaTondresse, C.	Hennepin	X	
Matascastillo, T.	Ramsey	X	
McDonough, J.	Ramsey	X	
Meisner, M.	Anoka	X	
Miron, F.	Washington	X	
Schmiesing, F.	Sherburne	X	
Wolf, T.	Scott	X	

Yea: 17 Nay: 0 Motion passes.

B. Approval of Amendment to Metropolitan Airports Commission Participation Plan

Fredrick said this amendment to the Metropolitan Airports Commission (MAC) participation plan adds one MCC7500e console to be used at its Incident Command Post and also for training. The firewall has been upgraded and the new console will connect remotely to the MAC network or via VPN. MnDOT and the LMR Committee have reviewed and approved this amendment contingent on MESB approval.

Motion made by Commissioner Wolf, seconded by Commissioner Matascastillo to approve the amendment to the MAC participation plan. Motion carried.

Roll call for approval of agenda item 5B

Name	County/City	Yes	No
Anderson, G.	Isanti	X	
Atkins, J.	Dakota	X	
Beer, D.	Scott	X	
Degler, G.	Carver	X	
Fahey, J.	Carver	X	
Fernando, I.	Hennepin	X	
Gamache, M.	Anoka	X	
Greene, R	Chisago	X	
Hamann-Roland, M.	Dakota	X	
Johnson, A.	Minneapolis	X	
Johnson, W.	Washington	X	
LaTondresse, C.	Hennepin	X	
Matascastillo, T.	Ramsey	X	
McDonough, J.	Ramsey	X	
Meisner, M.	Anoka	X	
Miron, F.	Washington	X	
Schmiesing, F.	Sherburne	X	

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Wolf, T.	Scott	X	
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Yea: 18 Nay: 0 Motion passes.

5C. Approval of Amendments to Metro Radio Standards Appendix C

Fredrick said Appendix C was recently updated by the Statewide Emergency Communication Board and there was a desire to make similar changes to the regional standard. The recommended changes include references for encrypted talkgroups, where the encrypted and clear talkgroups sections have been separated. The encryption section also has added language for patching resources and re-formatted to be ADA compliant. The Radio TOC has reviewed the changes and recommends approval.

Motion made by Commissioner Miron, seconded by Commissioner McDonough to approve the amendments to Metro Radio Standards Appendix C. Motion carried.

Roll call for approval of agenda item 5C

Name	County/City	Yes	No
Anderson, G.	Isanti	X	
Atkins, J.	Dakota	X	
Beer, D.	Scott	X	
Degler, G.	Carver	X	
Fahey, J.	Carver	X	
Fernando, I.	Hennepin	X	
Gamache, M.	Anoka	X	
Greene, R	Chisago	X	
Hamann-Roland, M.	Dakota	X	
Johnson, A.	Minneapolis	X	
Johnson, W.	Washington	X	
LaTondresse, C.	Hennepin	X	
Matascastillo, T.	Ramsey	X	
McDonough, J.	Ramsey	X	
Meisner, M.	Anoka	X	
Miron, F.	Washington	X	
Schmiesing, F.	Sherburne	X	
Wolf, T.	Scott	X	

Yea: 18 Nay: 0 Motion passes.

5D. Approval of Eagan FD Waiver to SECB Standard IOP-11

Fredrick said the Radio TOC recommends approval of a waiver to SECB Standard IOP-11 "Use of ARMER Statewide Law Enforcement Interoperability Talkgroups" for one additional radio for the Eagan Fire Department to use for SWAT operations.

Fredrick said the standard states that the law enforcement tactical talkgroup (LTAC) is restricted for law enforcement use only, however an Eagan firefighter serves on Eagan's SWAT team. The City of Eagan requests this waiver to allow that individual to use the LTAC channel only when that firefighter is engaged in SWAT team activations.

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Motion made by Commissioner Hamann-Roland, seconded by Commissioner Wolf to approve the Eagan FD Waiver to SECB Standard IOP-11. Motion carried.

Roll call for approval of agenda item 5D

Name	County/City	Yes	No
Anderson, G.	Isanti	X	
Atkins, J.	Dakota	X	
Beer, D.	Scott	X	
Degler, G.	Carver	X	
Fahey, J.	Carver	X	
Fernando, I.	Hennepin	X	
Gamache, M.	Anoka	X	
Greene, R	Chisago	X	
Hamann-Roland, M.	Dakota	X	
Johnson, A.	Minneapolis	X	
Johnson, W.	Washington	X	
LaTondresse, C.	Hennepin	X	
Matascastillo, T.	Ramsey	X	
McDonough, J.	Ramsey	X	
Meisner, M.	Anoka	X	
Miron, F.	Washington	X	
Schmiesing, F.	Sherburne	X	
Wolf, T.	Scott	X	

Yea: 18 Nay: 0 Motion passes.

5E. Approval of Washburn County, WI ARMER Interoperability Plan

Fredrick said Washburn County, Wisconsin is seeking interoperability participation to allow for Land Mobile Radio (LMR) communications during expanding incidents. The Washington County, Minnesota system administrator has been designated as the system administrator for the plan, as well as for the other Wisconsin interoperability participants.

Washburn County will have 20 radios and some trailer equipment. It is not requesting any talkgroup or radio IDs and will not use ARMER for day-to-day operations.

Motion made by Commissioner Matascastillo, seconded by Commissioner Miron to approve the Washburn County, WI ARMER Interoperability Plan. Motion carried.

Roll call for approval of agenda item 5E

Name	County/City	Yes	No
Anderson, G.	Isanti	X	
Atkins, J.	Dakota	X	
Beer, D.	Scott	X	
Degler, G.	Carver	X	
Fahey, J.	Carver	X	
Fernando, I.	Hennepin	X	
Gamache, M.	Anoka	X	

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Greene, R	Chisago	X	
Hamann-Roland, M.	Dakota	X	
Johnson, A.	Minneapolis	X	
Johnson, W.	Washington	X	
LaTondresse, C.	Hennepin	X	
Matascastillo, T.	Ramsey	X	
McDonough, J.	Ramsey	X	
Meisner, M.	Anoka	X	
Miron, F.	Washington	X	
Schmiesing, F.	Sherburne	X	
Wolf, T.	Scott	X	

Yea: 18 Nay: 0 Motion passes.

5F. Acceptance of FY2021 T-CPR Grant

Fredrick said Minnesota State Statute 403.03 (2) requires all Public Safety Answering Points (PSAPs) to implement a telephone cardiopulmonary resuscitation (T-CPR) program no later than July 1, 2021. Statute provided funds for a one-time grant for T-CPR training. The MESB requested approximately \$40,000.00 in grant assistance to enable all metro PSAPs to become compliant to this legislation prior to July 1, 2021.

Commissioner Meisner asked for clarification regarding the two training options. Telecommunicators either need to be trained in CPR or they need to be trained to know when to send the call to a secondary PSAP.

Pete Eggimann responded yes. The legislation requires all telecommunicators at all centers to be trained to recognize the onset of a heart attack or cardiac event. The PSAPs that transfer calls for regular EMD instruction still have to train their people in the recognition portion. The PSAPs that do give CPR instruction need to be trained in that.

Commissioner McDonough asked how that money will be distributed; is there a formula or will it be done on a first come-first served basis.

Fredrick said all the PSAPs in the region responded what number of staff would have to be trained and which of the six options under the Minnesota Statute 403.03 the PSAP will do for training. Those responses determined the amount of grant funds to request and how much each PSAP will receive.

Motion made by Commissioner Hamann-Roland, seconded by Commissioner Meisner to accept the FY2021 T-CPR grant. Motion carried.

Roll call for approval of agenda item 5F

Name	County/City	Yes	No
Anderson, G.	Isanti	X	
Atkins, J.	Dakota	X	
Beer, D.	Scott	X	
Degler, G.	Carver	X	
Fahey, J.	Carver	X	

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Fernando, I.	Hennepin	X	
Gamache, M.	Anoka	X	
Greene, R	Chisago	X	
Hamann-Roland, M.	Dakota	X	
Johnson, A.	Minneapolis	X	
Johnson, W.	Washington	X	
LaTondresse, C.	Hennepin	X	
Matascastillo, T.	Ramsey	X	
McDonough, J.	Ramsey	X	
Meisner, M.	Anoka	X	
Miron, F.	Washington	X	
Schmiesing, F.	Sherburne	X	
Wolf, T.	Scott	X	

Yea: 18 Nay: 0 Motion passes.

6. 9-1-1 Items

A. Ratification of Award of RFP Telecommunicator Resiliency Training

Pete Eggimann said the MESB Executive Committee recommends the Board ratify the Executive Committee's action which approved and authorized the Chair to execute an agreement awarding the RFP for telecommunicator resiliency training to the sole respondent, Moetivations.

Eggimann said grant money is being used to have Moetivations provide an assessment for each PSAP and to provide three to four days of customized, virtual training for telecommunicators to increase their emotional and mental resiliency.

Motion made by Commissioner Degler, seconded by Commissioner Gamache to ratify the awarding of the RFP for telecommunicator resiliency training. Motion carried.

Roll call for approval of agenda item 6A

Name	County/City	Yes	No
Anderson, G.	Isanti	X	
Atkins, J.	Dakota	X	
Beer, D.	Scott	X	
Degler, G.	Carver	X	
Fahey, J.	Carver	X	
Fernando, I.	Hennepin	X	
Gamache, M.	Anoka	X	
Greene, R	Chisago	X	
Hamann-Roland, M.	Dakota	X	
Johnson, A.	Minneapolis	X	
Johnson, W.	Washington	X	
LaTondresse, C.	Hennepin	X	
Matascastillo, T.	Ramsey	X	
McDonough, J.	Ramsey	X	
Meisner, M.	Anoka	X	
Miron, F.	Washington	X	

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Schmiesing, F.	Sherburne	X	
Wolf, T.	Scott	X	

Yea: 18 Nay: 0 Motion passes.

6B. Approval of Authority to Execute 9-1-1 Traffic Delivery Agreements

Eggimann said staff seeks approval for the Chair or the Executive Director to execute 9-1-1 traffic delivery agreements on behalf of the MESB between telecommunications service providers (TSPs), ECN, and Inteliquent. Inteliquent is the contractor providing ingress services, including the connection points and protocol conversion services for TSPs to connect to the NG 9-1-1 system. MESB counsel reviewed the agreement and suggested changes, which have been rejected by Inteliquent. Other language changes are still being worked out, so a final draft of the agreement, including reaching agreement regarding MESB counsel’s concerns, has not been reached.

Jill Rohret said today’s request is to grant the Board Chair or the Executive Director authority to execute these agreements, upon final and favorable negotiations of the terms. This will prevent needing to bring up to 50 agreements before the board for approval.

Eggimann said these agreements are more MOUs than contracts and involve no exchange of money between the participants.

Commissioner Degler asked what the changes were that were suggested by board counsel. Rohret responded that the suggested amendments were in the liability portion of the agreement. The vendor said “no” to that because this is an agreement between Inteliquent and these other carriers. There has not yet been feedback from the DPS counsel.

Motion made by Commissioner Gamache, seconded by Commissioner McDonough to grant the authority to execute 9-1-1 traffic delivery agreements. Motion carried.

Roll call for approval of agenda item 6B

Name	County/City	Yes	No
Anderson, G.	Isanti	X	
Atkins, J.	Dakota	X	
Beer, D.	Scott	X	
Degler, G.	Carver	X	
Fahey, J.	Carver	X	
Fernando, I.	Hennepin	X	
Gamache, M.	Anoka	X	
Greene, R	Chisago	X	
Hamann-Roland, M.	Dakota	X	
Johnson, A.	Minneapolis	X	
Johnson, W.	Washington	X	
LaTondresse, C.	Hennepin	X	
Matascastillo, T.	Ramsey	X	
McDonough, J.	Ramsey	X	

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Meisner, M.	Anoka	X	
Miron, F.	Washington	X	
Schmiesing, F.	Sherburne	X	
Wolf, T.	Scott	X	

Yea: 18 Nay: 0 Motion passes.

