1. **Introductions**

Advisory Board members, PERA staff, and guests introduced themselves.

2. **Approval of Meeting Notes from June 3, 2019**

   Larson moved approval of the June 3, 2019, SVFRP Advisory Board meeting notes. The motion was seconded by Volk and passed by consensus.

3. **2020 Control Book Updates**

   Anderson updated the content for the control book and shared data on the number and size of participating plans, membership demographic data, and information on the amount of assets and historical investment returns.

4. **Renewal of SVF 2019 Legislative Recommendation**

   There were five legislative proposals approved by the SVF Advisory Board and the PERA Board for the 2019 legislative session. Since the recommendations were not heard during the 2019 legislative session, staff recommended that the SVF Advisory Board reaffirm their support for (1) a plan name change, (2) allowing a fire chief to initiate a cost request, (3) clarification of alternative service pension calculation rules, (4) clarification of responsibility for coverage approval, and (5) determining vesting portability.

   Wood moved to reaffirm the 2019 Legislative Recommendations and to take these to the PERA Board to reaffirm. The motion was seconded by Larson and passed by consensus.
5. Plan Termination Asset Distribution

The Omnibus Pension Bill in 2019 included provisions related to a process in which a municipality, independent nonprofit Firefighting Corporation, or a joint powers entity may terminate participation in the PERA SVF plan. PERA staff did not oppose the bill because of the urgency for the parties in the termination process. Since then PERA staff has worked diligently with LCPR staff to review the language and make sure that there are no concerns. Staff supported the method defined in the bill, which allocates excess assets to individual members based on each individual member's share of the total present value of accrued benefits after first fully vesting each member.

_Wood moved to accept the legislation as drafted. The motion was seconded by Sandborn and passed by consensus._

6. Fire State Aid Allocation

Strenge highlighted that the Fire State Aid Program is used to help subsidize firefighter pension costs for local governments and fire relief associations. Current law requires the Fire State Aid received by a municipality to be transmitted either to the affiliated Volunteer Relief Association (VFRA) or to PERA if the volunteer firefighters are members of PERA-SVF. If the municipality does not have a VFRA or volunteer firefighters belong to SVF, the municipality may use the Fire State Aid to fund employer contributions for PERA P&F. If the municipality does not have firefighters belonging to VFRA, SVF, or PERA P&F, the municipality can use Fire State Aid for membership fees in firefighter organizations or to maintain/equip the fire department.

Options have been discussed between PERA and the LCPR staff to address the issues raised for the SVF. Option one allows the municipality to select the allocation. The allocation is then put to vote before the active and deferred membership requiring a majority of respondents voting to support the agreement. PERA would administer the vote.

Option two allows the municipality to decide the allocation after meeting eligibility requirements. Eligibility requirements would require the fund to meet funding level requirements and annual funding requirements. Due to the requirements, only the excess fire state aid would be available for allocation. Once the requirements have been met, the municipality may elect to have PERA divide the eligible Fire State Aid between the SVF account and the PERA P&F.

_After a lengthy discussion, Fenske moved to proceed with Option two and work with LCPR staff to better define the language. The motion was seconded by Finn and passed by the majority of votes, with Sandborn opposing._

7. Plan Funding Status

Anderson shared that the majority of entities that participate in the SVFRP currently have assets in excess of their actuarial accrued liabilities and that as of December 31, 2019, the SVFRP is expected to be about 123 percent funded if the 6 percent investment return assumption is realized. He discussed how these measurements are determined and provided
further analysis on the funding status of the participating entities.

Over the past year, PERA staff initiated interaction with representatives from each participating entity to inform them of their current funding status as well as the expected funding status under different benefit scenarios. North provided an example of the correspondence developed and reviewed the process outlined and the resulting impact.

8. **Next Meeting Date**

The next meeting of the SVF Advisory Board will be scheduled for November; staff will reach out with potential dates. Potential agenda items for November include the Fire State Aid Allocation and presentation by Mansco Perry (SBI Executive Director) to talk about investments and allocations.

9. **Adjournment**

    *Larson moved to adjourn the meeting. The motion was seconded by Volk and passed by consensus.*