

Volunteer Fire Relief Association Working Group

Office of the State Auditor
Thursday, October 20, 2016
11 a.m. to 1 p.m.

Members Present

Dave Jaeger, Mahnomen Fire Relief Association Vice President (defined benefit lump sum plans)
Ron Johnson, Minnesota State Fire Department Association Representative (defined contribution plans)
Aaron Johnston, Coon Rapids Fire Relief Association Treasurer (defined contribution plans)
Philip Jones, Eden Prairie Fire Relief Association Trustee (defined benefit monthly/lump sum plans)
Michael Kruse, Falcon Heights Fire Relief Association Treasurer (defined contribution plans)
Rebecca Otto, State Auditor
Nealon Thompson, Minnesota State Fire Chiefs Association Representative (defined benefit monthly/lump sum plans)
Kevin Wall, Lower Saint Croix Valley Fire Relief Association President (defined benefit lump sum plans)

Members Excused

Steve Donney, City of Harmony Mayor
Luke Fischer, City of Plymouth Administrative Services Director
Bruce Hemstad, Bemidji Fire Relief Association Secretary (defined benefit lump sum plans)

Others Present

David Andrews, Public Employees Retirement Association Representative
Rachel Barth, Legislative Commission on Pension and Retirement Deputy Director
Mary Chamberlain, Abdo, Eick & Meyers, LLP Representative
Nicholas Enger, Office of the State Auditor Pension Analyst
Candace Gislason, Van Iwaarden Associates Representative
Rose Hennessy Allen, Office of the State Auditor Pension Director
Michael Kapala, Office of the State Auditor Pension Analyst
Molly Resch, Office of the State Auditor Pension Analyst
Kristie Strum, Department of Revenue Representative

The following motions were duly made, seconded and approved:

RESOLVED to approve the October 11, 2016, Working Group Meeting Minutes;
RESOLVED to approve draft language updating the qualified recipients for supplemental benefits to include, subject to local approval, individuals who supervise or perform fire prevention duties or emergency medical response activities; and
RESOLVED to approve amended draft language clarifying that the “return to service” provision applies only to firefighters who return to active service after a break in service.

I. Call to Order

Auditor Otto called the meeting to order.

II. Review and Approval of Working Group Meeting Minutes

The members reviewed the October 11, 2016, meeting minutes that had been provided in advance. Jaeger made a motion to adopt the minutes. Kruse seconded the motion that was then adopted unanimously. Thompson abstained from voting as he was not in attendance at the October 11 meeting.

III. Overview of Fire State Aid

Kristie Strum, Senior State Program Administrator with the Department of Revenue's Property Tax Division, provided the Working Group members with an overview of the fire state aid, supplemental state aid, and supplemental benefit reimbursement programs. It was noted that fire state aid is allocated based half on the population and half on the estimated market value of an individual fire department's service area. While the estimated market value is updated annually, the population used in the calculation is the population from the most recent census. Population data therefore is only updated every ten years. Other types of state aid calculations use annual population data from the State Demographer.

IV. Review of Draft Language Updating Supplemental Benefit Program for Volunteer Emergency Medical Personnel

Auditor Otto explained that one of the provisions the Working Group decided to pursue last year is a change that would permit individuals who solely provide volunteer emergency medical services to be members of the relief association and to be eligible for service pensions and benefits on the same basis as volunteer firefighters. Their eligibility for relief association membership and benefits would require local approval by the relief association and the affiliated municipality. Language needs to be added to statute to include volunteer emergency medical services personnel as qualified recipients of a supplemental benefit.

The Working Group members reviewed draft legislation that would update the definitions of qualified recipients and active and deferred volunteer firefighter to include individuals who supervise or perform volunteer emergency medical response activities or fire prevention duties so that these individuals could qualify for a supplemental benefit. The intent would be for the provision to apply to supplemental benefits reimbursements payable in 2018. The Working Group members will work with Ms. Strum when drafting the effective date language. Jaeger made a motion to adopt the draft language. Wall seconded the motion that was then adopted unanimously.

V. Review of Draft Language Updating the Definitions of Municipality and Fire Department

The Working Group members reviewed a first draft of changes being worked on by the Office of the State Auditor (OSA) and the Revisor's Office that would update the definition of "municipality" in the relief association statutes to include joint powers fire departments. The topic will be revisited at a future Working Group meeting when a final draft of the changes is ready for review.

VI. Review of Draft Language Making a Technical Correction to the Return to Service Statute

Auditor Otto shared that the OSA has received a question about the application of the “return to service” provision in statute. Specifically, the question has been about whether the provision applies to all firefighters who have a break in service, or only to firefighters who return to active service after a break in service. The Working Group members reviewed a draft legislative change that would further clarify the “return to service” requirements of the statute only apply to firefighters who return to active service after a break in service. Thompson suggested changing “active firefighting” in the draft to “active service.” Kruse made a motion to adopt the draft language, as amended. Johnson seconded the motion that was then adopted unanimously.

VII. Other Business

There was no other business.

VIII. Next Meeting

Wednesday, November 9, 2016
11 a.m. to 1 p.m.
Office of the State Auditor

IX. Adjournment

The meeting was adjourned at 1:00 p.m.