Members Present
Anne Finn, Cities Representative
Rose Hennessy-Allen, State Auditor's Office
John King, Volunteer Firefighters Representative
Cal Larson, Cities Representative
Marc Volk, Volunteer Firefighters Representative
Jay Wood, Volunteer Firefighters Representative

Member Excused
Dan Anderson, Volunteer Firefighters Monthly Benefit Representative
Steve Fenske, Townships Representative
Mark Rosenblum, Volunteer Firefighters
Jeff Sanborn, Fire Chief Representative

Others Present
Susan Lenczewski, LCPR Executive Director
George Esbensen, MN State Fire Chiefs Association
Collin Wood, Eden Prairie High School
Doug Anderson, PERA Executive Director
David Andrews, PERA Staff
Mary Daly, PERA Staff
Gladys Rodriguez, PERA Staff
Sharyn North, PERA Staff
Shana Morse, PERA Staff

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

2. Approval of Meeting Notes from September 27, 2018
   Wood moved approval of the September 27, 2018, SVFRP Advisory Board meeting notes. The motion was seconded by Larson and passed by consensus.
3. 2018 Decision Items

1) Plan Coverage Election [Minnesota Statutes 353G.05]

Currently the finalization of plan coverage, per Statutes 353G.05, subdivision 5, is either approved or disapproved by only either the municipality or firefighting corporation and not by the relief association. Also, there is no process in place if the fire department is operated as or by a joint powers entity.

Wood moved to recommend that the PERA board direct staff to work with the LCPR to draft changes to Minnesota Statutes 353G.05, to ensure that coverage elections include joint approval from the municipality (or municipalities in the case of a joint powers entity) or firefighting corporation and the relief association. The motion was seconded by King and passed by consensus.

2) Lump-sum Retirement Division Level Selection [Minnesota Statutes 353G.11]

Under current law, the process for requesting a cost estimate of an increase in a lump-sum service pension level must be executed by the governing body of the entity operating the fire department. In contrast, for departments in the monthly benefit division, the fire chief may initiate the process. Consideration could be given to allow the fire chief of a lump-sum department to initiate a request. The statutes for both lump-sum and monthly benefit divisions are uniform in requiring that the approval of a change must come from the governing body of the entity operating the fire department.

Wood moved to recommend that the PERA board direct PERA staff to work with the LCPR to draft changes to Minnesota Statutes 353G.11, to allow the fire chief for a lump-sum retirement division to request a cost estimate from the executive director of an increase in the service pension level. The motion was seconded by King and passes by consensus.

3) Alternative Lump-sum Pension Computation [Minnesota Statutes 353G.09]

Current statutes are not clear with respect to the determination of an alternative service pension. The alternative service pension refers to the amount of benefit accrued as a volunteer firefighter with a department prior to that department’s participation in the SVF. Currently the statutes combine the computation rules for benefits provided by defined benefit lump-sum retirement plans and defined contribution retirement plans into one paragraph. Also, the statutes do not clarify that both the defined benefit and defined contribution computations include the
non-forfeitable percentage based on the number of years of service. Finally, the statutes don't differentiate between active and deferred members.

Larson moved to recommend that the PERA board direct staff to work with the LCPR to draft changes to Minnesota Statutes 353G.09, subdivision 3, to separate the defined benefit and defined contribution computations into separate sections, clarify the application of non-forfeitable percentages, and add a section exclusively for deferred service pensions for former volunteer firefighters. The motion was seconded by King and passed by consensus.

4) Portability [Minnesota Statutes 353G.13]

One of the goals of the Statewide Volunteer Firefighter (SVF) Retirement plan is to provide portability of benefits for volunteer firefighters. Portability is a member’s ability or right to retain certain benefits when switching departments. The SVF plan is designed to pay benefits to a firefighter who may not vest in one department, but when all volunteer service in departments participating in the SVF is combined, the individual has earned more than five years of credited service. A prorated share of benefits payable is based on the credits earned from each department.

The statutes are not clear about portability within the SVF in all situations that include pre-SVF coverage. Clarification of the portability provision is important to ensure correct and consistent payment of benefits and to make sure education materials will properly present the provision. Reference the attached memo dated November 27, 2018 for further discussion and examples.

Larson moved to recommend that the PERA board direct staff to work with the LCPR to draft changes to Minnesota Statutes 353G.13, to ensure that when a SVF member leaves a fire department, the benefit that they will receive upon retirement from that department is based on vesting service determined using all years of service through the end of service with that respective department, including years of volunteer service accumulated prior to that specific department. Subsequent years of service with a different department will not be considered in the benefit determination. The motion was seconded by King and passed by consensus.

4. Introduction of Advisory Board 2018 Executive Summary Document

Anderson distributed the Advisory Board 2018 Control Book and explained its contents. The Control Book includes information about the SVF Advisory Board governance, the current Advisory Board composition, data on the number and size of participating plans, member demographic data, information on the amount of assets and historical
investment returns, a list of past Advisory Board recommendations, and a list of issues for consideration in 2019.

5. Next Meeting Date

The following SVF meeting and work schedule was proposed for calendar year 2019.

<table>
<thead>
<tr>
<th>Month</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>January - May</td>
<td>2019 Legislative Session in Progress, consider ideas for 2020 session</td>
</tr>
<tr>
<td>June</td>
<td>Meeting #1 to review 2019 session and determine 2020 legislative agenda</td>
</tr>
<tr>
<td>July - August</td>
<td>Research 2020 legislative ideas and consult with stakeholders</td>
</tr>
<tr>
<td>September</td>
<td>Meeting #2 to review specific legislative proposals</td>
</tr>
<tr>
<td>October</td>
<td>Modify legislative proposals (if necessary)</td>
</tr>
<tr>
<td>November</td>
<td>Meeting #3 to approve final 2020 legislative agenda (if necessary)</td>
</tr>
<tr>
<td>December</td>
<td>Prepare for 2020 legislative session</td>
</tr>
</tbody>
</table>

Larson moved to approve the proposed calendar. The motion was seconded by Wood and passed by consensus.

6. Adjournment

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