

Minnesota Volunteer Fire Relief Association

Working Group Meeting

Office of the State Auditor
Thursday, December 6, 2007
12 p.m. to 2 p.m.

I. Call to Order

Chair Auditor Otto.

II. Review and Approval of Working Group Meeting Minutes

Exhibit A. Draft November 13, 2007 Minutes

III. Review of Working Group Legislative Proposals

Exhibits B – I.

- Expand Requirement to Report Evidence of Theft (B)
- Eliminate Authority to Pay Special Fund Funeral Benefits (C)
- Add Definition of the Term “Ancillary Benefit” and Change Ancillary Benefit Language for Active Members (D)
- Change Definition of the Term “Surviving Spouse” (E)
- Allow Options for Deferred Interest Allocation (F)
- Change Title to Assets Authority (G)
 - Uniform Broker Certification Form (H)
- Change Application of the “Other Investments” Limit (I)

IV. Return to Service Issues

Exhibit J. Minn. Stat. § 424A.02, subd. 9b

V. Other Business

- Investment Policy Discussion

VI. Next Meeting

VII. Adjournment

Volunteer Fire Relief Association Working Group

Office of the State Auditor
Thursday, November 29, 2007
11 a.m. to 1 p.m.

Members Present

Ed Dietz, Maplewood Fire Relief Association Treasurer (defined benefit lump sum plans)
Dave Ganfield, Apple Valley Fire Relief Association Administrator (defined benefit monthly/lump sum combination plans)
Jim Hansen, Minnesota Area Relief Association Coalition Representative
Dave Jaeger, Mahnomon Fire Relief Association Treasurer (defined benefit lump sum plans)
Larry Martin, Legislative Commission on Pensions and Retirement Director
Rebecca Otto, State Auditor
Curt Roberts, Maple Grove Fire Relief Association President (defined contribution plans)
Tim Simon, Elk River City Finance Director
Mike Stroeing, Minnesota State Fire Department Association Representative
Steven Wallner, Watertown City Finance Director
Nyle Zikmund, Minnesota State Fire Chiefs Association Representative (defined benefit monthly plans)

Members Excused

Tom Nelson, Northfield Fire Relief Association Secretary (defined benefit lump sum plans)

Others Present

Wayne Anderson, Coon Rapids Fire Relief Association Representative
Colleen Bollom, Minnesota Firefighter Pension Consultants Representative
Edward Burek, Deputy Director of the Legislative Commission on Pensions and Retirement
Aaron Dahl, Pension Analyst
Jeff Falk, Communications Director
Celeste Grant, Deputy State Auditor/General Counsel
Rose Hennessy Allen, Pension Director
Lucas Hinz, Pension Analyst
David Kenney, Assistant Legal Counsel
Mike Miller, Integra Shield Financial Group Representative
Walter Pickup, Focus Financial Network Representative
Paul Rosen, Pension Analyst
Laura Sayles, DFL House Caucus Research Consultant

The following motions were duly made, seconded and approved:

- RESOLVED to approve the November 13, 2007 Meeting Minutes.
- RESOLVED to approve defining the term “ancillary benefit” to be “a benefit other than a service pension permitted by law and provided for in the relief association bylaws.”
- RESOLVED to approve changing the ancillary benefit language so that for active members, permanent disability benefits or survivor benefits must be equal to the member’s total earned service pension.

- RESOLVED to approve changing the definition of a “surviving spouse” to mean “the spouse of a deceased member who was legally married to the member at the time of separation or death as specified by the governing bylaws or, if the governing bylaws do not specify, at the time of death.”
- RESOLVED to approve changing the deferred interest allocation method for relief associations that choose the “OSA Return” option or the “Board Set” option to be based on completed months of deferral or completed calendar years of deferral, as specified in the bylaws.
- RESOLVED to approve changing the Title to Assets draft language to allow assets to be held by a security broker or its agent, provided there is SIPC insurance coverage.
- RESOLVED to approve adding a question to the Broker Certification Form to check for compliance with the SIPC coverage requirement.
- RESOLVED to approve changing the “other investments” limitation by only counting the allocated portions of index and mutual funds in the 20 percent limitation.
- RESOLVED to approve holding a sixth Working Group meeting, if necessary, to review draft legislation.

I. Call to Order

Chair Auditor Otto called the meeting to order.