6C. Approval of Resolution 2021-01 – Resolution Advising Against Terminating Requests for Event-Related Public Information at Emergency Communications Centers

Eggimann said that this resolution is related to the Civil Unrest After Action Report/Improvement Plan. The resolution is intended to take a stand against using the emergency communication centers as the termination point for tip lines or encouraging people to call 9-1-1 for that purpose. An example of that was when the public was asked to report sightings of unlicensed vehicles; this request generated hundreds, perhaps thousands of calls which prevented some legitimate 9-1-1 calls from being answered.

Commissioner McDonough asked if there have been discussions with law enforcement.

Eggimann said there have been and they seem to be on the same page. The only tip line that has been identified in relation to the current trial and potential unrest is one that terminates at the Minneapolis Police Department.

Commissioner Meisner asked what is the alternative for the public in these instances and is the MESB in a position to make a recommendation.

Eggimann said the best alternative is to use other resources. For example, emergency management volunteers, possibly the National Guard, or other community resources could be used, or possibly designated administrative support staff from the response agencies involved could be used. Eggimann clarified that the purpose of tip lines is to gather information, not to determine and coordinate an appropriate emergency response, which is what the ECC telecommunicators do with emergency calls. He thought it would be difficult for this board to have the background or the knowledge of the available resources at any given time in order to make specific recommendations in advance on who would be best to staff a tip line operation.

Rohret said that this resolution is in relation to large events which may generate a lot of 9-1-1 calls, such as civil unrest.

Motion made by Council Member Johnson, seconded by Commissioner Wolf to approve MESB Resolution 2021-1. Motion carried.

Roll call for approval of agenda item 6C

Name	County/City	Yes	No
Anderson, G.	Isanti	X	
Atkins, J.	Dakota	X	
Beer, D.	Scott	X	
Degler, G.	Carver	X	
Fahey, J.	Carver	X	

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Fernando, I.	Hennepin	X	
Gamache, M.	Anoka	X	
Greene, R.	Chisago	X	
Hamann-Roland, M.	Dakota	X	
Johnson, A.	Minneapolis	X	
Johnson, W.	Washington	X	
LaTondresse, C.	Hennepin	X	
Matascastillo, T.	Ramsey	X	
McDonough, J.	Ramsey	X	
Meisner, M.	Anoka	X	
Miron, F.	Washington	X	
Schmiesing, F.	Sherburne	X	
Wolf, T.	Scott	X	

Yea: 18 Nay: 0 Motion passes.

7. EMS Items

A. Approval FY2022-2023 EMSRB Grant Budget

Ron Robinson said staff recommend the Board approve the budget for the FY2022-23 Emergency Medical Services Regulatory Board (EMSRB) Grants. The EMSRB provides two grants to each of the eight EMS regions on a bi-annual basis, the EMS System Support Grant and the EMS Relief Account Grant. The Relief Account Grant provides funds derived from seatbelt fines. The regional EMS grants are authorized in Minnesota Statutes 144E.50.

The reason this is budget is coming before the board early is that in the past, these grants were awarded based on the responses to an EMSRB request for proposal (RFP). For the 2022-2023 grants, the EMSRB will not require an RFP and each region must submit a work plan and budget for the upcoming grant cycle. In the past, the EMSRB announced the regional grant opportunities by mid-April, with approval issued at the May EMSRB meeting. This means it is possible that the MESB would not meet again before the EMSRB grant deadline.

Rohret noted the date of the grant period is July 1, 2021-June 30, 2022, not June 3, 2022.

Motion made by Commissioner Hamann-Roland, seconded by Commissioner Matascastillo to approve the 2022-2023 EMSRB grant budget. Motion carried.

Roll call for approval of agenda item 7A

Name	County/City	Yes	No
Anderson, G.	Isanti	X	
Atkins, J.	Dakota	X	
Beer, D.	Scott	X	
Degler, G.	Carver	X	
Fahey, J.	Carver	X	
Fernando, I.	Hennepin	X	
Gamache, M.	Anoka	X	

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Greene, R	Chisago	X	
Hamann-Roland, M.	Dakota	X	
Johnson, A.	Minneapolis	X	
Johnson, W.	Washington	X	
LaTondresse, C.	Hennepin	X	
Matascastillo, T.	Ramsey	X	
McDonough, J.	Ramsey	X	
Meisner, M.	Anoka	X	
Miron, F.	Washington	X	
Schmiesing, F.	Sherburne	X	
Wolf, T.	Scott	X	

Yea: 18 Nay: 0 Motion passes.

7B. Approval of Amendment to Contract with Ron Bombeck for MCI Bus Maintenance

Robinson said the MESB entered into a contract with Ron Bombeck in April 2017 to perform monthly vehicle and medical device maintenance checks, engine run-ups and vehicle drivability checks, and be available to deploy the bus as needed. This fourth amendment extends the contract for a final year, terminating April 30, 2022. Staff will go out for RFP in early 2022 for these services. Cost for this maintenance agreement is included in the proposed 2022-2023 EMSRB grant budget.

Motion made by Commissioner Miron, seconded by Commissioner Degler to approve Amendment 4 to the agreement with Ron Bombeck for MCI Bus maintenance. Motion carried.

Roll call for approval of agenda item 7B

Name	County/City	Yes	No
Anderson, G.	Isanti	X	
Atkins, J.	Dakota	X	
Beer, D.	Scott	X	
Degler, G.	Carver	X	
Fahey, J.	Carver	X	
Fernando, I.	Hennepin	X	
Gamache, M.	Anoka	X	
Greene, R	Chisago	X	
Hamann-Roland, M.	Dakota	X	
Johnson, A.	Minneapolis	X	
Johnson, W.	Washington	X	
LaTondresse, C.	Hennepin	X	
Matascastillo, T.	Ramsey	X	
McDonough, J.	Ramsey	X	
Meisner, M.	Anoka	X	
Miron, F.	Washington	X	
Schmiesing, F.	Sherburne	X	
Wolf, T.	Scott	X	

METROPOLITAN EMERGENCY SERVICES BOARD

Yea: 18 Nay: 0 Motion passes.

8. Administrative Items

A. Discussion: FCC Notice of Proposed Rule Making on 9-1-1 Fee Diversion

Rohret said this item could have real consequences for counties and cities which own ARMER infrastructure. The FCC and Congress have expressed an interest in determining which states and taxing jurisdictions divert 9-1-1 fee revenue diverted for use by non-9-1-1 purposes. In the past, there was not a clear definition of what constituted a fee diversion; there were questions about Land Mobile Radio (ARMER) systems as well as Computer Aided Dispatch (CAD).

Rohret said February 2021, the FCC issued a Notice of Proposed Rule Making (NPRM) to better define what expenses are allowed for use of 9-1-1 fees. The NPRM specifically states that CAD used in the dispatch center, not including any mobile data used in response vehicles, would be an eligible expense. The NPRM makes it very clear that using 9-1-1 fee revenues for LMR is a fee diversion and that would have a great effect on the ARMER system. Approximately \$9.6 million dollars is used from the Minnesota 9-1-1 fee for operation and maintenance of the ARMER system. Rules and provisions contained in this NPRM could take effect before the end of 2021.

Rohret said that there is currently not a plan to make up the \$9.6 million from the 9-1-1 fee. DPS has not made a request for any general fund appropriation. It does appear that the NPRM allows for states to redefine what the 9-1-1 fee is. For example, it is possible that the state of Minnesota could state the 9-1-1 fee will remain as the FCC defines it and keep that fee at 65 cents, while creating a separate emergency communications fee for 15 or 30 cents. These two fees could not co-mingle funds. It is unclear if this sort of action will be sought by DPS.

Rohret said that it is possible that the funding from the 9-1-1 fee may need to be made up for via user fees to ARMER system users. \$9.6 million is a lot to raise in user fees. Depending on the timing of the FCC ruling, it is possible that user fees could take effect in 2022, though they may not be in city and county budgets.

Commissioner McDonough asked if there is a risk that the 9-1-1 fund may need to be paid back. Rohret responded that the NPRM does not address that. A bigger risk is related to federal grant dollars. There is a national 9-1-1 grant that the state had to certify that it was not diverting funds. The MESB, Sherburne County, and several counties across the state received a grant allocation for GIS and CPE equipment. It has not been stated that those allocations are in jeopardy. The Minnesota legislature decided to leverage the 9-1-1 fees for ARMER bonds before the federal government started taking action on this. The 9-1-1 fee was increased to accommodate the ARMER system.

9. Reports

A. Legislative

Margaret Vesel said the Governor's budget recommends that the 9-1-1 fee be decreased by 15 cents to 80 cents as the ARMER bonds will be paid off by the end of June 2021.

METROPOLITAN EMERGENCY SERVICES BOARD

Vesel said the state went from a \$1.3 billion deficit in December to a \$1.6 billion surplus. Taking time on the floor currently is the SAFE Act. The Governor recommended \$35 million to allow for municipal in the event of civic unrest. The bill remains in negotiations.

Vesel said there are four issues that are being tracked by Larkin Hoffman and MESB staff. The first is an increase to the state's appropriation to the EMSRB to fund grants to the regional emergency medical services programs. There is significant support of that bill. The second is the Chapter 403 bill which defines the metropolitan area and updates language. Third is the 9-1-1 Telecommunicator Working Group bill. This bill seeks to re-define the telecommunicator's classification. Lastly, Vesel said she, Matthew Bergeron, Jill Rohret, the Association of Minnesota Counties (AMC) and the Minnesota Sheriff's Association have discussed keeping the 9-1-1 fee at 95 cents but establishing a specific use for the 9-1-1 fee. AMC put together some language that would allow the 9-1-1 fee to be used for CAD-to-CAD interoperability and GIS work related to NG9-1-1.

Commissioner Meisner asked Vesel to clarify that the AMC's position is keeping the fee as is and specifically using any additional funds for CAD-to-CAD and GIS. Vesel said they have known about paying these bonds off for six months. AMC has general concerns about general funding and just making sure the counties are getting the money they need for their projects.

B. Statewide Emergency Communications Board (SECB) Reports:

1. Finance

Fredrick said that the SECB Finance Committee met in February. It approved the process for appointing representation to the grants workgroup and continued the discussion of the role of the Finance Committee to the SECB. Tomorrow's meeting will include a discussion of the FCC NPRM.

2. Legislative

Commissioner Meisner said the SECB Legislative Committee met in March. The committee also discussed the FCC's NPRM. Meisner volunteered to be part of a working group to revised MS 403, along with Rohret and a couple of others. The working group seeks representation from all regions. The goal is to introduce the re-write in the 2022 legislative session.

3. Steering

Commissioner Fernando said the SECB Steering Committee is involved in the regional strategic planning efforts to precede statewide strategic planning efforts. All seven regions have agreed to attend conduct three regional planning sessions. The goal is to get as robust feedback to the SECB as possible and to include items that have not yet been discussed. Two examples are data ownership and dedicated revenue funds for infrastructure security.

4. Other SECB Committees

METROPOLITAN EMERGENCY SERVICES BOARD

Fredrick said WBBA and Interoperability committees did not meet. The LMR Committee met and approved the North Memorial and Washburn, WI participation plan amendments.

5. SECB

Commissioner Matascastillo said that the SECB met; members of the Northern Lights Taskforce received a service awards. The grants workgroup was added as a standing workgroup and there was further discussion on the telecommunicator classification.

10. Old Business – None

11. New Business – None

12. Adjournment

The meeting adjourned at 11:15 a.m.

DRAFT



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 Trista Matascastillo, MESB Treasurer
RE: Treasurer's Report – January 2021
DATE: March 10, 2021

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

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

The review was conducted on March 10, 2021.

Sincerely,

A handwritten signature in black ink, appearing to read "Trista Matascastillo", with a horizontal line extending to the right.

Trista Matascastillo
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 Trista Matascastillo, MESB Treasurer
RE: Treasurer's Report – February 2021
DATE: April 12, 2021

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 12, 2021.

Sincerely,

Trista Matascastillo
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 Trista Matascastillo, MESB Treasurer
RE: Treasurer's Report – March 2021
DATE: May 4, 2021

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 May 4, 2021.

Sincerely,

A handwritten signature in black ink, appearing to read "Trista Matascastillo", with a horizontal line extending to the right.

Trista Matascastillo
Commissioner, Ramsey County
Treasurer, Metropolitan Emergency Services Board



METROPOLITAN EMERGENCY SERVICES BOARD

Meeting Date: May 12, 2021
Agenda Item: 3E. Update Regarding EMSRB Grants
Presenter: Robinson

RECOMMENDATION

Discussion only – no recommendation.

