

**Statewide Volunteer Firefighter Plan
Advisory Board Meeting Notes**

June 3, 2019

Members Present

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

Staff Present

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

Others Present

- Rachel Barth, TRA Staff
- Susan Lenczewski, LCPR Executive Director
- Ann T. Lenczewski, Lockridge Grindal Nauen, State Govt Relations

1. Introductions

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

2. Approval of Meeting Notes from November 28, 2018

Larson moved approval of the November 28, 2018, SVFRP Advisory Board meeting notes. The motion was seconded by Wood and passed by consensus.

3. 2019 Control Book Updates

Anderson updated the content for the control book and shared data on the number and size of participating plans, member demographic data, and information on the amount of assets and historical investment returns. A list of past Advisory Board recommendations, and a list of issues that were considered in the 2019 legislative session were also provided.

4. Review 2019 Session

- a. 2019 Omnibus Retirement Bill changes
Lenczewski provided a summary of the bills and amendments related to the SVF Plan and noted that Article 3 establishes a process through which a municipality, an

independent nonprofit firefighting corporation, or a joint powers entity may terminate participation in the PERA SVF plan.

Recommended changes were made by the State Auditor's Fire Relief Association Working Group related to the Volunteer Firefighter Relief Association. The essential changes included reducing the allowed graded vesting schedule from 20 years to 10 years for defined benefit relief associations; adding provisions regarding the applicable benefit level when a firefighter does not return from a leave or when an inactive firefighter dies or becomes disabled; and allowing supplemental benefits to be paid to designated beneficiaries and estates, where there is no surviving spouse or children.

The bill also provided a special exemption to the City of Austin from the general requirement that municipalities must pay all fire state aid to their affiliated volunteer fire-fighter relief association. The exemption is currently set to expire on July 1, 2019.

b. PERA 2018 Proposed SVF Administrative Changes

The PERA Board of Trustees supported the five legislative initiatives recommended by the Advisory Board related to the Plan. The suggested changes included a name change to the plan, allowing a fire chief to initiate a cost request, clarification of alternative service pension calculation rules, clarification of responsibility for coverage approval, and determining vesting portability. These were included in the administrative bill but were not heard by the LCPR. Staff will continue to advocate for these issues next session.

Lenczewski advised the Advisory Board to reach out to Chair Murphy as early as possible to discuss these initiatives.

c. Fire State Aid Work Group

The purpose of the work group is to study the allocation of fire state aid and make recommendations to the LCPR. The membership consist of Anne Finn and Laurie Hokkanen from the League of MN Cities; Mike Scott, Chair, and Jim McCoy from the MN State Fire Chief's Association; Bruce Hemstad and Ron Johnson from the MN State Fire Department Association; and Rose Hennessy Allen from the office of the State Auditor.

Streng shared information about when the Fire State Aid program was established and the rapidly growing issues that they face. She also noted recommendations and presented a flow chart for the Fire State Aid allocation.

(10-minute break)

d. State Auditor's Volunteer Fire Relief Association Working Group

This Working Group was created in 2004 to bring together various stakeholder groups to address relief association issues and examine legislative changes.

Hennessy Allen provided information on supplemental benefits and DB vesting requirements to allow DB plans to offer full vesting after 10 years of active service. In addition, technical changes were made to the Return to Service provision related to firefighters who resume active service after a break in service.

The Working Group will continue to meet to discuss deferred interest and other topics to be considered next session.

e. Work Group on Relief Association Conversions and Dissolutions

This group studies issues from volunteer firefighter relief association pension plans with assets that exceed what is needed to pay accrued pension benefits and is tasked with preparing a report summarizing the findings and recommend legislation.

The resolutions from this Work Group included converting from a defined benefit plan to a defined contribution plan, increasing the benefit level to reduce the surplus, and to come up with a procedure for allocating a surplus.

King asked about the surplus from state aid money designated for retirement and the justification for accessing surplus that is not allocated. Current law requires that any remaining assets transfer back to the municipality.

5. Determine Preliminary 2020 Legislative Agenda

Staff will continue to advocate for the proposed SVF administrative changes that were not heard during last session and will continue to monitor the various working groups that are working around different issues.

6. Next Meeting Date

The next meeting of the SVF Advisory Board will be scheduled for September. Staff will reach out with potential dates.

7. Adjournment

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