II. Review and Approval of Working Group Meeting Minutes

The Working Group members reviewed the November 13 meeting minutes that had been provided in advance. A motion was made by Ganfield to approve the meeting minutes. Hansen seconded the motion and it was adopted unanimously.

III. Old Business

• Ancillary Benefit Language/Reductions

Under current law, ancillary benefits can't be reduced by the vesting percentage maximums found under Minn. Stat. § 424A.02, subd. 2. Some relief associations are reducing ancillary benefits by the statutory percentages, or by other percentages from their bylaws. The Group discussed defining the term “ancillary benefit” and reviewed a draft definition. Zikmund made a motion to approve defining “ancillary benefit” as “a benefit other than a service pension permitted by law and provided for in the relief association bylaws.” Stroeing seconded the motion and it was adopted unanimously.

Auditor Otto discussed alternatives for addressing the ancillary benefit reduction issue. Draft language for each alternative was provided in advance. Zikmund made a motion to adopt Alternative 1b, which would change the ancillary benefit language so that for active members, permanent disability benefits and survivor benefits must be equal to the member's total earned service pension. It was explained that this alternative would only specify the benefit amount for active members, and would allow relief associations to continue to pay a different amount to deferred members that die or become disabled (usually the deferred benefit amount). Benefits for all members still could not exceed the member's total earned service pension. Ganfield questioned the word “and” in the draft

language. Zikmund amended his motion to incorporate the change from “and” to “or.” The motion to amend was seconded by Stroeing and adopted unanimously. Zikmund made a motion to adopt Alternative 1b, as amended. The motion was seconded by Dietz and adopted unanimously.

- **Surviving Spouse Definition**

Auditor Otto referred the Group to Exhibit C, which provided draft language for four alternative definitions. Martin questioned the reference to disabilitants in the draft language. Auditor Otto said that the word could be removed from the definition. Ganfield made a motion to adopt Alternative 3, which defines a “surviving spouse” as the spouse of a deceased member who was legally married to the member at the time of separation or death as specified by the governing bylaws or, if the governing bylaws do not specify, at the time of death. Simon seconded the motion.

Zikmund said that he prefers Alternative 4, which is closer to current law. Martin said that all the alternative definitions have a limited use. Most relief association members receive a lump sum benefit and the issue of paying a surviving spouse would not apply. Auditor Otto told the Group that the Office of the State Auditor would continue to provide training and educational materials for any law changes. The members voted on Ganfield’s motion and it was adopted unanimously.

IV. Deferred Interest Issues

- **Interest Allocation Method and Municipal Approval**

Relief associations that pay deferred interest under the “OSA Return” option or the “Board Set” option are required to allocate interest for completed months of deferral. The interest rates must be approved by the municipality. Auditor Otto referred the Group to Exhibit D, which included two alternatives for addressing the deferred interest issues. Jaeger expressed his opposition to the current mandate on how interest must be calculated, but said that municipal approval of the interest rates should still be required. Jaeger made a motion to allow interest to be allocated based on completed months of deferral or completed calendar years of deferral, as specified in the bylaws. The municipal approval requirement would not be changed. Stroeing seconded the motion.

Roberts asked why it is necessary for municipalities to approve the interest rates. Martin explained that it is common for relief associations to earn less than five percent. Since the interest rate can be set at five percent, it is possible for the relief association to pay out more than was earned, which causes an increase in liabilities. The Group voted on Jaeger’s motion and it was adopted unanimously.

V. Investment Issues

- **Title to Assets**

Auditor Otto explained that relief association assets can only be held by the treasurer, the SBI, or the depository agent of the plan or the SBI. Depository agent generally means a bank. Most relief associations invest directly with a broker, rather than through a

custodial bank. The language in Exhibit E would allow a security broker or its agent to hold relief association assets. This change would reflect and authorize the current practice for most relief associations. Kenney answered questions about custodial credit risk and said that if the assets were held by a broker with SIPC coverage the credit risk would be the same as if the relief association's assets were held by a custodial bank. Kenney said that a requirement could be added to the draft language that the broker have SIPC coverage. Simon asked whether the issue could be addressed through investment policies and the Broker Certification Form. Grant explained that a law change is needed, and a question could be added to the Broker Certification Form to check for compliance. Stroeing made a motion to incorporate a SIPC coverage requirement to the draft language and to amend the Broker Certification Form. Ganfield seconded the motion and it was adopted unanimously.