BACKGROUND

The Board accepted the two EMSRB regional grants, the FY2022-2023 EMS System Support Grant, and the EMS Relief Account Grant at the March 10, 2021 meeting. This is an update on the progress towards final regional EMS funding.

ISSUES & CONCERNS

The Emergency Medical Services Regulatory Board (EMSRB) has confirmed it will no longer require an RFP proposal from each region to receive grant funding. Therefore, each region will only have to submit a workplan and budget for the upcoming FY 2022-2023 grant cycle. At this time, there is not a definitive deadline for submission of these items since the final State budget has not been approved.

It is important to note that SF 2360 includes language for regional EMS funding at \$800,000 per fiscal year (\$100,000/region/FY) while HF 2128 includes a one-time amount of \$650,000 (\$81,250/region). These two bills will be referred to the HHS Omnibus Budget conference committee as early as May 3, 2021.

Staff and the EMSTOC have a rough draft of a two-year plan, however, there are no final budgetary numbers available to finalize the workplan and budget.

FINANCIAL IMPACT

Depending on what is included in the health and human services omnibus bill, the region could get additional funds.

MOTION BY:
SECONDED BY:
MOTION:

PASS/FAIL



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March 18, 2021

Rep. Carlos Mariani, Chair
House Public Safety & Criminal Justice Reform Committee
479 State Office Building
St. Paul, MN 55155

**RE: Support for HF 515 – Establishing a 9-1-1 Telecommunicator Working Group
Regarding Statewide Standards for Training and Certification**

Dear Chair Mariani & Committee members:

The Metropolitan Emergency Services Board writes in support of HF 515, which would establish a 9-1-1 telecommunicator working group to establish statewide standards for training and certification.

Public safety 9-1-1 telecommunicators serve as the first, first responder for those requesting emergency services response. Daily, they provide life-saving information to 9-1-1 callers, in the form of medical procedures, such as CPR or putting pressure on wounds, or instructions on how callers can keep themselves and others safe. Public safety telecommunicators serve as a calming influence on callers, which can keep them safe and prepare them for the arrival of law enforcement, fire, and EMS responders, and their questions. This calming influence saves lives.

The State of Minnesota requires specified training for law enforcement, fire and EMS responders, but currently has no such training requirements, or a certification process, for public safety 9-1-1 telecommunicators, the first, first responder. Public safety 9-1-1 telecommunicators require extensive training. During 9-1-1 calls, they remain calm and collected despite the events they hear on the phone and radio system. They monitor the background noises and provide potentially life-saving information to other public safety responders. They provide information on how to perform CPR or put pressure on wounds, both of which can save lives.

In the Twin Cities region, upon initial hiring most public safety telecommunicators are required to go through, on average, 25 weeks of training. Public safety telecommunicators must be trained on procedures for answering phones, handling calls, including dealing with difficult or distressed people, how to dispatch, proper police/fire/EMS procedures, use of radio systems and protocols for use of shared resources. Telecommunicators must know what mutual aid resources exist in their area, including personnel and equipment, and how to access them. They do all this while documenting the entire incident from start to finish.

The citizens of Minnesota expect to receive the same level of service when they call 9-1-1, regardless of their location in the state; this is best accomplished by establish statewide training standards and a certification process for public safety 9-1-1 telecommunicators. With the extensive training they receive, public safety 9-1-1 telecommunicators deserve to have a certification process which may serve to validate their vital role as the first, first responder.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in cursive script that reads "Jill Rohret".

Jill Rohret
Executive Director



METROPOLITAN
EMERGENCY SERVICES BOARD

2099 UNIVERSITY AVENUE WEST
SAINT PAUL, MINNESOTA
55104-3431

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

May 4, 2021

The Honorable Sen. Warren Limmer, Chair
Senate Judiciary and Public Safety Committee
95 University Avenue W.
Minnesota Senate Bldg., Room 3221
St. Paul, MN 55155

The Honorable Rep. Carlos Mariani, Chair
House Public Safety and Criminal Justice Reform Committee
100 Rev. Dr. Martin Luther King Jr. Blvd.
479 State Office Building
St. Paul, MN 55155

RE: Support for Including HF 1557 and HF 2215 in the 2021 Public Safety Omnibus Bill

Dear Chair Limmer, Chair Mariani, and Conference Committee Members:

The Metropolitan Emergency Services Board (MESB) writes in support of including the language of HF 1557 (Mekeland) and HF 2215 (Edelson) in the 2021 Public Safety Omnibus Bill which would expand the definition of the metropolitan region for the purposes of 9-1-1 and ARMER.

HF 1557 (Mekland- Metropolitan area definition): HF 1557 updates the definition of the metropolitan region in the state's 9-1-1 and ARMER statutes. The MESB is a joint powers board originally established in 1979 as the Metropolitan 9-1-1 Telephone Board. In 2005, the Metropolitan 9-1-1 Board assumed the duties of the former Metropolitan Radio Board and became MESB. At that time the board consisted of the traditional seven metropolitan counties of: Anoka; Carver; Dakota; Hennepin; Ramsey; Scott; and Washington. However, legacy language in some ARMER-related agreements executed by the Metropolitan Radio Board allowed for the City of Minneapolis and the Counties of Chisago and Isanti to become members of the MESB and be included in the metropolitan region. Minneapolis chose to join the MESB in July 2005; Chisago County joined in October 2006; and Isanti County joined in January 2010. In 2018, Sherburne County requested to join the MESB; the request was approved, and Sherburne County became an MESB member in January 2019.

Despite these additional counties choosing to join the MESB, the definition of the metropolitan region as defined in MS 403.02, Subd. 16 has not changed. This can complicate the work of the MESB to enforce the MESB's 9-1-1 network and data standards for all our members when statute only includes seven, rather than ten, counties. Including HF 1557 in the Public Safety Omnibus Bill will provide statutory clarification for actions taken by these counties.

HF 2215 (Edelson-911 emergency telecommunications fee): Under current law, telephone users pay a monthly fee of 95-cents which is used to support the operation and maintenance of the state's 9-1-1 system. That fee is set to decrease in June 2021 with the final payments on the current round of bonds supporting the ARMER system. However, with the impending transition to Next Generation 9-1-1 (NG9-1-1), the costs of maintenance and operation of the new 9-1-1 system are unknown.

Rapidly changing technologies in the NG 9-1-1 system mean that public safety answering points face increasing costs to more frequently update software and equipment, update and maintain the GIS data which drives NG9-1-1, and keep staff trained on a variety of new technologies and techniques. Further, it remains unknown how long the legacy E9-1-1 system must be maintained as telephone service providers transition their technologies to NG 9-1-1. Therefore, HF 2215 would maintain the current fee to help counties defray the costs of upgrading their systems and support maintenance of the existing 9-1-1 network. Keeping the 9-1-1 fee at 95 cents will prevent these costs from falling on the local property tax payer.

Thank you for your time and consideration.

Sincerely,



Jill Rohret
Executive Director

**Civil Unrest AAR
Recommendation Status**

May 3, 2021

Tracking #	Recommendation	Person/Agency Responsible	Status
1	Establish the governance structure, on-going funding model, training, and procedures to deploy and utilize 9-1-1 call workload sharing between cooperating .	PSAPs/Cities/Counties/MESB	12/20 911 TOC Workgroup established to develop an implementation plan. The workgroup is meeting twice per month and is currently focused on defining the functional requirements the workgroup members believe the workload sharing system must be capable of providing. (as of 2/22) 04/26 - The WG has reached consensus on the system functional requirements and has identified four viable governance structures. A survey was distributed to the metro PSAP managers on 4/23 asking for their input on the governance structures and cost sharing. The survey requested a response by Friday, April 30.
2	Identify and implement workload sharing applications that will permit 9-1-1 calls to overflow to neighboring ECCs which have agreed to work together cooperatively, permitting calls to be answered, triaged, classified (type or nature code assignment), and sent electronically into the original destination ECC's CAD dispatch queue, permitting the original destination ECC to coordinate the emergency response to incidents within its jurisdiction.	PSAPs/Cities/Counties/MESB	(combined with #1)
3	Identify and implement workload sharing applications that will establish a regional CAD incident display map showing the location of emergency responders (both personnel and units) and incidents in progress, permitting the appropriate personnel to have a big picture understanding of what is happening at the regional level in real time.	PSAPs/Cities/Counties/MESB	(combined with #1)

4	Identify telecommunicator resources to support any ECC personnel that have been involved in prolonged or horrific emergency events and may not recognize the extent they have been impacted mentally and emotionally, and those that recognize they need help.	9-1-1 TOC/MESB	RFP for resiliency training closed on 1/22/21. The staff and four PSAP managers reviewed the only response received and recommended going forward with that vendor. The MESB Executive Committee approved the recommended vendor proposal at the February meeting, subject to review by the full board at the March 2021 meeting. (as of 2/22) 04/26 - a contract has been signed with Moetivations based in Denver to conduct survey's of each metro PSAP, propose individualized training for each PSAP to meet the needs identified in the survey, and schedule the training which needs to be completed before the end of June as part of the grant funding requirements. Orientation and demo presentations have been conducted for all of the PSAPs. The individual PSAP surveys have been completed with approximately half of the PSAPs so far.
5	Establish procedures to support the use and staffing of community tip lines that do not terminate in or interfere with ECC operations or negatively impact the 9-1-1 system whenever law enforcement or fire establish a joint command facility (e.g. MACC).	PSAPS/Cities/Counties/Other agencies	Not started
6	Establish or update an existing metro region 9-1-1 standard to block "anonymous" calls to admin lines that terminate in the ECC to reduce harassing, abusive, or denial of service attack calls that can negatively impact ECC operations.	9-1-1 TOC/PSAPs/MESB	Not started

7

<p>Provide training to agency heads and elected officials regarding the role of the emergency communications centers and COMLs in the emergency response continuum. Work together with other emergency responder agencies to include an emergency communications and response coordination training module to be incorporated into new hire training, as well as in-service training, provided by the law enforcement, fire, and EMS agencies to their staff.</p> <p>a. Response agency command staff need to be trained on the existence and need/use of the Metro Region Communications Response Task Force (CRTF).</p> <p>i. Command staff turnover is a problem; special training directed specifically for command staff should be developed.</p>	<p>CRTF/Duty Officer/Statewide Training</p>	<p>INTD/INCM training was provided in March 2021 specifically directed towards those who may be called in for response to Civil Unrest. Minnesota has also received a FEMA INTD class scheduled for June 2021.</p>
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8

<p>Provide training to agency heads and elected officials regarding the role of the emergency communications centers and COMLs in the emergency response continuum. Work together with other emergency responder agencies to include an emergency communications and response coordination training module to be incorporated into new hire training, as well as in-service training, provided by the law enforcement, fire, and EMS agencies to their staff.</p> <p>a. Response agency command staff need to be trained on the existence and need/use of the Metro Region Communications Response Task Force (CRTF).</p> <p>ii. Include State Duty Officer training to assist in understanding the communications resources and processes to be utilized as part of the ICS structure.</p>	<p>CRTF/Duty Officer</p>	<p>Contacted Duty Officer in November 2020 with desire to get these resources included. Have had more recent discussions with the SWIC and that person is also aware of the CRTF team and how to use them. Duty Officer has not responded; sent email again 2/23/21. Have received a response as of March 2021 in how this group should be included at DPS in response to Civil Unrest.</p>
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9	<p>Provide training to agency heads and elected officials regarding the role of the emergency communications centers and COMLs in the emergency response continuum. Work together with other emergency responder agencies to include an emergency communications and response coordination training module to be incorporated into new hire training, as well as in-service training, provided by the law enforcement, fire, and EMS agencies to their staff.</p> <p>b. Build relationships between the CRTF and agency command staff.</p>	CRTF/Metro EM Agencies	CRTF Steering Team has begun having internal meetings in their own entities, doing more outreach to partner entities.
10	<p>Provide training to agency heads and elected officials regarding the role of the emergency communications centers and COMLs in the emergency response continuum. Work together with other emergency responder agencies to include an emergency communications and response coordination training module to be incorporated into new hire training, as well as in-service training, provided by the law enforcement, fire, and EMS agencies to their staff.</p> <p>c. Ensure that ECC management personnel are included in all EOC/MACC operations at the same level, and at the same time, as law enforcement, fire, and EMS management personnel are included.</p>	MESB, HSEM	With the upcoming spring/summer 2021 trials, more pre-planning with these teams has been happening.
11	<p>Provide training to agency heads and elected officials regarding the role of the emergency communications centers and COMLs in the emergency response continuum. Work together with other emergency responder agencies to include an emergency communications and response coordination training module to be incorporated into new hire training, as well as in-service training, provided by the law enforcement, fire, and EMS agencies to their staff.</p> <p>d. Include COMU representatives at the MACC at the beginning of MACC operations.</p>	CRTF/Duty Officer/MACC	With the upcoming spring/summer 2021 trials, more pre-planning with these teams has been happening.
12	Create or update an existing standard to require ARMER talkgroups to be labeled using the same talkgroup names system wide. Currently, different agencies label the same talkgroup by different names.	Radio TOC Standards Workgroup/Statewide Standards Workgroup	MESB standards workgroup and state standards workgroup discussed in November 2020. System limitations make this difficult to do. Have also brought forward to State standards planning.

