

## MEETING NOTES

### Voluntary Statewide Volunteer Firefighter Retirement Plan Advisory Board

**Date:** 10/28/2010      **Time(s):** 12:30 – 2:00

**Location:** PERA Board Room

#### Members Present

Eric Hedtke, Township Representative  
Rose Hennessy Allen, State Auditor's Office  
Calvin Larson, City Representative  
Jeff Sanborn, Fire Chief Representative  
Marty Scheerer, City Representative  
Jeff Nordeen, Firefighter Representative

#### Members Excused

Nyle Zikmund, Firefighter Representative

#### Others Present

Anne Finn, League of MN Cities  
Larry Martin, LCPR Staff  
Tom Linhoff, VFBA of MN  
Greg Taylor, VFBA of MN  
Mary Most Vanek, PERA Staff  
Mary Daly, PERA Staff  
Dave DeJonge, PERA Staff

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#### 1. Financial Update

6 fire departments joined the statewide plan as of 1/1/2010, including 4 cities and 2 townships. 5 more have joined the statewide plan as of 1/1/2011, and several are still requesting or reviewing a cost analysis. The fire departments that joined 1/1/10 are:

- Alborn / New Independence Township
- City of DeGraff
- City of Manchester
- North Star Township
- City of Ottertail
- City of Twin Valley

The groups who are joining effective 1/1/11 so far are:

- City of Alden
- Buyck VFD
- Lakeland VFD

- City of Scandia
- City of Lutsen (via email...we have not received the resolution yet)

## 2. Inquiry About Benefit Levels

We received a letter from the City Administrator of Parkers Prairie thanking the Advisory Board for adding additional benefit levels in this past legislative session, but requesting that differences between benefit levels not exceed \$100. It was decided that we would not make any changes in our benefit levels at this time, but would send a letter to Parkers Prairie explaining the reasons the Advisory Board has made that decision. The letter will also explain that the difference in cost to increase the benefit level \$500 per year of service is approximately \$270 per firefighter per year, not the full \$500, due to the compound effect of investment earnings. Mary Vanek will draft the letter.

## 3. Disability Coverage

Legislation was passed in 2010 that gives the statewide plan permission to provide disability insurance coverage as follows:

*If the board approves the arrangement, disability coverage for statewide retirement plan members may be provided through a group disability insurance policy obtained from an insurance company licensed to do business in this state. The voluntary statewide lump-sum volunteer retirement plan is authorized to pay the premium for the disability insurance authorized by this paragraph. The proportional amount of the total annual disability insurance premium must be added to the required contribution amount determined under section 353G.08.*

Tom Linhoff and Greg Taylor from the Volunteer Firefighters' Benefit Association gave a presentation on an option they provide. For \$7 per firefighter per year, they provide disability "insurance" of \$100 per day up to 180 days or a \$20,000 death benefit. Premiums could be paid by the statewide plan and included in the calculation of contributions required to be paid by the municipality, or they could be paid by the fire department, or by the municipality, or by the firefighters themselves. The fire chief would approve the application for disability, and the VFBA director would make a determination of whether or not disability benefits should be granted. The disability must occur on the job (fire call, medical call, or training event), and must be reported within 30 days of the incident (within 90 days for a stress disability claim).

None of the entities that have joined the statewide plan have asked for this benefit, and may be providing it already through the fire department or municipality. If we provide disability benefits, we may want to provide something more substantial. It was agreed that PERA staff will continue to look at our options and develop a process for how PERA might administratively handle premiums and payments, and bring those results back to the Board at our next meeting.

**4. Voluntary Municipal Contributions**

Many of the relief associations (and one city) whose fire departments have joined or will be joining the statewide plan have indicated they would like the municipality to be able to contribute to the plan above and beyond what is required. The law is silent on that issue, and since PERA has not been given permission to accept voluntary contributions, and because the Advisory Board made a decision in 2008 not to accept such contributions, we have instructed municipalities that they may not make voluntary contributions into the plan at this time. The majority of municipalities make voluntary contributions to their relief association's special fund when funds are available. A motion was made by Marty Scheerer and seconded by Calvin Larson that permissive language be drafted and submitted to the legislature that would allow municipalities and independent nonprofit fire corporations to make voluntary contributions to the statewide plan. The motion was approved unanimously.

**5. Other Business**

The Advisory Board would like to receive an email whenever an entity requests a cost analysis or passes a resolution to join the statewide plan. They would also like us to list the names of the fire departments that have joined the plan on our website.

**6. Date of Next Meeting**

To be determined...most likely the Fall of 2011.