- **Other Investment Limitation**

Relief associations that are allowed to invest under the "long list" of investments are limited to 20 percent of their special fund in "other investments." The most common types of "other investments" for relief associations include international debt, emerging market equity, and mutual funds that hold high-yield bonds. The entire market value of a mutual fund that invests in these types of investments currently counts toward the 20 percent limit, even if only a small portion of the mutual fund is invested in "other investments." Kenney explained that the draft language provided in Exhibit F would allow only the portion of index or mutual funds that invest in other investments to count toward the 20 percent limit. Kenney explained that the draft language does not broaden the investment authority, it would just change the 20 percent limit to be an overall portfolio cap. Martin expressed concern with how one of the draft changes would affect the sentence structure. Zikmund made a motion to approve changing the "other investments" limitation by only counting the allocated portions of index and mutual funds in the 20 percent limitation. Zikmund said that the OSA and LCPR could adjust the draft language as necessary to address Martin's concern. Stroeing seconded the motion and it was adopted unanimously.

VI. Return to Service Issues

Under current law there are penalties for volunteer firefighters that retire and return to active service with the same volunteer fire department. Relief associations, especially in Greater Minnesota, have expressed concern based on their recruitment and retention problems with the limitations on resuming active service. Auditor Otto explained that this issue will take some time to address. She asked that the Group think about the topic for discussion at the next meeting, but said that most of the work on this topic will be held over until the Working Group meets again next year.

VII. Other Business

Auditor Otto gave the Group an update on FRPAS, the Fire Relief Pension Accounting System. There are some bugs with the program, and it would take a substantial investment to fix them. Based on the very small number of relief associations using

FRPAS, and the OSA's limited budget, no further work will be done on the program. Relief associations that are using FRPAS can continue to use the program, but the OSA won't be able to support the program in the future. Relief associations are encouraged to use the online reporting forms, which nearly all associations used during this past reporting year.

VIII. Next Meeting Date

Auditor Otto explained that there is a scheduling conflict for the next meeting. A Pension Commission meeting was scheduled for the same morning as the next Working Group meeting. Martin proposed changing the Working Group meeting time to noon from 11 a.m. The Group agreed and the next meeting will be held from 12 p.m. to 2 p.m. on Thursday, December 6, 2007 in the Office of the State Auditor's Conference Room.

The Group discussed holding a sixth meeting in January to review draft legislation. Zikmund made a motion to hold a sixth Working Group meeting, if necessary. Dietz seconded the motion and it was adopted unanimously.

IX. Adjournment

Ganfield made a motion to adjourn the meeting, which was seconded by Dietz and approved unanimously. The meeting was adjourned at 1:07 p.m.

Proposed Changes to Theft Reporting Statutes

6.67 PUBLIC ACCOUNTANTS; REPORT OF EVIDENCE POINTING TO MISCONDUCT.

Whenever a public accountant in the course of auditing the books and affairs of a county, city, town, school district, ~~or~~ other public corporations, or local public pension plan governed by section 69.77, sections 69.771 to 69.775, or chapter 354A, 422A, 423B, 423C, or 424A, shall discover evidence pointing to nonfeasance, misfeasance, or malfeasance, on the part of an officer or employee in the conduct of duties and affairs, the public accountant shall promptly make a report of such discovery to the state auditor and the county attorney of the county in which the governmental unit or local public pension plan is situated and the public accountant shall also furnish a copy of the report of audit upon completion to said officers. The county attorney shall act on such report in the same manner as required by law for reports made to the county attorney by the state auditor.

609.456 REPORTING TO STATE AUDITOR AND LEGISLATIVE AUDITOR REQUIRED.

Subdivision 1. **State auditor.** Whenever a public employee or public officer of a political subdivision, ~~or~~ charter commission, or local public pension plan governed by section 69.77, sections 69.771 to 69.775, or chapter 354A, 422A, 423B, 423C, or 424A, discovers evidence of theft, embezzlement, unlawful use of public funds or property, or misuse of public funds by a charter commission or any person authorized to expend public funds, the employee or officer shall promptly report to law enforcement and shall promptly report in writing to the state auditor a detailed description of the alleged incident or incidents. Notwithstanding chapter 13 or any other statute related to the classification of government data, the public employee or public officer shall provide data or information related to the alleged incident or incidents to the state auditor and law enforcement, including data classified as not public.