13	Conduct on-going ARMER training for law enforcement, fire, and EMS responders, both for new-hires and as part of regular in-service training, as required in SECB Standards LMR-29, LMR-30, and LMR-31.		Videos posted to MESB site in October 2020. On-going training statewide being discussed.
14	Create better advertisement of available resources, such as equipment caches, CRTF, etc. at a state level.	Duty Officer/MACC/CRTF	Reached out to Duty Officer in October 2020 to discuss resources; no response received. Emailed again 2/23/21. As of March 2021, current SWIC is aware of resources and how to deploy.
15	Identify regional, or statewide, EOC or MACC locations that can be properly equipped in advance.	HSEM	Not started
16	Establish regional communications plans that can be practiced and implemented by the appropriate COMLs as soon as an incident escalates into a multi-agency, multi-jurisdictional event. This should be incorporated into the ICS implementation plans but could be activated before the ICS structure is established beyond the initial response. This response should also include the distribution of a consolidated ICS 205 form and can include additional forms in the future, such as an ICS 205a or ICS 217 form.	CRTF	Metro has these common forms on the ARMER standards page and the CRTF page. Current method for distribution of region-wide ICS205s is to send through the Radio Services Coordinator.
17	Create or update an existing metro region ARMER standard that recommends requesting the deployment of CRTF resources when an incident escalates to include multi-jurisdiction coordination or multi-agency responses from more than one ECC service area. This should not be dependent on whether law enforcement or fire establish a joint command facility (e.g. MACC). a. Define how CRTF is activated. b. Notify the State Duty Officer as soon as a request to deploy the CRTF is received. c. Ensure the State Duty Officer documentation related to CRTF deployment is current. d. Define how the regional ECCs will be notified.	Radio TOC Standards Workgroup/CRTF	Updated Large Event Communications Standard 3.21.0; approved by MESB Board September 2020. March 2021 - working on new standard for pre-planned events and exercises.

18	<p>Provide training to agency heads and elected officials regarding the role of the emergency communications centers and COMLs in the emergency response continuum. Work together with other emergency responder agencies to include an emergency communications and response coordination training module to be incorporated into new hire training, as well as in-service training, provided by the law enforcement, fire, and EMS agencies to their staff.</p> <p>a. Response agency command staff need to be educated on the existence and need/use of the CRTF.</p> <p>i. Command staff turnover is a problem; special training directed specifically for command staff should be developed.</p> <p>ii. Include State Duty Officer training to assist in understanding the communications resources and processes to be utilized as part of the ICS structure.</p>	CRTF/Duty Officer/Metro EM Agencies	Have had continued discussions with SWIC on making sure this resource can be used properly. Reached out to Duty Officer in November 2020; no response received. Emailed again 2/23/21. During 2021 civil unrest, decision made at state level to use CRTF contacts directly. Continued discussion on role of duty officer.
19	<p>Provide training to agency heads and elected officials regarding the role of the emergency communications centers and COMLs in the emergency response continuum. Work together with other emergency responder agencies to include an emergency communications and response coordination training module to be incorporated into new hire training, as well as in-service training, provided by the law enforcement, fire, and EMS agencies to their staff.</p> <p>b. Build relationships between the CRTF and agency command staff.</p>	CRTF/Agency Command Staff	See #9
20	<p>Provide training to agency heads and elected officials regarding the role of the emergency communications centers and COMLs in the emergency response continuum. Work together with other emergency responder agencies to include an emergency communications and response coordination training module to be incorporated into new hire training, as well as in-service training, provided by the law enforcement, fire, and EMS agencies to their staff.</p> <p>c. During the event, some agency heads expressed concern that their responders would not be able to find the talkgroups specified in the ICS 205s on their radio.</p>	CRTF/Metro COML	This concern is also part of the on-going training mentioned in other areas of recommendation. Videos and documents have been added to the MESB website as of October 2020, and on-going training at a state level is being discussed in several workgroups.

21	<p>Provide training to agency heads and elected officials regarding the role of the emergency communications centers and COMLs in the emergency response continuum. Work together with other emergency responder agencies to include an emergency communications and response coordination training module to be incorporated into new hire training, as well as in-service training, provided by the law enforcement, fire, and EMS agencies to their staff.</p> <p>d. Add the MESB's ARMER training video on changing zones on subscriber units uploaded to the MESB website. (As of the final draft of this document, this video is available on the MESB's website and the link has been distributed to metro region ARMER system administrators.)</p>	MESB	Complete, October 2020
22	<p>For jurisdictions where there are separate management structures for 9-1-1 and ARMER, regular coordination meetings need to be established so that the two teams identify issues proactively and work together to address the issues. This coordination should include contingency planning for system failures and multi-agency events.</p>	Regional Emergency Communications Boards	Not started
24	<p>Establish a timeline for requiring encryption-capable radios for response agencies within the metro area.</p>	Cities/Counties/Radio TOC/MESB/Regional Emergency Communications Boards	Change Management group has begun meeting; Encryption Best Practices guide has been drafted and is on May Board agenda for approval.



METROPOLITAN EMERGENCY SERVICES BOARD

Meeting Date: May 12, 2021
Agenda Item: 4. Acceptance of 2020 MESB
Financial Audit
Presenter: Rohret/Cathy Lydon, Redpath & Co.

RECOMMENDATION

The Executive Director recommends acceptance of the 2020 MESB financial audit.

BACKGROUND

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

ISSUES & CONCERNS

The 2020 audit is a clean audit. Please refer to the supporting documentation for this agenda item for more complete information and opinions from the auditors.

FINANCIAL IMPACT

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

MOTION BY:
SECONDED BY:
MOTION:

PASS/FAIL



To: Metropolitan Emergency Services Board

From: Redpath and Company, Ltd. Cathy Lydon, Director

Date: April 27, 2021

Re: Summary of Audit for the Year Ended December 31, 2020

GENERAL COMMENTS

Audit reports have been completed and dated April 22, 2021.

We have been invited to the MESB Board Meeting on May 12, 2021. In the meantime you can contact me, Cathy Lydon, with any questions or comments: 651-255-9337 or clydon@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 2020, 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 \$73,201 in 2020. The General Fund had an increase of \$25,390. The 911 Fund had a decrease of \$15,004, the EMS Fund had an increase of \$3,245 and the Radio Fund had an increase of \$59,570.

Governmental Accounting Standards Board Statement No. 75 replaced Statement No. 45 for calendar year 2018. MESB had an actuarial report prepared to calculate the OPEB liability under the new guidance.

A recap of December 31 balances is as follows:

2020	\$255,025
2019	\$251,108
2018	\$259,758
2017	\$92,936
2016	\$111,243
2015	\$111,235
2014	\$100,370
2013*	\$31,350
2012*	\$34,500
2011*	\$44,900
2010*	\$45,800

*calculated based on benefits ending at age 65

Like all other affected governmental organizations, MESB was required to implement GASB Statement No. 68 in calendar year 2015. This Statement required recording a liability on the government-wide financial statements for PERA's unfunded liability and pension related deferred outflows of resources and deferred inflows of resources allocated to MESB. MESB reported a net pension liability of \$647,509, deferred outflows of resources of \$95,422 (will increase pension expense in future years) and deferred inflows of resources of \$28,226, (will decrease pension expense in future years).

AUDIT MANAGEMENT LETTER

The Audit Management Letter includes required communications to "those charged with governance." (generally, an audit committee or equivalent or the board of directors). For MESB 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 are no uncorrected misstatements that have an effect on our audit opinion. None of the misstatements identified during our audit had a material impact on net position or fund balance.
- Recommendation was made to ensure user fee estimated billings are tracked on a year-over-year basis.

Thank you.

**METROPOLITAN EMERGENCY
SERVICES BOARD**

FINANCIAL STATEMENTS

December 31, 2020

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METROPOLITAN EMERGENCY SERVICE BOARD

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Metropolitan Emergency Service Board
St. Paul, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Metropolitan Emergency Service Board, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Metropolitan Emergency Service Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 Service Board, as of December 31, 2020, 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.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the total OPEB liability and related ratios and pension information, as referred to within the table of contents, be presented to supplement the basic financial statements. Such information, 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.

Report on Summarized Comparative Information

We have previously audited Metropolitan Emergency Service Board's 2019 financial statements, and we expressed an unmodified audit opinion on the respective financial statements of the governmental activities and each major fund in our report dated April 24, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 2021, on our consideration of the Metropolitan Emergency Service 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 purposes 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 the Metropolitan Emergency Service 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 the Metropolitan Emergency Service Board's internal control over financial reporting and compliance.



REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

April 22, 2021

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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, 2020. Please consider it in conjunction with MESB's financial statements.

Effective January 1, 2017, the Joint Powers Agreement was renewed for a five year period by each of the governing bodies of the members and shall continue in force until December 31, 2021.

Financial Highlights

- The assets of MESB exceeded its liabilities at December 31, 2020 by \$2,594,178 (net position). Of this amount, \$2,087,983 (unrestricted net position) may be used to meet MESB's ongoing obligations.
- MESB's total net position decreased by \$26,889. In 2020, MESB experienced depreciation in the value of assets, increased valuation of OPEB liabilities, as well as an increase in pension liability.
- As of December 31, 2020, MESB's governmental funds reported combined ending fund balances of \$3,404,571, which is a \$73,201 increase from the prior year. The increase in fund balance is primarily due to higher than anticipated revenues from interest. The 2020 budget included \$21,500 of interest revenue, though the actual interest received was \$46,935. The amount of interest received in 2020 was approximately half that received in 2019. Of the interest received, \$23,855 was from the Hennepin County investment account and \$23,080 was received from the Washington County operational account. The other major factor was staffing issues. In 2018, there was a change in staff for the Radio Coordinator position, however the 2019 budget was based on a higher salary than what was paid for the new incumbent. The COVID-19 pandemic which resulted in no or very minimal staff travel to either local or out of state meetings and conferences from March 2020 through December 2020; the travel to local and out of state meetings had been included in the 2020 budget. Similarly, certain budgeted projects were delayed due to the inability to hold in-person trainings. The pandemic also affected per diem and mileage payments for MESB Board meetings.

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 \$2,594,178. Our analysis below focuses on the net position and changes in net position of MESB's governmental activities.

