

**Statewide Volunteer Firefighter Plan
Advisory Board Meeting Notes
November 20, 2019**

Members Present

- Steve Fenske, Townships Representative
- Anne Finn, Cities Representative
- Rose Hennessy-Allen, State Auditor's Office
- Cal Larson, Cities Representative
- Mark Rosenblum, Volunteer Firefighters Representative
- Jeff Sanborn, Fire Chief Representative
- Marc Volk, Volunteer Firefighters Representative
- Jay Wood, Volunteer Firefighters Representative

Staff Present

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

Others Present

- Chad Burkitt, LCPR
- Susan Lenczewski, LCPR Executive Director
- Nyle Zikmund, Mounds View
- Jeff Anderson, Fire Chief City of Oakdale

1. Introductions

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

2. Approval of Meeting Notes from September 26, 2019

Finn moved approval of the September 26, 2019, SVFRP Advisory Board meeting notes. The motion was seconded by Sanborn and passed by consensus.

3. Supplemental Benefit Distributions

The State Auditor's Volunteer Fire Relief Association Working Group recently considered the question of the supplemental benefit and multiple distributions. The issue was raised whether an individual who received multiple distributions through either the same entity or multiple entities should receive multiple supplemental benefits. After discussion considering both the administrative challenges and the intent of the statute, the Working Group recommended that an individual receive a supplemental benefit for each distribution.

The Working Group supported a statute that authorizes a supplemental benefit payment with each lump-sum distribution and each supplemental benefit that is equal to 10 percent of the distribution up to a maximum of \$1,000 (or \$2,000 if the final is a survivor benefit).

Staff recommended that the Advisory Board concur with the recommendation of the State Auditor's Volunteer Fire Relief Association Working Group given the intent of the statute to offset taxes for a lump-sum distribution.

Sanborn moved to adopt the staff's recommendation. The motion was seconded by Wood and passed by consensus.

4. Fire State Aid Allocation

At the September 26 Advisory Board meeting, staff was directed to work with the LCPR on language regarding the allocation of surplus fire state aid. Burkitt provided a summary of the draft bill language that covers eligibility, process, and notice requirements.

Each municipality or independent nonprofit firefighting corporation must meet four requirements in order to allocate surplus fire state aid to cover PERA Police & Fire contributions. If the municipality or independent nonprofit firefighting corporation has met the eligibility requirements, the entity may elect to allocate surplus fire state aid payable that year between the Statewide Volunteer Firefighter Plan and PERA Police & Fire.

[Larson joined at 11:30 a.m.]

The Advisory Board voiced their concerns, raised questions on several issues, and did not reach consensus to approve the recommended language as drafted. Staff will continue to work with LCPR staff on this issue.

5. Discussion with Mansco Perry, State Board of Investments Executive Director (SBI)

Perry presented information on the assets, performance, and general descriptions of each of the asset groups that make up the Volunteer Firefighter Account managed by SBI.

Assets in the Statewide Volunteer Firefighter Retirement Plan (SVFRP) totaled over \$107 million, representing the assets of 174 local fire relief associations. This amount is a 21 percent increase from the previous year of \$88 million in assets. The SVFRP uses a balanced asset mix investment approach to provide long-term returns by investing in a diversified mix of domestic stocks, international stocks, fixed income, and money market securities. Perry noted that there might be periods in which the returns for the SVFRP may be low or even negative depending on the general economic and market conditions. External investment managers are hired to follow and invest the assets for investment options. The primary investment options are U.S. equities 35%, international equities 15%, bonds 45%, and cash 5%.

A recommendation was made to have Perry provide an update on the plan assets once a year.

6. Next Meeting Date

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

7. Adjournment

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