Subd. 2. **Legislative auditor.** Whenever an employee or officer of the state, University of Minnesota, or other organization listed in section 3.971, subdivision 6, discovers evidence of theft, embezzlement, or unlawful use of public funds or property, the employee or officer shall, except when to do so

would knowingly impede or otherwise interfere with an ongoing criminal investigation, promptly report in writing to the legislative auditor a detailed description of the alleged incident or incidents.

Elimination of Payment of Funeral Benefits from Special Fund

Current Language of Minn.Stat. § 424A.05, subd. 3:

Authorized disbursements from the special fund. (a) Disbursements from the special fund are not permitted to be made for any purpose other than one of the following:

-
- (4) for the payment of any funeral benefits to the surviving spouse, or if no surviving spouse, the estate, of the deceased member of the relief association if authorized by law and specified in amount in the bylaws governing the relief association.

....

Proposed Changes:

Authorized disbursements from the special fund. (a) Disbursements from the special fund are not permitted to be made for any purpose other than one of the following:

-
- ~~(4) for the payment of any funeral benefits to the surviving spouse, or if no surviving spouse, the estate, of the deceased member of the relief association if authorized by law and specified in amount in the bylaws governing the relief association.~~

....

Approved Ancillary Benefit Language

Current Minn. Stat. § 424A.001, subd. 9(2):

(2) with respect to any relief association, no ancillary benefit paid or payable to any member, to any former member, or to any person on behalf of any member or former member, may exceed in amount the total earned service pension of the member or former member. The total earned service pension must be calculated using the service pension amount specified in the bylaws of the relief association and the years of service credited to the member or former member. The years of service must be determined as of (i) the date the member or former member became entitled to the ancillary benefit; or (ii) the date the member or former member died entitling a survivor or the estate of the member or former member to an ancillary benefit. The ancillary benefit must be calculated (i) without regard to whether the member or former member had attained the minimum amount of service and membership credit specified in the governing bylaws; and (ii) without regard to the percentage amounts specified in subdivision 2; except that the bylaws of any relief association may provide for payment of a survivor benefit in an amount not to exceed five times the yearly service pension amount specified by the bylaws on behalf of any member who dies before having performed five years of active service in the fire department with which the relief association is affiliated.

Approved:

Addition to Definitions section: (New)

Minn. Stat. § 424A.001, subd. 1a. **Ancillary Benefit.** “Ancillary benefit” means a benefit other than a service pension that is permitted by law and that is provided for in the relief association bylaws.

Approved:

Changes to Minn. Stat. § 424A.02, subd. 9(2):

(2) with respect to any relief association, no ancillary benefit paid or payable to any member, to any former member, or to any person on behalf of any member or former member, may exceed in amount the total earned service

pension of the member or former member. The total earned service pension must be calculated ~~using~~ by multiplying the service pension amount specified in the bylaws of the relief association at the time of death or disability ~~and~~ by the years of service credited to the member or former member. The years of service must be determined as of (i) the date the member or former member became entitled to the ancillary benefit; or (ii) the date the member or former member died entitling a survivor or the estate of the member or former member to an ancillary benefit. The ancillary benefit must be calculated ~~(i) without regard to whether the member or former member had attained the minimum amount of service and membership credit specified in the governing bylaws.; and (ii) without regard to the percentage amounts specified in subdivision 2;~~ For active members, the amount of a permanent disability benefit or a survivor benefit must be equal to the member's total earned service pension; except that the bylaws of any relief association may provide for payment of a minimum survivor benefit in an amount not to exceed five times the yearly service pension amount specified by the bylaws on behalf of any member who dies before having performed five years of active service in the fire department with which the relief association is affiliated.

Approved Alternative Surviving Spouse Definitions

Current definition: For purposes of this chapter, and the governing bylaws of any relief association to which this chapter applies, the term “surviving spouse” means any person who was the dependent spouse of a deceased active member or retired former member living with the member at the time of the death of the active member or retired former member for at least one year prior to the date on which the member terminated active service and membership.

PERA definition: “Surviving spouse” means the spouse of a deceased member or disabilitant who was legally married to the member at the time of death.