NET POSITION

	December 31,	
	2020	2019
Current and other assets	\$3,699,477	\$3,738,988
Capital assets	189,174	272,049
Total assets	<u>\$3,888,651</u>	<u>\$4,011,037</u>
Deferred outflows of resources	<u>\$116,137</u>	<u>\$56,471</u>
Current liabilities	\$314,110	\$426,291
Long-term liabilities	1,047,615	899,490
Total liabilities	<u>\$1,361,725</u>	<u>\$1,325,781</u>
Deferred inflows of resources	<u>\$48,885</u>	<u>\$120,660</u>
Net position:		
Net investment in capital assets	\$189,174	\$272,049
Restricted	317,021	264,194
Unrestricted	2,087,983	2,084,824
Total net position	<u>\$2,594,178</u>	<u>\$2,621,067</u>

Management's Discussion and Analysis

Net position was negatively impacted by \$580,313 at December 31, 2020 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	(\$95,422)
Deferred inflows of resources	28,226
Net pension liability	<u>647,509</u>
 Total	 <u><u>\$580,313</u></u>

Of the total net position at December 31, 2020, \$189,174 (7.3%) reflects MESB's net investment in capital assets. These assets are not available for future spending. An additional \$317,021 (12.2%) 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,	
	<u>2020</u>	<u>2019</u>
Revenues:		
Program revenues:		
Charges for services	\$1,997,475	\$2,028,490
Operating grants and contributions	286,156	310,971
Capital grants and contributions	16,110	-
General revenues:		
Unrestricted investment earnings	46,935	82,580
Other	11,574	8,451
Total revenues	<u>2,358,250</u>	<u>2,430,492</u>
Expenses:		
General	608,087	610,122
911 telephone system	565,452	507,313
Emergency medical services system	298,400	300,178
Radio	913,200	1,033,226
Total expenses	<u>2,385,139</u>	<u>2,450,839</u>
Increase (decrease) in net position	(26,889)	(20,347)
Net position - January 1	<u>2,621,067</u>	<u>2,641,414</u>
Net position - December 31	<u><u>\$2,594,178</u></u>	<u><u>\$2,621,067</u></u>

MESB's net position decreased by \$26,889 (-1.0%). In 2020, MESB experienced depreciation in the value of assets, increased valuation of OPEB liabilities, as well as an increase in pension liability.

Management's Discussion and Analysis

MESB's Funds

General Fund

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

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

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

911 Fund

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

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

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

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

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

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

Management's Discussion and Analysis

Radio Fund

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

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

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

EMS Fund

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

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

Management's Discussion and Analysis

Financial Analysis of MESB's Funds

As of the end of the current fiscal year, MESB's governmental funds reported combined ending fund balances of \$3,404,571 an increase of \$73,201 in comparison with the prior year. The increase in fund balance is primarily due to higher than anticipated revenues from interest. The 2020 budget included \$21,500 of interest revenue, though the actual interest received was \$46,935. The amount of interest received in 2020 was approximately half that received in 2019. Additionally, the COVID-19 pandemic resulted in no or very minimal staff travel to either local or out of state meetings and conferences from March 2020 through December 2020; the travel to local and out of state meetings had been included in the 2020 budget. Similarly, certain budgeted projects were delayed due to the inability to hold in-person trainings. The pandemic also affected per diem and mileage payments for Board meetings; starting with the April 2020 meeting, meetings were held virtually rather than in person, so no mileage or per diem payments were made.

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 2020, MESB had \$189,174 net investment in capital assets, which consists of equipment as detailed below.

CAPITAL ASSETS AT YEAR END

	December 31,	
	2020	2019
Equipment	\$1,698,385	\$1,682,275
Accumulated depreciation	(1,509,211)	(1,410,226)
Net capital assets	<u>\$189,174</u>	<u>\$272,049</u>

MESB has not incurred any long-term debt to acquire these capital assets.

Management's Discussion and Analysis

Noncurrent Liabilities

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

NONCURRENT LIABILITIES AT YEAR END

	<u>Compensated Absences</u>	<u>OPEB</u>	<u>Net Pension Liability</u>
December 31, 2020	\$164,285	\$255,025	\$647,509
December 31, 2019	<u>130,764</u>	<u>251,108</u>	<u>536,291</u>
Increase	<u>\$33,521</u>	<u>\$3,917</u>	<u>\$111,218</u>

Economic Factors and Next Year's Budget

Total expenditures budgeted for all funds in 2020 total \$2,122,358 compared to budgeted expenditures of \$2,205,887 for 2021. The increase in budgeted expenditures from 2020 to 2021 is small increases in various costs such as software fees for virtual meetings, the need to pay for human resources services, computer replacements, as well as a planned increase in salaries and benefits associated with the 2019 addition of a GIS Specialist position.

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, 2020

With Comparative Totals For December 31, 2019

	Governmental Activities	
	2020	2019
Assets:		
Cash and investments	\$3,404,909	\$3,423,821
Accounts receivable	20,991	3,997
Due from other governments	197,297	234,018
Prepaid items	76,280	77,152
Capital assets (net of accumulated depreciation)	189,174	272,049
Total assets	<u>3,888,651</u>	<u>4,011,037</u>
Deferred outflows of resources:		
Related to pensions	95,422	47,902
Related to OPEB	20,715	8,569
Total deferred outflows of resources	<u>116,137</u>	<u>56,471</u>
Liabilities:		
Accounts payable	53,237	56,012
Accrued salaries	34,240	40,000
Funds held for others	51,581	56,401
Due to other governments	119,906	219,493
Unearned revenue	35,942	35,712
Compensated absences:		
Due within one year	10,899	9,555
Due in more than one year	153,386	121,209
OPEB liability:		
Due within one year	8,305	9,118
Due in more than one year	246,720	241,990
Net pension liability - due in more than one year	647,509	536,291
Total liabilities	<u>1,361,725</u>	<u>1,325,781</u>
Deferred inflows of resources:		
Related to pensions	28,226	107,846
Related to OPEB	20,659	12,814
Total deferred inflows of resources	<u>48,885</u>	<u>120,660</u>
Net position:		
Investment in capital assets	189,174	272,049
Restricted for EMS relief	317,021	264,194
Unrestricted	2,087,983	2,084,824
Total net position	<u>\$2,594,178</u>	<u>\$2,621,067</u>

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, 2020

With Comparative Totals For The Year Ended December 31, 2019

Functions/Programs:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	2020	2019
Governmental activities:						
General	\$608,087	\$555,688	\$1,748	\$ -	(\$50,651)	(\$68,101)
911 telephone system	565,452	507,525	22,478	-	(35,449)	(14,907)
Emergency medical services program	298,400	-	239,678	16,110	(42,612)	(69,678)
Radio	913,200	934,262	22,252	-	43,314	41,308
Total governmental activities	<u>\$2,385,139</u>	<u>\$1,997,475</u>	<u>\$286,156</u>	<u>\$16,110</u>	<u>(85,398)</u>	<u>(111,378)</u>
General revenues:						
Unrestricted investment earnings					46,935	82,580
Other					11,574	8,451
Total general revenues					<u>58,509</u>	<u>91,031</u>
Change in net position					(26,889)	(20,347)
Net position - January 1					<u>2,621,067</u>	<u>2,641,414</u>
Net position - December 31					<u>\$2,594,178</u>	<u>\$2,621,067</u>

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

METROPOLITAN EMERGENCY SERVICE BOARD

BALANCE SHEET

Statement 3

GOVERNMENTAL FUNDS

December 31, 2020

With Comparative Totals For December 31, 2019

	General	911	EMS	Radio	Total	
	Fund	Fund	Fund	Fund	2020	2019
Assets:						
Cash and investments	\$2,284,038	\$398,892	\$283,955	\$438,024	\$3,404,909	\$3,423,821
Accounts receivable	-	7,780	-	13,211	20,991	3,997
Due from other governments	3,190	41,418	95,360	57,329	197,297	234,018
Prepaid items	-	7,020	-	69,260	76,280	77,152
Total assets	\$2,287,228	\$455,110	\$379,315	\$577,824	\$3,699,477	\$3,738,988
Liabilities and fund balance						
Liabilities:						
Accounts payable	\$2,628	\$22,593	\$5,655	\$22,361	\$53,237	\$56,012
Accrued salaries	16,384	14,776	-	3,080	34,240	40,000
Due to other governments	40,125	57,697	-	22,084	119,906	219,493
Funds held for others	-	51,581	-	-	51,581	56,401
Unearned revenue	-	-	-	35,942	35,942	35,712
Total liabilities	59,137	146,647	5,655	83,467	294,906	407,618
Fund balance:						
Nonspendable	-	7,020	-	69,260	76,280	77,152
Restricted	-	-	348,144	-	348,144	349,123
Committed	-	301,443	25,516	425,097	752,056	702,394
Assigned	2,072,400	-	-	-	2,072,400	2,050,353
Unassigned	155,691	-	-	-	155,691	152,348
Total fund balance	2,228,091	308,463	373,660	494,357	3,404,571	3,331,370
Total liabilities and fund balance	\$2,287,228	\$455,110	\$379,315	\$577,824	\$3,699,477	\$3,738,988
Fund balance reported above					\$3,404,571	\$3,331,370
Amounts reported for governmental activities in the Statement of Net Position are different because:						
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.					189,174	272,049
Deferred outflows of resources-pension related are not current financial resources and, therefore, are not reported in the funds.					95,422	47,902
Deferred outflows of resources-OPEB related are not current financial resources and, therefore, are not reported in the funds.					20,715	8,569
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.					(28,226)	(107,846)
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.					(20,659)	(12,814)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:						
Compensated absences payable					(164,285)	(130,764)
OPEB liability					(255,025)	(251,108)
Net pension liability					(647,509)	(536,291)
Net position of governmental activities					\$2,594,178	\$2,621,067

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

METROPOLITAN EMERGENCY SERVICE BOARD

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

Statement 4

For The Year Ended December 31, 2020

With Comparative Totals For The Year Ended December 31, 2019

	General Fund	911 Fund	EMS Fund	Radio Fund	Total	
					2020	2019
Revenues:						
Member assessments	\$553,059	\$506,976	\$ -	\$223,777	\$1,283,812	\$1,269,649
User fees	-	-	-	373,431	373,431	392,770
Reimbursement revenue	2,629	549	-	337,054	340,232	366,071
Intergovernmental:						
State	-	-	255,788	-	255,788	228,854
Federal	-	22,478	-	22,252	44,730	80,869
Interest	28,592	8,140	4,224	5,979	46,935	82,580
Other	5,894	-	-	5,680	11,574	8,451
Total revenues	<u>590,174</u>	<u>538,143</u>	<u>260,012</u>	<u>968,173</u>	<u>2,356,502</u>	<u>2,429,244</u>
Expenditures:						
Current:						
Personal services	503,355	454,220	-	93,585	1,051,160	1,008,690
Rent and site leases	10,258	7,693	3,844	354,601	376,396	401,334
Equipment and maintenance upgrades	8,242	11,737	4,192	73,562	97,733	119,001
Other grant expenditures	-	22,478	217,171	22,252	261,901	289,466
Other services and charges	72,929	57,019	450	349,603	480,001	499,468
Capital outlay	-	-	16,110	-	16,110	8,400
Total expenditures	<u>594,784</u>	<u>553,147</u>	<u>241,767</u>	<u>893,603</u>	<u>2,283,301</u>	<u>2,326,359</u>
Revenues over (under) expenditures	<u>(4,610)</u>	<u>(15,004)</u>	<u>18,245</u>	<u>74,570</u>	<u>73,201</u>	<u>102,885</u>
Other financing sources (uses):						
Transfer in	30,000	-	-	-	30,000	30,250
Transfer out	-	-	(15,000)	(15,000)	(30,000)	(30,250)
Total other financing sources (uses)	<u>30,000</u>	<u>0</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>0</u>	<u>0</u>
Net change in fund balance	25,390	(15,004)	3,245	59,570	73,201	102,885
Fund balance - January 1	<u>2,202,701</u>	<u>323,467</u>	<u>370,415</u>	<u>434,787</u>	<u>3,331,370</u>	<u>3,228,485</u>
Fund balance - December 31	<u>\$2,228,091</u>	<u>\$308,463</u>	<u>\$373,660</u>	<u>\$494,357</u>	<u>\$3,404,571</u>	<u>\$3,331,370</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, 2020

With Comparative Totals For The Year Ended December 31, 2019

Statement 5

	<u>2020</u>	<u>2019</u>
Amounts reported for governmental activities in the Statement of Activities are different because:		
Net changes in fund balance - total governmental funds (Statement 4)	\$73,201	\$102,885
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 expense:		
Depreciation	(98,985)	(111,157)
Capital outlay	16,110	8,400
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 compensated absences payable	(33,521)	(17,284)
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	\$59,300	
Pension expense	(43,378)	
OPEB contributions	4,669	
OPEB expense	(4,285)	(3,191)
Change in net position of governmental activities (Statement 2)	<u>(\$26,889)</u>	<u>(\$20,347)</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. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* are normally supported by taxes and intergovernmental revenues.

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. Taxes 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.

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 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.

METROPOLITAN EMERGENCY SERVICES BOARD
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

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.

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.

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.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues.

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.

