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## **Statement of Position Volunteer Fire Relief Association Governance**

A volunteer fire relief association is governed by Minnesota law, its articles of incorporation, and its bylaws. A relief association must be managed by a board of trustees. The board's responsibilities include: determining plan benefits and eligibility for membership or benefits; determining the amount or duration of benefits; determining funding requirements and contribution amounts; maintaining necessary administrative records; reviewing expenditures; and investing pension plan assets.

The board consists of nine members: six trustees elected from the relief association's membership, and three trustees from the municipality or municipalities. The municipal trustees for a relief association directly associated with a municipal fire department serve a term of one year and are the fire chief, one elected municipal official, and one elected or appointed municipal official.<sup>1</sup> A municipal trustee has all the rights and duties of any other trustee, except the right to be an officer of the relief association board of trustees.

A board must have at least three officers elected by the full board or by the membership, as specified in the bylaws. The officers are elected from among the elected trustees. A trustee may hold only one elected office at a time on the board. Elected trustees and officers may be elected for terms not to exceed three years, but as specified in the bylaws. If the terms exceed one year, the elections should be staggered on as equal a basis as is practicable.

All trustees, including the three municipal officials, are fiduciaries. Each trustee must act in good faith and exercise the degree of judgment and care that a person of prudence, discretion and intelligence would exercise in the management of that person's own affairs.<sup>2</sup>

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<sup>1</sup> See Minn. Stat. § 424A.04 to determine how the municipal representatives are designated and who designates them. Both vary depending on the legal structure of the fire department with which the fire relief association is associated.

<sup>2</sup> Minn. Stat. § 424A.04, subd. 2 (referencing ch. 356A (Public Pension Fiduciary Responsibility)).

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This Statement of Position is not legal advice and is subject to revision.

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