

**Statewide Volunteer Firefighter Plan
Advisory Board Meeting Notes
October 14, 2020**

Members Present

- Ann Finn, Cities Representative
- Steve Fenske, Townships Representative
- Jeff Sanborn, Fire Chief Representative
- Dan Anderson, Fire Chief Representative
- Jay Wood, Volunteer Firefighters Representative
- John King, Volunteer Firefighters Representative
- Mark Rosenblum, Volunteer Firefighters Representative
- Marc Volk, Volunteer Firefighters Representative
- Rose Hennessy-Allen, State Auditor's Office

Member Excused

- Cal Larson, Cities Representative

Staff Present

- Doug Anderson, PERA Executive Director
- David Andrews, PERA Staff
- Gladys Rodriguez, PERA Staff
- Amy Strenge, PERA Staff

Others Present

- Susan Lenczewski, LCPR Executive Director
- Chad Burkitt, LCPR
- Nyle Zikmund, Mounds View
- Maddison Zikmund, Spring Lake Park-Blaine-Mounds View Fire Department
- Angie Huss, Locklaw, PLLP
- Ann Lenczewski, Locklaw, PLLP

1. Meeting called to Order

Meeting was held remotely via telephone or video conference as permitted in Minnesota Statutes Section 13D.015. Anderson was present at the meeting location. Roll call was taken to establish quorum.

2. Approval of Meeting Notes from September 15, 2020

King asked that the September 15, 2020 meeting minutes be amended to reflect his attendance.

Wood moved approval of the September 15, 2020, SVF Advisory Board meeting notes as amended. The motion was seconded by Rosenblum and passed unanimously by roll call vote.

3. LCPR Proposal for Sharing Fire State Aid

Anderson walked through the LCPR proposal and addressed some questions that were raised at the last meeting. Questions were taken in the following order.

- **To receive any portion of the fire state aid that would otherwise go only to a municipality's account in the SVF Plan, the municipality must have a "combination" fire department and its ratio of SVF Plan assets to benefit liabilities must be at least 110% (i.e., funded status of 110%).**

The Advisory Board agreed that it was reasonable to move forward with a pilot group. Members also discussed the purpose of a threshold and questioned the 110% funding. PERA staff will continue to work on this item.

- **Only fire state aid may be allocated. A municipality has no authority to receive any portion of the supplemental state aid, which must always be paid to the SVF Plan, as under current law.**

The Advisory Board reached agreement.

- **If a municipality elects to receive a portion of the fire state aid, PERA will calculate the amount available. The maximum available is equal to whichever of the following produces the smallest amount:**
 - **the municipality's total employer contribution to the PERA P&F Plan for active firefighters during the previous calendar year;**
 - **the amount of the fire state aid not including supplemental state aid to be paid on October 1; or**
 - **the total state aid (fire and supplemental) minus the municipality's required financial contribution to the SVF Plan for the upcoming calendar, which is determined by PERA in August each year.**

The municipality may use any fire state aid it receives only as a reimbursement of its employer contributions to the PERA P&F Plan.

In most cases, the municipality's total employer contribution to the PERA P&F Plan for active firefighters during the previous calendar year will determine the amount that can be shared. The second and third bullet points are practical limits on what can be shared.

The Advisory Board agreed that it is okay to limit the amount of fire state aid available for sharing with the municipality to this maximum. Request was made to clean up the language.

- **(Alternative) For combination fire departments with or without a relief association, instead of a vote or agreement, permit the active volunteer firefighters to submit a petition to PERA objecting to the municipality's proposal to receive fire state aid.**

This is suggested alternative language to permit the active firefighters to submit a petition to PERA instead of voting or issuing an agreement. The petition would be to stop the fire state aid.

The Advisory Board indicated that a simple majority would be sufficient for a petition. It would be difficult for the petition to be anonymous, unless, the entity (PERA) receiving the petition did not release the data. A suggestion was made that the petition may be a method to consider for the entities that do not have a volunteer relief association.

The SVF Advisory Board discussed an alternative to the voting method after concerns were raised regarding the composition and purpose of the Volunteer Relief Association. The Volunteer Relief Association structure is not defined once the entity joins the SVF. The purpose of the Volunteer Relief Association may not be sufficient to conduct a vote or negotiation.

One suggestion was to apply the fiduciary responsibilities and require the majority of the Volunteer Relief Association Board to be volunteer firefighters. This would preserve the voting method and perhaps address the fiduciary concerns regarding the Volunteer Relief Association Boards. However, this may not address the concerns regarding the makeup of the Board. If the people choosing the Board were a majority volunteer firefighters that may address the issue.

- **For combination fire departments with a relief association:**
 - **Method 1 – by vote:** The relief association puts the municipality’s allocation proposal to a vote of the firefighters, and approval means a “yes” vote by a majority of active firefighters; or
 - **Method 2 – by agreement:** The relief association and the municipality negotiate an aid allocation agreement that satisfies the requirements of Minnesota Statutes, Section 477B.042, enacted in 2020. Section 477B.042 currently applies only to volunteer firefighter relief associations that have a retirement plan for volunteer firefighters, so the legislation would refer to the requirements applicable to an aid allocation agreement under Section 477B.042.

The petition suggestion noted as an alternative is in lieu of the voting method or the agreement.

A way to resolve concerns is to require in legislation that they negotiate the agreement or conduct the vote consistent with the fiduciary duty in statute section 356.A, which has fiduciary duties that are applicable to volunteer firefighter relief associations. Another solution would be to require the Board of Trustees of the relief association be a majority volunteer firefighter so that they are in a position to represent volunteer firefighters.

The Advisory Board agreed with the options stated. Staff will continue to work on possibilities to address this issue.

- **If a relief association elects to take a vote of its active firefighters on a municipality’s election to receive a portion of fire state aid (Method 1), the proposal would prohibit coercion or retaliation against any volunteer firefighter who votes against the municipality’s election or does not vote at all.**

There is no enforcement mechanism so there would not be any consequences but there are many statutes that requires something for which there is no enforcement.

The Advisory Board expressed that the language is unnecessary and asked that it be excluded.

- **For combination departments without a relief association:**
 1. **PERA calculates the maximum amount. At the request of the municipality, PERA will determine and communicate to the municipality the maximum amount available.**
 2. **Municipality makes an annual election. The municipality’s election, noting the amount it wants to receive, is made annually and must be delivered to the PERA executive director before October 1.**

This item should be combined with the others that have an agreement or a voting component. Staff will continue to work on this piece.

Staff will continue to work on the pending issues and will bring back a revised proposal to the Advisory Board for approval. Another meeting of the SVF Advisory Board will be convened before the PERA Board of Trustees Meeting, which is scheduled for December 10.

4. Next Meeting Date

The next meeting of the SVF Advisory Board will be scheduled in November 2020.

5. Adjournment

Fenske moved to adjourn the meeting. The motion was seconded by King and passed unanimously.