E. CASH AND INVESTMENTS

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

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

F. RECEIVABLES AND PAYABLES

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

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

G. PREPAID ITEMS

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

H. CAPITAL ASSETS

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

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

I. COMPENSATED ABSENCES

A liability is recognized for vacation and sick leave earned by employees at the balance sheet date if it is probable the benefit will be paid as time off or at separation of service.

A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

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 will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. MESB has two items that qualifies for reporting in this category. It is the pension and OPEB related deferred outflows reported in the government-wide Statement of Net Position.

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

O. 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, 2019, from which the summarized information was derived.

P. DEFINED BENEFIT PENSION PLAN

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

METROPOLITAN EMERGENCY SERVICES BOARD
NOTES TO FINANCIAL STATEMENTS
 December 31, 2020

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, 2020 is as follows:

Cash and investments pooled with Washington County at fair value	\$2,242,376
Cash and investments pooled with Hennepin County at fair value	<u>1,162,533</u>
Total	<u><u>\$3,404,909</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, 2020, 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, 2020 are expected to be collected within one year.

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

METROPOLITAN EMERGENCY SERVICES BOARD
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

Note 4 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets being depreciated:				
Equipment	\$1,682,275	\$16,110	\$ -	\$1,698,385
Less accumulated depreciation:				
Equipment	<u>1,410,226</u>	<u>98,985</u>	<u>-</u>	<u>1,509,211</u>
Capital assets - net	<u>\$272,049</u>	<u>(\$82,875)</u>	<u>\$0</u>	<u>\$189,174</u>

Depreciation expense was charged to programs as follows:

General	\$185
911 telephone system	6,157
Emergency medical services system	72,746
Radio	<u>19,897</u>
Total depreciation expense	<u>\$98,985</u>

Note 5 NONCURRENT LIABILITIES

Activity for the year ended December 31, 2020, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Estimated Amount Due Within One Year</u>
Compensated absences	<u>\$130,764</u>	<u>\$35,240</u>	<u>(\$1,719)</u>	<u>\$164,285</u>	<u>\$10,899</u>

Compensated absences are liquidated by each of the four funds.

Note 6 DEFINED BENEFIT PENSION PLANS

A. PLAN DESCRIPTION

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

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

B. BENEFITS PROVIDED

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

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

Benefit increases are provided to benefit recipients each January. Beginning in 2019, the postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024 or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

METROPOLITAN EMERGENCY SERVICES BOARD
NOTES TO FINANCIAL STATEMENTS
 December 31, 2020

C. CONTRIBUTIONS

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

Coordinated Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2020 and MESB was required to contribute 7.5% for Coordinated Plan members. MESB contributions to the GERF for the year ended December 31, 2020, were \$59,300. MESB's contributions were equal to the required contributions as set by state statute.

D. PENSION COSTS

GERF Pension Costs

At December 31, 2020, MESB reported a liability of \$647,509 for its proportionate share of GERF's net pension liability. MESB's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with MESB totaled \$20,087. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. MESB's proportion of the net pension liability was based on MESB's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019 through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. MESB's proportionate share was 0.0108% at the end of the measurement period and 0.0097% for the beginning of the period.

MESB's proportionate share of the net pension liability	\$647,509
State of Minnesota's proportionate share of the net pension liability associated with the MESB	<u>20,087</u>
Total	<u>\$667,596</u>

For the year ended December 31, 2020, MESB recognized pension expense of \$43,378 for its proportionate share of the GERF's pension expense. In addition, MESB recognized an additional \$1,748 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the GERF.

METROPOLITAN EMERGENCY SERVICES BOARD
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

At December 31, 2020, MESB reported its proportionate share of the GERF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$5,916	\$2,450
Changes in actuarial assumptions	-	24,366
Net collective difference between projected and actual investment earnings	7,537	-
Changes in proportion	52,728	1,410
Contributions paid to PERA subsequent to the measurement date	<u>29,241</u>	<u>-</u>
Total	<u>\$95,422</u>	<u>\$28,226</u>

The \$29,241 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, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Pension Expense Amount</u>
2021	(\$18,541)
2022	13,403
2023	27,448
2024	15,644
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, 2020 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.50% per year
Active Member Payroll Growth	3.25% per year
Investment Rate of Return	7.50%

METROPOLITAN EMERGENCY SERVICES BOARD
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants for all plans were based on RP 2014 tables for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25% per year for GERF.

Actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies. The most recent four-year experience study for GERF was completed in 2019. The assumption changes were adopted by the Board and become effective with the July 1, 2020 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2020:

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%.
- As recommended in the June 30, 2019 experience study, 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.
- The 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 assumed 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.

METROPOLITAN EMERGENCY SERVICES BOARD
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

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 Stocks	35.5%	5.10%
International Stocks	17.5%	5.30%
Bonds (Fixed Income)	20.0%	0.75%
Alternative Assets (Private Markets)	25.0%	5.90%
Cash	2.0%	0.00%
Total	100%	

F. DISCOUNT RATE

The discount rate used to measure the total pension liability in 2020 was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at the rate set in Minnesota statutes. Based on that assumption, the fiduciary net position of the GERS 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 for all plans it participates in, 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 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in in Discount Rate (6.5%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
Proportionate share of the GERS net pension liability	\$1,037,733	\$647,509	\$325,606

H. PENSION PLAN FIDUCIARY NET POSITION

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

Note 7 OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. PLAN DESCRIPTION

In addition to providing the pension benefits described in Note 6, 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 one former employee who meets the eligibility requirements and is 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 one former employee receiving benefits, MESB is obligated to pay one-half of this 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 2020 were \$5,499.

- In addition, MESB pays the premium for \$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 pension 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.

- In addition, MESB pays the premium for \$2,000 life insurance policy.

METROPOLITAN EMERGENCY SERVICES BOARD
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

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, 2020 actuarial valuation, participants of the plan consisted of:

Active employees	9
Inactive employees and beneficiaries currently receiving benefits	<u>1</u>
Totals	<u><u>10</u></u>

D. TOTAL OPEB LIABILITY AND CHANGES IN TOTAL OPEB LIABILITY

MESB's total OPEB liability of \$255,025 was measured as of January 1, 2020 and was determined by an actuarial valuation as of January 1, 2020. Changes in the total OPEB liability during 2020 were:

Balance - beginning of year	\$251,108
Changes for the year:	
Service cost	5,006
Interest	9,629
Plan changes	(3,305)
Differences between expected and actual experience	(21,379)
Changes in assumptions	19,465
Benefit payments	<u>(5,499)</u>
Net changes	<u>3,917</u>
Balance - end of year	<u><u>\$255,025</u></u>

OPEB liability is liquidated by each of the four funds.

METROPOLITAN EMERGENCY SERVICES BOARD
NOTES TO FINANCIAL STATEMENTS
 December 31, 2020

E. ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

The total OPEB liability in the January 1, 2020 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	2.90%
Investment rate of return	N/A
Healthcare cost trend rates	6.50% as of January 1, 2020 grading to 5.00% over 6 years and then to 4.00% over the next 48 years.
Post-65 Healthcare trend rate	4.00%

Since the plan is funded on a pay-as-you-go basis, both the discount rate was based on the 20 year AA rated municipal bond rate as of January 1, 2020 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-2019 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:

Attained Age	Retirement % Rule of 90	Retirement % Not Rule of 90
55	20%	5%
56	15%	5%
57	15%	5%
58	15%	6%
59	15%	7%
60	50%	8%
61	50%	10%
62	50%	20%
63	50%	20%
64	50%	25%
65+	100%	100%

METROPOLITAN EMERGENCY SERVICES BOARD
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

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

The following presents the total OPEB liability of MESB, as well as what MESB's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.90%) or 1% higher (3.90%) than the current discount rate:

	1% Decrease (1.90%)	Discount Rate (2.90%)	1% Increase (3.90%)
Total OPEB liability	\$299,220	\$255,025	\$219,588

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

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

	1% Decrease (5.50% decreasing to 4%)	Healthcare Cost Trend Rates (6.50% decreasing to 5.0%)	1% Increase (7.50% decreasing to 6.0%)
Total OPEB liability	\$216,881	\$255,025	\$303,650

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

For the year ended December 31, 2020, MESB recognized \$4,285 of OPEB expense. At December 31, 2020, MESB reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in actuarial assumptions	\$12,976	\$6,407
Gain on liability	-	14,252
Contributions subsequent to the measurement date	7,739	-
Total	<u>\$20,715</u>	<u>\$20,659</u>

The \$7,739 reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2021.

METROPOLITAN EMERGENCY SERVICES BOARD
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2020

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

Year Ended December 31,	OPEB Expense Amount
2021	\$7,045
2022	638
2023	-
2024	-
2025	-
Thereafter	-

Note 8 COMMITMENTS

LEASES

MESB leases its office premises, including use of phones, under an agreement which was renewed on November 4, 2020 and is effective through December 31, 2022 with monthly lease payments of \$2,201. Rent expense under this lease totaled \$25,644 for the year ending December 31, 2020. MESB has future minimum payments of \$26,412 for years ending December 31, 2021 and 2022.

MESB has multiple leases for radio towers it assumed from the former Metropolitan Radio Board. The lease terms expire at various times through 2036. Minimum annual rentals are estimated as follows:

<u>Year Ended</u>	
2021	\$333,856
2022	318,218
2023	310,447
2024	308,476
2025	277,767
2026-2030	873,758
2031-2035	17,500
2036	<u>1,168</u>
Total	<u>\$2,441,190</u>

Rent expense under these leases for the year ended December 31, 2020 totaled \$350,752.

METROPOLITAN EMERGENCY SERVICES BOARD
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

COMMITTED CONTRACTS

MESB had no material committed contracts at December 31, 2020.

LITIGATION

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

Note 9 FUND BALANCE CLASSIFICATIONS

At December 31, 2020, a summary of the governmental fund balance classifications are listed below. Definitions for 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	\$ -	\$7,020	\$ -	\$69,260	\$76,280
Restricted to:					
Emergency services	-	-	348,144	-	348,144
Committed to:					
Emergency services	-	301,443	25,516	425,097	752,056
Assigned to:					
Future projects	2,072,400	-	-	-	2,072,400
Unassigned	<u>155,691</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>155,691</u>
Total	<u>\$2,228,091</u>	<u>\$308,463</u>	<u>\$373,660</u>	<u>\$494,357</u>	<u>\$3,404,571</u>

Note 10 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 11 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,

METROPOLITAN EMERGENCY SERVICES BOARD
NOTES TO FINANCIAL STATEMENTS
 December 31, 2020

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 12 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>2020</u>	<u>Balance</u>
Receipts (cash basis):				
07/01/19 - 06/30/21	<u>\$146,250</u>	<u>\$ -</u>	<u>\$88,164</u>	<u>\$58,086</u>
Grant revenue/expenditures (accrual basis):				
07/01/19 - 06/30/21	<u>\$146,250</u>	<u>\$20,065</u>	<u>\$88,164</u>	<u>\$38,021</u>

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

Note 13 INTERFUND TRANSFERS

	<u>Transfers In General Fund</u>
Transfers out:	
EMS Fund	\$15,000
Radio Fund	<u>15,000</u>
Total transfers	<u>\$30,000</u>

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

METROPOLITAN EMERGENCY SERVICES BOARD
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

Note 14 RECENTLY ISSUED ACCOUNTING STANDARDS

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

Statement No. 87 *Leases*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2021.

Statement No. 89 *Accounting for Interest Cost Incurred before the End of a Construction Period*. The provisions of this Statement are effective for reporting periods beginning after December 15, 2020.

Statement No. 91 *Conduit Debt Obligations*. The provisions of this Statement are effective for reporting periods beginning after December 15, 2021.

Statement No. 92 *Omnibus 2020*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2021.

Statement No. 93 *Replacement of Interbank Offered Rates*. The provisions of this Statement contain multiple effective dates, the first being for reporting periods beginning after June 15, 2020.

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

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

The effect these standards may have on future financial statements is not determinable at this time, but it is expected that Statement No. 87 may have a material impact.