Approved changes to Minn. Stat. § 424A.001, subd. 6:

For purposes of this chapter and the governing bylaws of any relief association to which this chapter applies, the term “surviving spouse” means ~~any person who was the dependent spouse of a deceased active member or retired former member living with the member at the time of the death of the active member or retired former member for at least one year prior to the date on which the member terminated active service and membership.~~ the spouse of a deceased member who was legally married to the member either at the time of separation or at death as specified by the governing bylaws or, if the governing bylaws do not specify, at the time of death.

Revised Deferred Interest Issues

Current Minn. Stat. § 424A.02, subd. 7(c)(2):

A relief association that provides a lump sum service pension governed by subdivision 3 may, when its governing bylaws so provide, pay interest on the deferred lump sum service pension during the period of deferral. If provided for in the bylaws, interest must be paid in one of the following manners:

- (2) at an interest rate of up to five percent, compounded annually, as set by the board of directors and approved as provided in subdivision 10; or
- (3) at a rate equal to the actual time weighted total rate of return investment performance of the special fund as reported by the Office of the State Auditor under section 356.219, up to five percent, compounded annually, and applied consistently for all deferred service pensioners.

. . . .

Current Minn. Stat. § 424A.02, subd. 7(d):

Interest under paragraph c, clause (2) or (3), is payable from the first day of the month next following the date on which the municipality has approved the deferred service pension interest rate established by the board of trustees or from the first day of the month next following the date on which the member separated from active fire department service and relief association membership, which ever is later, to the last day of the month immediately before the month in which the deferred member becomes eligible to begin receipt of the service pension and applies for the deferred service pension.

Proposed Changes to Minn. Stat. § 424A.02, subd. 7(d): (Alternative #1)

Interest under paragraph c, clause (2) or (3), is payable ~~from the first day of the month next following the date on which the municipality has approved the deferred service pension interest rate established by the board of trustees or from the first day of the month next following the date on which the member separated from active fire department service and relief association membership, which ever is later, to the last day of the month immediately~~

~~before the month in which the deferred member becomes eligible to begin receipt of the service pension and applies for the deferred service pension.~~

Office of the State Auditor
Memorandum

Revised Title to Assets Language

Current Minn. Stat. § 356A.06, subd. 1: Title to assets. Assets of a covered pension plan may be held only by the plan treasurer, the State Board of Investment, the depository agent of the plan, or of the State Board of Investment. . . .

Suggested Alternative: Title to assets. Assets of a covered pension plan may be held only by the plan treasurer, the State Board of Investment, a security broker or its agent, or the depository agent of the plan or of the State Board of Investment. . . . (comma omitted). A security broker or its agent must acknowledge in writing annually that sufficient SIPC insurance is available to cover assets held by the security broker or its agent.

Uniform Broker Form

Current Minn. Stat. 356A.06, subd. 8b:

(c) A broker must acknowledge in writing annually the receipt of the statement of investment restrictions and must agree to handle the covered pension plan's investments and assets in accord with the provided investment restrictions. A covered pension plan may not enter into or continue a business arrangement with a broker until the broker has provided this written acknowledgement to the chief administrative office of the covered pension plan.

Proposed addition to Minn. Stat. 356A.06, subd. 8b:

(c) A broker must acknowledge in writing annually the receipt of the statement of investment restrictions and must agree to handle the covered pension plan's investments and assets in accord with the provided investment restrictions. A covered pension plan may not enter into or continue a business arrangement with a broker until the broker has provided this written acknowledgement to the chief administrative office of the covered pension plan.

(d) The state auditor shall prepare uniform notification forms which shall be used by the covered pension plans and the brokers to meet the requirements of this subdivision.

Revised Authorized Investment Language

Part 1:

Current Minn. Stat. § 356A.06, subd. 7(k)(2):

(2) The investments authorized in clause (1) must conform to the following provisions:

(i) the aggregate value of all investments made according to clause (1) may not exceed 20 percent of the market values of the fund for which the covered pension plan is investing:

Revised suggested language:

(2) The investments authorized in clause (1) must conform to the following provisions:

(i) the aggregate value of all investments made according to clause (1), including allocated amounts of index and mutual funds, may not exceed 20 percent of the market values of the fund for which the covered pension plan is investing:

Changes to other parts of the statute in support of Part 1, made for consistency and to prevent confusion:

Part 2:

Current Minn. Stat. § 356A.06, subd. 7(h): Commingled or mutual investments. The covered pension plan may invest in index or mutual funds, including index mutual funds, through bank-sponsored collective funds and shares of open-end investment companies registered under the Federal Investment Company Act of 1940, if the investments of the index or of the mutual fund comply with paragraphs (c) to (j).

