

**Statewide Volunteer Firefighter Plan  
Advisory Board Meeting Notes  
September 27, 2023**

**Members Present**

- Ann Finn, Cities Representative
- Steve Fenske, Townships Representative
- Jay Wood, Volunteer Firefighters Representative
- Anthony Scavo, Volunteer Firefighters
- Justin Nielsen, Volunteer Firefighters Representative
- Rose Hennessy-Allen, State Auditor's Office

**Member Excused**

- Cal Larson, Cities Representative
- Marc Volk, Volunteer Firefighters Representative
- Jeff Sanborn, Fire Chief Representative
- John King, Volunteer Firefighters Representative

**Staff Present**

- Doug Anderson, PERA Staff
- Gladys Rodriguez, PERA Staff
- Amy Strenge, PERA Staff

**Others Present**

- Susan Lenczewski, Legislative Commission on Pension Retirement
- Sean Kelly, Legislative Commission on Pension Retirement
- Ann Lenczewski, Lockridge Grindal Nauen P.L.L.P
- Nyle Zikmund, City of Mounds View

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**1. Meeting called to Order and Introductions**

Strenge called the meeting to order at 10:00 a.m. Members participated in person and interactive technology as permitted in Minnesota Statutes Section 13D.015. Introductions were made. Roll call was taken to establish quorum.

**2. Approval of Meeting Notes from July 27, 2023 and August 24, 2023**

Scavo made a motion to approve the meeting notes from July 27, 2023 and August 24, 2023. The motion was seconded by Hennessy-Allen and passed by roll call vote.

**3. Opportunity for Stakeholder Input**

A survey recently went out to gather stakeholder feedback related to the incentive program. The survey shows that:

- 49% of the Relief Association Officers and 55% of Fire Chiefs have considered joining the PERA Statewide Volunteer Firefighter Plan in the past.
- 28% of Relief Association Officers and 27% of Fire Chiefs think that a financial incentive would increase the likelihood that their fire department would join the PERA SVF Plan. A financial incentive could mean a deposit of a still-to-be-determined amount of money, such as \$30,000 or \$50,000, into a relief association's retirement plan account after joining the PERA SVF Plan.
- 49% of Relief Association Officers and 47% of Fire Chiefs for organizations that have not joined the PERA SVF Plan responded that a reduced administrative burden of managing a retirement plan would make them much more or somewhat more likely to consider joining the SVF.

- Many relief associations that join the PERA SVF Plan discover that they can increase firefighter retirement benefits after reviewing what benefit level their funding status can support with PERA staff. 78% of Relief Association Officers and 70% of Fire Chiefs think that being able to increase the benefit level would result in them being much more likely or somewhat more likely to consider joining the SVF Plan.
- The law requires that the incentive payment must be deposited into the SVF Plan account of each fire department that joins the SVF Plan and thereafter used to fund retirement benefits for the department's volunteer firefighters. 78% of Relief Association Officers and 89% of Fire Chiefs indicate that it is either important or very important that the incentive payment be used to increase benefits.

#### **4. Summary of SVF Incentive Plan Parameters**

Anderson walked through a series of considerations for the SVF Incentive Program.

- Measurement of success will be calculated by the number of plans joining in 2024 and 2025.
- \$5M is presumed to be the only incentive available and no more is expected in future years.
- Incentive money will go into the joining entities plan with the intention that it be used for benefits.
- Entities joining by January 1, 2025 will be eligible. The amount of the incentive will not vary by the date an entity joins.
- Incentive formula will consist of a fixed dollar amount per plan plus a fixed dollar amount per active member.
- The incentive formula may also include an additional incentive for plans that reduce their funding ratio below a certain threshold by way of a benefit increase.
- There will be no minimum participation period. Once the incentive payment is made it can't be withdrawn. Entities will not be restricted from leaving the SVF Plan.
- Incentive formula will be an estimate until all entrants are known. An actual adjustment may be made to exhaust the remainder of the \$5M incentive account.

Anderson also shared data about active members, growth of the Plan, funding ratio, etc,

#### **5. SVF Incentive Allocation Recommendation**

Staff's initial formula include three components:

- A fixed amount per plan
- A fixed amount per active member
- An additional amount if a plan takes action upon joining to increase their benefit and that action results in the funding status being reduced below 150%.

#### **6. Next Meeting: Thursday, October 26 at 1:00 pm**

#### **7. Adjournment**

Meeting adjourned at 11:30 a.m.