REQUIRED SUPPLEMENTARY INFORMATION

METROPOLITAN EMERGENCY SERVICE BOARD
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2020
With Comparative Actual Amounts For The Year Ended December 31, 2019

Statement 6

	Budgeted Amounts		2020 Actual Amounts	Variance with Final Budget - Over (Under)	2019 Actual Amounts
	Original	Final			
Revenues:					
Member assessments	\$553,059	\$553,059	\$553,059	\$ -	\$539,923
Reimbursement revenue	2,000	2,000	2,629	629	850
Interest	13,000	13,000	28,592	15,592	51,245
Other	3,000	3,000	5,894	2,894	3,239
Total revenues	<u>571,059</u>	<u>571,059</u>	<u>590,174</u>	<u>19,115</u>	<u>595,257</u>
Expenditures:					
Current:					
Personal services	507,989	507,989	503,355	(4,634)	496,302
Rent and site leases	9,440	9,440	10,258	818	10,258
Equipment and maintenance upgrades	9,700	9,700	8,242	(1,458)	6,595
Other services and charges	73,930	73,930	72,929	(1,001)	78,042
Capital outlay	-	-	-	-	8,400
Total expenditures	<u>601,059</u>	<u>601,059</u>	<u>594,784</u>	<u>(6,275)</u>	<u>599,597</u>
Revenues over (under) expenditures	<u>(30,000)</u>	<u>(30,000)</u>	<u>(4,610)</u>	<u>25,390</u>	<u>(4,340)</u>
Other financing sources (uses):					
Transfer in	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,250</u>
Net change in fund balance	<u>\$0</u>	<u>\$0</u>	<u>25,390</u>	<u>\$25,390</u>	<u>25,910</u>
Fund balance - January 1			<u>2,202,701</u>		<u>2,176,791</u>
Fund balance - December 31			<u>\$2,228,091</u>		<u>\$2,202,701</u>

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, 2020

With Comparative Actual Amounts For The Year Ended December 31, 2019

	Budgeted Amounts		2020 Actual Amounts	Variance with Final Budget - Over (Under)	2019 Actual Amounts
	Original	Final			
Revenues:					
Member assessments	\$506,976	\$506,976	\$506,976	\$ -	\$492,406
Reimbursement revenue	68,000	68,000	549	(67,451)	-
Intergovernmental:					
Federal	-	-	22,478	22,478	-
Interest	4,500	4,500	8,140	3,640	15,056
Total revenues	<u>579,476</u>	<u>579,476</u>	<u>538,143</u>	<u>(41,333)</u>	<u>507,462</u>
Expenditures:					
Current:					
Personal services	459,446	459,446	454,220	(5,226)	421,335
Rent and site leases	8,000	8,000	7,693	(307)	7,693
Equipment and maintenance upgrades	10,700	10,700	11,737	1,037	12,940
Other grant expenditures	-	-	22,478	22,478	-
Other services and charges	101,330	101,330	57,019	(44,311)	60,203
Total expenditures	<u>579,476</u>	<u>579,476</u>	<u>553,147</u>	<u>(26,329)</u>	<u>502,171</u>
Net change in fund balance	<u>\$0</u>	<u>\$0</u>	(15,004)	<u>(\$15,004)</u>	5,291
Fund balance - January 1			<u>323,467</u>		<u>318,176</u>
Fund balance - December 31			<u>\$308,463</u>		<u>\$323,467</u>

See accompanying notes to the required supplementary information.

METROPOLITAN EMERGENCY SERVICE BOARD

REQUIRED SUPPLEMENTARY INFORMATION

Statement 8

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

For The Year Ended December 31, 2020

	2020	2019	2018
Total OPEB liability:			
Service cost	\$5,006	\$7,824	\$8,568
Interest	9,629	8,732	8,360
Changes of benefit terms	-	-	-
Plan changes	(3,305)	-	-
Differences between expected and actual experience	(21,379)	-	-
Changes in assumptions	19,465	(19,221)	-
Benefit payments	(5,499)	(5,985)	(3,841)
Net change in total OPEB liability	3,917	(8,650)	13,087
Total OPEB liability - beginning	251,108	259,758	246,671
Total OPEB liability - ending	<u>\$255,025</u>	<u>\$251,108</u>	<u>\$259,758</u>
Covered-employee payroll	\$779,995	\$702,011	\$681,564
Total OPEB liability as a percentage of covered-employee payroll	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.

See accompanying notes to the required supplementary information.

METROPOLITAN EMERGENCY SERVICE BOARD
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY* -
 GENERAL EMPLOYEES RETIREMENT FUND
 For The Year Ended December 31, 2020

Statement 9

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%

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

METROPOLITAN EMERGENCY SERVICE BOARD

REQUIRED SUPPLEMENTARY INFORMATION

Statement 10

SCHEDULE OF PENSION CONTRIBUTIONS* - GENERAL EMPLOYEES RETIREMENT FUND

For The Year Ended December 31, 2020

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%

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

See accompanying notes to the required supplementary information.

METROPOLITAN EMERGENCY SERVICES BOARD
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO RSI
December 31, 2020

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.

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

2020 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%.
- As recommended in the June 30, 2019 experience study, 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.
- The 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 assumed 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.

METROPOLITAN EMERGENCY SERVICES BOARD
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO RSI
December 31, 2020

2020 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 in Actuarial Assumptions:

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

2019 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 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 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 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.

OTHER 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 Directors and Management
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 the Metropolitan Emergency Services Board as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Metropolitan Emergency Services Board's basic financial statements, and have issued our report thereon dated April 22, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Metropolitan Emergency Services Board's internal control over financial reporting (internal control) to determine the 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 the Metropolitan Emergency Services Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 determination of financial statement amounts. 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, LTD.
St. Paul, Minnesota

April 22, 2021



MINNESOTA LEGAL COMPLIANCE REPORT

To the Board of Directors
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, 2020 and the related notes to the financial statements, which collectively comprise the Metropolitan Emergency Services Board's basic financial statements, and have issued our report thereon dated April 22, 2021.

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 and bidding, deposits and investments, conflicts of interest, claims and disbursements, miscellaneous provisions sections of the *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions*, promulgated by the State Auditor pursuant to Minn. Stat. § 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.

A handwritten signature in black ink that reads "Redpath and Company Ltd." with a stylized flourish at the end.

REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

April 22, 2021

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AUDIT MANAGEMENT LETTER

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

We have audited the financial statements of the governmental activities and each major fund of Metropolitan Emergency Service Board (MESB) for the year ended December 31, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 11, 2020. 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 2020. 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 governmental activities financial statements were the OPEB liability required to be calculated by GASB No. 75 and management's estimate of the net pension liability, the pension related deferred outflows and inflows of resources and pension expense. Management's estimate of the OPEB liability is based on the actuarial valuation report under GASB Statement 75. Management's estimates relating to the net pension liability, pension related deferred outflows and inflows of resources, and pension expense are based on actuarial studies. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements are Note 6 – Defined Benefit Pension Plans and Note 7 – Other Postemployment Benefits (OPEB).

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no uncorrected misstatements that have an effect on our opinion on the financial statements. As a result of our audit procedures, we identified an expense that was incurred in 2020 that had been recorded in 2021. As the expense was grant related, it resulted in an expense, revenue, payable, and receivable each being booked in the amount of \$22,478. This misstatement was corrected by management and had a zero net impact on the overall fund balance/net position of the financial statements.

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 22, 2021.

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 discussion and analysis, the budgetary comparison information, the schedule of changes in total OPEB liability and related ratios, pension information and notes to RSI, 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 Comments and Recommendations

User Fees – during the course of our audit, we identified that the calculation for estimating the amount billed out for user fee revenue did not factor in the over/under billings year-over-year. This has resulted in approximately \$17,600 of user fees charged in excess of actual expenses incurred, which were properly recorded as unearned revenue. We recommend that MESB consider the year-over-year differences in the calculation going forward.

Restriction on Use

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



REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

April 22, 2021

Redpath and Company, Ltd.
St. Paul, Minnesota

This representation letter is provided in connection with your audit of the financial statements of Metropolitan Emergency Services Board, which comprise the respective financial position of the governmental activities and each major fund as of December 31, 2020, and the respective changes in financial position for the year then ended, and the disclosures (collectively, the “financial statements”), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

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

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

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated August 23, 2016, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or

Redpath and Company, Ltd.
Representation Letter, Page 2

payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
8. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. There was one uncorrected misstatement which results in overstated revenue of \$2,722 in the Radio fund due to Metropolitan Emergency Services Board truing up prior year MNDot fees in 2020.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10. Guarantees, whether written or oral, under which Metropolitan Emergency Services Board is contingently liable, if any, have been properly recorded or disclosed.
11. We have adequately disclosed in the financial statements and responded to your inquiries related to the risks and uncertainties associated with COVID-19.

Information Provided

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

Redpath and Company, Ltd.
Representation Letter, Page 3

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

Government-specific

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

Redpath and Company, Ltd.
Representation Letter, Page 4

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


Redpath and Company, Ltd.
Representation Letter, Page 5

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

Date: 4/22/2021 | 9:12 AM PDT

Signed: 4132FAD4D21446E...

Title: Executive Director

Signed: F6C340EA38304B0...

Title: Financial Services Specialist



METROPOLITAN EMERGENCY SERVICES BOARD

Meeting Date: May 12, 2021
Agenda Item: 5A. Approval of Metro Radio Encryption Best Practice Guide
Presenter: Fredrick

RECOMMENDATION

The Radio TOC recommends approval of the Metro Radio Encryption Best Practices Guide.

BACKGROUND

As many entities have already or are currently planning cutovers to encryption-based radios, concern was raised about how each entity would handle the change with minimal impact to partner entities. Given current timelines for many metro agencies to implement encryption, having a set of guidelines to accomplish changes was desired. The guide is not meant to be prescriptive on how each entity accomplishes its cutover to encryption.

ISSUES & CONCERNS

As mentioned, the guide is only suggestions to assist entities in making the cutover process to encryption smoother. The guide is not step-by-step instructions and should not be used as such. Any entity considering a switch to encryption will still need to make its own process and timeline for accomplishing that goal.

Having a best practice guide is also not meant to suggest all entities need to switch to encryption. There is a financial impact to entities making this switch and use of the guide does not imply that a switch to encryption is a metro requirement.

FINANCIAL IMPACT

None to MESB.

MOTION BY:
SECONDED BY:
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PASS/FAIL

Metro Region Radio Encryption Best Practices

The following guide is meant to be used for direction for those entities planning to make the switch to encrypted radios. This guide is not a directive standard and can evolve over time. If you have any questions or concerns about this guide, please contact the MESB Radio Services Coordinator.

Prior to Cutover

- Consider partner entities who share talkgroups, especially mains. Communicate prior to the cutover, with recommendations for communication at the time of the decision made to cutover, six months prior to cutover, two months prior, one month prior, and once each week in the last month. A notice should also be sent to the ARMER System Managers list and the Metro PSAP Managers list within the month before cutover.
- Coordinate how entities will receive the DES or AES key. Note that a KVL *must* be kept secured, per SECB Standard LMR-50. If possible, consider having this information password protected.
- Verify capacity for logging and potential increase for logging needs

Programming Changes

- Consider adding an 'E' to talkgroup names that are encrypted. Note that, given some display limitations, this designation may not always be seen on the display.
- Emergency Button, Home Channel, and Key Loading should be considered for subscriber programming in different zones.
- The use of selectable encryption should be avoided; if used, radios must be encryption-capable. Special care should be taken to ensure transmissions are appropriate.

During Cutover

- Notifications sent out to documented partner entities on new permissions and how to share keys
- Consider how long to keep former talkgroups enabled and communicate the date that former talkgroups will be disabled
- Configure logger and load encryption keys, if new
- Remove clear channels from backup consoles if those channels will be disabled
- Ensure channel capacity is understood (cannot patch encrypted to clear)

Concerns

- Be prepared for media requests
- If an encrypted talkgroup gets patched to a clear talkgroup, the transmission is no longer encrypted
- When an encrypted TG is patched to a clear TG, 2 repeaters are being used instead of 1 (overuse of system resources)



METROPOLITAN EMERGENCY SERVICES BOARD

Meeting Date: May 12, 2021
Agenda Item: 6A. Approval of 2021 9-1-1 TOC Chair
Presenter: Eggimann

RECOMMENDATION

The 9-1-1 Technical Operations Committee (TOC) recommends the Board approve Susan Bowler as the new 2021 9-1-1 TOC Chair.