Suggested language: Commingled or mutual investments. The covered pension plan may invest in index or mutual funds, including index mutual funds, through bank-sponsored collective funds and shares of open-end investment companies registered under the Federal Investment Company

Act of 1940, ~~if the investments of the index or of the mutual fund to the extent these funds~~ comply with paragraphs (c) to (j).

Part 3:

Current Minn. Stat. § 356A.06, subd. 7(k): Other investments. (1) In addition . . . , the covered pension plan may invest funds in:(iii) regional and mutual funds through bank sponsored collective funds and open-end investment companies registered under the Federal Investment Company Act of 1940 which do not qualify under paragraph (h);

Suggested language: Other investments. (1) In addition . . . , the covered pension plan may invest funds in:(iii) regional and mutual funds through bank sponsored collective funds and open-end investment companies registered under the Federal Investment Company Act of 1940 which to the extent a fund or a portion of a fund does ~~do~~ not qualify under paragraph (h);

division shall supersede any prior special law authorization relating to the provision of post-retirement increases.

Subd. 9b. Repayment of service pension in certain instances. If a retired volunteer firefighter does not permanently separate from active firefighting service as required by subdivision 1 and section 424A.001, subdivision 9, by resuming active service as a firefighter in the same volunteer fire department or as a person in charge of firefighters in the same volunteer fire department, no additional service pension amount is payable to the person, no additional service is creditable to the person, and the person shall repay any previously received service pension.

Subd. 10. Local approval of bylaw amendments; filing requirements. (a) Each relief association to which this section applies shall file a revised copy of its governing bylaws with the state auditor upon the adoption of any amendment to its governing bylaws by the relief association or upon the approval of any amendment to its governing bylaws granted by the governing body of each municipality served by the fire department to which the relief association is directly associated. Failure of the relief association to file a copy of the bylaws or any bylaw amendments with the state auditor shall disqualify the municipality from the distribution of any future fire state aid until this filing requirement has been completed.

(b) If the special fund of the relief association does not have a surplus over full funding pursuant to section 69.772, subdivision 3, clause (2), subclause (e), or 69.773, subdivision 4, and if the municipality is required to provide financial support to the special fund of the relief association pursuant to section 69.772 or 69.773, no bylaw amendment which would affect the amount of, the manner of payment of, or the conditions for qualification for service pensions or ancillary benefits or disbursements other than administrative expenses authorized pursuant to section 69.80 payable from the special fund of the relief association shall be effective until it has been ratified by the governing body or bodies of the appropriate municipalities. If the municipality is not required to provide financial support to the special fund pursuant to this section, the relief association may adopt or amend without municipal ratification its articles of incorporation or bylaws which increase or otherwise affect the service pensions or ancillary benefits payable from the special fund so long as the changes do not cause the amount of the resulting increase in the accrued liability of the special fund to exceed 90 percent of the amount of the prior surplus over full funding and the changes do not result in the financial requirements of the special fund exceeding the expected amount of the future fire state aid to be received by the relief association.

(c) If the relief association pays only a lump sum pension, the financial requirements are to be determined by the board of trustees following the preparation of an estimate of the expected increase in the accrued liability and annual accruing liability of the relief association attributable to the change. If the relief association pays a monthly benefit service pension, the financial requirements are to be determined by the board of trustees following either an updated actuarial valuation including the proposed change or an estimate of the expected actuarial impact of the proposed change prepared by the actuary of the relief association. If a relief association adopts or amends its articles of incorporation or bylaws without municipal ratification pursuant to this subdivision, and, subsequent to the amendment or adoption, the financial requirements of the special fund pursuant to this section are such so as to require financial support from the municipality, the provision which was implemented without municipal ratification shall no longer be effective without municipal ratification, and any service pensions or ancillary benefits payable after that date shall be paid only in accordance with the articles of incorporation or bylaws as amended or adopted with municipal ratification.

Subd. 11. [Repealed, 2000 c 461 art 16 s 13]

Subd. 12. Transfer of service credit to new district. Notwithstanding the requirements of subdivision 1 or any other law, a member of a fire department which is disbanded upon formation of a fire district to serve substantially the same geographic area, who serves as an active firefighter with the new district fire department, and is a member of the district firefighters' relief association shall be entitled to a nonforfeitable service pension from the