BACKGROUND

According to MESB bylaws, the 9-1-1 TOC must make a recommendation to the Board on the Chair and Vice-Chair of the committee.

ISSUES & CONCERNS

In April 2021, the previously approved 9-1-1 TOC Chair, Heidi Hieserich of the Metropolitan Airports Commission resigned to accept a position in private industry.

At its April meeting, the 9-1-1 TOC nominated Susan Bowler as Chair. Ms. Bowler is Carver County Sheriff's Office PSAP manager; she has served on the 9-1-1 TOC and been active in the metro region for many years. Bowler has the expertise and experience to provide the 9-1-1 TOC with strong leadership for the remainder of year.

FINANCIAL IMPACT

None to the MESB.

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METROPOLITAN EMERGENCY SERVICES BOARD

Meeting Date: May 12, 2021
Agenda Item: 6B. Approval of the SECB NG9-1-1 Representative and Alternate
Presenter: Eggimann

RECOMMENDATION

The 9-1-1 Technical Operations Committee (TOC) recommends the Board approve Chad Loffler, as the MESB regional primary representative to the SECB NG9-1-1 Committee and Janelle Harris as the alternate to the committee.

BACKGROUND

The Metropolitan Emergency Services Board, per Minnesota Statute Chapter 403, has a seat on the SECB, and has maintained seats on all SECB committees since the SECB's inception. The MESB makes its annual appointments to the SECB and its committees each January.

At the January 2021 meeting, the MESB voted to appoint Heidi Hieserich as the primary representative to the SECB NG9-1-1 Committee, and Chad Loeffler as the alternate.

ISSUES & CONCERNS

The previously appointed primary representative to the SECB NG9-1-1 Committee, Heidi Hieserich, resigned her position to accept new employment in the private sector. At its April meeting, the 9-1-1 TOC voted to recommend Chad Loeffler as the primary representative and Janelle Harris as the alternate. Both Loffler and Harris have the leadership skills necessary to represent the MESB region on the SECB NG9-1-1 Committee.

Mr. Loeffler is the manager of the Metro Transit PSAP. He has been active with the 9-1-1 TOC for many years, even prior to Metro Transit becoming a secondary PSAP in 2019. He has been serving as the alternate to the NG9-1-1 Committee.

Ms. Harris is the PSAP Manager for the City of Edina since 2019; prior to that she was in management at the Minneapolis Emergency Communications Center for several years.

FINANCIAL IMPACT

None to the MESB.

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METROPOLITAN EMERGENCY SERVICES BOARD

Meeting Date:
Agenda Item:

May 12, 2021
8A. Appointment to SECB
Finance Committee

Presenter:

Rohret

RECOMMENDATION

It is recommended that the MESB appoint a new representative to the SECB Finance Committee for the remainder of 2021.

BACKGROUND

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

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

ISSUES & CONCERNS

In January 2021, the MESB appointed Commissioner Wayne Johnson as the primary representative to the SECB Finance Committee, and Tracey Fredrick as the alternate. Commissioner Johnson needed to step down from that appointment, which leaves an opening for the primary representative.

The SECB Finance Committees meets via WebEx/conference call on the second Thursday of the month at 9:00 a.m.

FINANCIAL IMPACT

None to the MESB.

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MOTION:

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METROPOLITAN EMERGENCY SERVICES BOARD

Meeting Date: May 12, 2021
Agenda Item: 8B. Appointment to SECB ARMER/WBB
Funding Workgroup
Presenter: Rohret

RECOMMENDATION

It is recommended that the MESB appoint a representative from the Board to participate in the SECB's ARMER & Wireless Broadband Funding Workgroup.

BACKGROUND

As was discussed at the March 2021 MESB meeting, the FCC issued a Notice of Proposed Rule Making (NPRM) in February 2021 regarding 9-1-1 fee diversion and establishing rules of how 9-1-1 fees may be spent. If adopted as written, one effect of the NPRM would be that Minnesota's use of the 9-1-1 special revenue fund to pay for ARMER backbone operating and maintenance costs, currently estimated to be \$9.7 million per year, would be considered a fee diversion. At present, there is no other source of funding for the ARMER system, and approximately \$9.7 million must be allocated to maintain and operate the system. Additionally, the NPRM would not allow 9-1-1 fees to be used to support wireless broadband, nor ECN staff which supports wireless broadband.

ISSUES & CONCERNS

At its April meeting, the SECB authorized the formation of a workgroup to determine a funding mechanism for ARMER and wireless broadband. The SECB has the right in statute to assess user fees, which will be a topic of discussion by the workgroup.

Tracey Fredrick will participate in the workgroup, as well as multiple metro ARMER system administrators. However, it would be valuable to have a member of the MESB Board to serve on the workgroup and provide feedback from a commissioner's (or city council member's) perspective.

To that end, staff seeks an MESB member to serve on that workgroup. At this time it is unknown when the workgroup will meet.

FINANCIAL IMPACT

No direct impact to the MESB, but any decisions made by this workgroup, if approved by the SECB, could have great effect on MESB member counties and cities.

MOTION BY:
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METROPOLITAN EMERGENCY SERVICES BOARD

Meeting Date: May 12, 2021
Agenda Item: 8C. MESB Position on Proposed Changes to MS 403
Presenter: Rohret

RECOMMENDATION

Staff recommended that the Board take a position on some proposed amendments to Minnesota Statutes Chapter 403.

BACKGROUND

Minnesota Statutes Chapter 403 governs 9-1-1 and ARMER. The 9-1-1 portion of the chapter have not been updated in many years; the statute is outdated from today's standards and desperately need an update as 9-1-1 transitions to NG9-1-1. From 2016 – 2018 staff worked closely with the Minnesota Department of Public Safety – Emergency Communication Networks Division (ECN) to update statute in a way that satisfied government needs and telephone carrier needs. Nothing was ever passed.

ISSUES & CONCERNS

ECN has decided that it is time to update the portion of the 9-1-1 statute that affects the state, namely the portions of the statute that deal with the 9-1-1 system itself and the regulation of carriers which send calls to it, as well as some language surrounding the 9-1-1 fee. They would like to introduce these changes in the 2022 legislative session. The changes are being discussed by a workgroup of the SECB Legislative Committee; both Commissioner Mandy Meisner and the MESB Executive Director are participating in this workgroup.

ECN has proposed some changes that will greatly affect counties and the MESB as an organization. Staff would like the Board to discuss these issues and have the Board take stances to provide direction to those participating in this amendment process.

1. ECN is proposing language changes that would require all counties in the state to be on the state-provided 9-1-1 system.
2. ECN is proposing language that would remove the ability of any county or region from being a signatory on the contract(s) for the 9-1-1 system.
3. In general, the amendments keep many decisions, including what will be included in the RFP for a 9-1-1 system, being made within the Department of Public Safety, rather than in an open process via the Statewide Emergency Communications Board.
4. Control of the 9-1-1 surcharge fees collected, budgeting, and all spending authorizations relative to 9-1-1 and ECN operating costs would be held totally within DPS.

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METROPOLITAN EMERGENCY SERVICES BOARD

Meeting Date: May 12, 2021
Agenda Item: 8C. MESB Position on Proposed Changes to MS 403
Presenter: Rohret

Regarding number 1, currently, counties are responsible for 9-1-1 service in their county and must provide a 9-1-1 plan to the State. All counties, and all PSAPs, currently participate because the 9-1-1 network, call routing, and location database costs are funded by the state. However, should any county(ies) be dissatisfied with the 9-1-1 system procured by the State, counties have the option of implementing their own 9-1-1 system, though there would be risk that the costs to run their own system may be at the county's expense. The current language is not clear on this, but only says that the 9-1-1 surcharge money is to be used for 9-1-1 services that are under contract. Questions which should be considered:

- Should counties continue to be responsible for 9-1-1 service?
- If all counties/PSAPs currently participate in the state-provided 9-1-1 system, is it really needed to require it in statute?
- If it is required that all counties/PSAPs participate in the state-provided system, what is the incentive for the state to solicit feedback to ensure all county/PSAP needs are being met by the procurement? There is no current process to do so, though there are references to standards (which do not currently exist, nor is it known if those standards would be solely developed by DPS).
- Does the State have the expertise and staff to take sole responsibility for the 9-1-1 system?

It is important to hear from county commissioners how this change would limit counties.

Relatedly, number 2 would remove the ability of counties and the MESB to be on the 9-1-1 contracts, or to have any influence over what 9-1-1 services are covered in them (e.g. what GIS requirements or services would counties be required to provide to support the State's chosen vendor, will the level of system monitoring or the flexibility for workload sharing being procured meet metro area needs, etc.) Being a signatory to the contract has enabled the MESB staff to receive information directly from the 9-1-1 system vendor(s) regarding system performance, data issues, etc. all of which affect how the MESB performs the duties as prescribed in the joint powers agreement. Removing this ability further limits the role of the county in providing 9-1-1 services to its citizens and visitors.

Lastly, how do counties feel about decisions being made by DPS versus in an open process via the SECB, similarly to how ARMER system is currently managed? Would thoughts on the prior two issues change if all decisions were made in an open government process via the SECB?

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METROPOLITAN EMERGENCY SERVICES BOARD

Meeting Date: May 12, 2021
Agenda Item: 8C. MESB Position on Proposed Changes
to MS 403
Presenter: Rohret

FINANCIAL IMPACT

No direct impact to the MESB. It should be noted that the amendments also propose to broaden what PSAPs can spend 9-1-1 funds on, including to pay salary and benefits of telecommunicators.

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METROPOLITAN EMERGENCY SERVICES BOARD

Meeting Date: May 12, 2021
Agenda Item: 8D. Approval to Hire NG9-1-1 Consultant/
Eggimann Retirement
Presenter: Rohret

RECOMMENDATION

Staff recommend the Board approve hiring a consultant to create a transition plan to migrate the remaining legacy E9-1-1 system elements to next generation 9-1-1 (NG9-1-1) and to represent MESB and metro region interests in the creation of the state's RFP for next generation core services, system integration/monitoring, and egress network; staff recommend the contract not exceed \$100,000.00.

BACKGROUND

For the last several budgets, staff has included in the Board's capital budget funds for a consultant to create a transition plan to take the metro region, including PSAPs, from legacy E9-1-1 to NG9-1-1 that takes into consideration ECN's planning efforts.

Recently, the Department of Public Safety hired consultants to begin the process of creating an NG9-1-1 core services, system integration/monitoring, and egress (network out to the PSAPs) RFP. MESB staff is involved in this process and provides expertise and feedback.

Pete Eggimann announced his retirement in a letter which was included in the MESB's March meeting packet. He will retire on Friday, September 10, 2021, after serving the Board for 21 years.

ISSUES & CONCERNS

9-1-1 is in a significant state of change, though it is slow-moving change. There are multiple long-term projects taking a great deal of MESB staff time, in addition to our regular work. With Eggimann's retirement, the MESB is losing a great deal of institutional knowledge, as well as knowledge of NG9-1-1. Though it is hoped that a replacement person will be hired before Eggimann's retirement for some overlap and knowledge transfer, there are many projects in process that require a great deal of attention and will not be completed prior to his retirement date.

Staff would like to hire a consultant to focus on one project, the transition plan from legacy E9-1-1 to NG9-1-1, including addressing all technological needs of metro region PSAPs. This plan has been included in the current and past capital budgets. It is hoped that this consultant could also help represent metro region needs in planning meetings for the state's upcoming RFP for core services, system integration/monitoring, and egress network. These meetings take a great

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deal of staff time and distract from other projects and tasks. With the upcoming transition in MESB staff, a consultant can provide needed expertise and assist in providing continuity for the transition and implementation of the remaining NG9-1-1 elements by developing a defined plan.

If this request is approved, the Executive Director plans to issue an RFP quickly and have the Board approve the award at its July meeting. This would give the consultants time with Eggimann regarding current MESB and metro region plans and needs prior to his retirement.

FINANCIAL IMPACT

This contract would be funded primarily out of the future projects fund, which is the account the MESB has with Hennepin County. The MESB's capital budget for 2021 includes money for projects which are not likely to be accomplished in 2021; staff suggesting leveraging \$95,000 from those projects to pay for this consultant. Additionally, the 2021 operational budget also has \$25,000 in project support which may be leveraged.

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